

IN THE DISTRICT COURT OF HALL COUNTY, NEBRASKA

GORDON GLADE, an individual; CECILIA
PARK an individual; CENTRAL NEBRASKA
CREDIT, LTD, a Nebraska limited
partnership; and HELLSNYC LLC, a
Delaware limited liability company,

Plaintiffs,

v.

AXIS ACQUISITION, INC., a Nebraska
corporation; AXIS CAPITAL, INC., a
Nebraska corporation; AMUR FINANCE
COMPANY, INC., a Delaware corporation;
AMUR FINANCE IV LLC, a Delaware
limited liability company; AMUR CAPITAL
MANAGEMENT LP, a Delaware limited
partnership; AMUR INVESTMENTS LLC, a
Delaware limited liability company;
MOSTAFIZ SHAHMOHAMMED, an
individual; ALISON MASON, an individual;
KALYAN MAKAM, an individual; and
SHAUNA HECKATHORN, an individual,

Defendants.

Case No.: _____

**COMPLAINT (LAW AND EQUITY),
DEMAND FOR JURY TRIAL, AND
AND PRAECIPE**

GORDON GLADE, an individual; CECILIA PARK an individual; CENTRAL
NEBRASKA CREDIT, LTD, a Nebraska limited partnership; HELLSNYC LLC, a Delaware
limited liability company (collectively, "Plaintiffs") by and through counsel, allege for their
Complaint against AXIS ACQUISITION, INC., a Nebraska corporation; AXIS CAPITAL, INC.,
a Nebraska corporation; AMUR FINANCE COMPANY, INC., a Delaware corporation; AMUR
FINANCE IV LLC, a Delaware limited liability company; AMUR CAPITAL MANAGEMENT
LP, a Delaware limited partnership; AMUR INVESTMENTS LLC, a Delaware limited liability
company; MOSTAFIZ SHAHMOHAMMED, an individual; ALISON MASON, an individual;
KALYAN MAKAM, an individual; and SHAUNA HECKATHORN, an individual (collectively,

“Defendants”) as follows:

I. STATEMENT OF PARTIES AND VENUE

A. The Plaintiffs

1. Plaintiff Gordon Glade (“Glade”) is a Nebraska resident.
2. Plaintiff Cecilia Park (“Park”) is a New York resident.
3. Plaintiff Central Nebraska Credit, Ltd. (“CNC”) is a Nebraska limited partnership with its principal place of business in Grand Island, Nebraska. CNC’s general partner, Tilden, LLC, is a Nebraska limited liability company with its principal place of business in Grand Island, Nebraska, whose sole member is Glade. CNC’s sole limited partner is Glade.
4. Plaintiff Hellsnyc LLC (“Hellsnyc”) is a Delaware limited liability company with its principal place of business in New York, New York. Park is the sole member of Hellsnyc.

B. The Defendants: Axis Entities

5. Defendant Axis Capital, Inc. (“Axis Capital”) is a Nebraska corporation with its principal place of business in Grand Island, Nebraska.
6. Defendant Axis Acquisition, Inc. (“Axis Acquisition”) is a Nebraska corporation with its principal place of business in Grand Island, Nebraska.
7. Collectively, Axis Capital and Axis Acquisition shall be referred to as the “Axis Entities”.

C. The Defendants: Amur Entities and People

8. Defendant Amur Finance Company, Inc. (“Amur Finance”) is a Delaware corporation with its principal place of business in White Plains, New York.
9. Amur Finance IV LLC (“Amur Finance IV”) is a Delaware limited liability company with its principal place of business in White Plains, New York.

10. Defendant Amur Capital Management LP (“Amur Capital”) is a Delaware limited partnership (“Amur Capital”). Upon information and belief, Amur Capital’s general partner is Amur Capital Group LLC, and its limited partners are Defendant Mostafiz ShahMohammed and his wife, Randi Gustafson.

11. Defendant Amur Investments LLC (“Amur Investments”) is a Delaware limited liability company with its principal place of business in White Plains, New York.

12. Defendant Mostafiz ShahMohammed (“ShahMohammed”) is an individual residing in the State of New York. ShahMohammed’s wife, Randi Gustafson is not a named defendant at this time, but is also believed to be a resident of the State of New York.

13. Defendant Alison Mason (“Mason”) is an individual residing in the State of New York.

14. Defendant Kalyan Makam (“Makam”) is an individual residing in the State of New York.

15. Defendant Shauna Heckathorn (“Heckathorn”) is an individual residing in Grand Island, Nebraska.

16. Collectively, Defendants Amur Finance, Amur Finance IV, Amur Investment, and Amur Capital shall be referred to as the “Amur Entities”.

17. Collectively, Defendants ShahMohammed, Mason, Makam, and Heckathorn shall be referred to as the “Individual Defendants”.

18. Collectively, the Amur Entities and the Individual Defendants shall be referred to as the “Amur Entities and People”.

D. Venue and Jurisdiction

19. Venue is proper pursuant to Neb. Rev. Stat. § 25-403.01(1), Neb. Rev. Stat. § 25-403.01(2), and Neb. Rev. Stat. § 21-20,163.

20. This Court has personal jurisdiction over each Defendant because each of these Defendants conducts business in Nebraska.

II. GENERAL ALLEGATIONS

21. The allegations of the foregoing paragraphs above are incorporated by reference herein with the same force and effect as if set forth in full below.

A. Background of Axis Entities

22. Axis Capital is a commercial equipment finance company. Axis Capital provides customized equipment finance and leasing solutions to a broad range of clients. It works directly with vendors and business owners to help its clients meet their financing needs and equip those clients for long-term growth.

23. To finance its operations, Axis Capital relies, either directly or indirectly, upon:

- a. Credit facilities from multiple banks, including MB Financial, Wells Fargo, and KeyBank; and
- b. Funds from third party financing entities that have loan or financing arrangements with one or more of the Amur Entities (defined below). These financing entities include Pine River, Garrison Point, and Mutual of Omaha.

24. Axis Capital was initially formed by Glade in 1996. At that time, Glade was the 90% owner of Axis Capital, and Glade's father owned the other 10% of the company.

25. From 1996 through 2007, Axis Capital operated as a family-run business based in Grand Island, Nebraska.

26. Following the economic downturn that began in 2007/2008 and to ensure future growth of Axis Capital, Glade and his father looked for outside investors. As a result, in December 2010, a consortium of investors arranged by one or more of the Amur Entities and People became investors in Axis Capital. However, Glade remained Axis Capital's CEO and President, and he remained a member of the company's Board of Directors.

27. Plaintiff Park's involvement with the Axis Entities initially began through Amur Capital, which was one of the outside investors in December 2010. In 2012, Park became employed by and the Chief Financial Officer of Axis Capital, moving from New York to Grand Island, Nebraska, to fulfill her duties for Axis Capital. Park was eventually named President of Axis Capital in 2013.

28. Axis Acquisition was formed in December 2008 as a part of the series of transactions that took place to allow for the involvement of outside investors in Axis Capital beyond Glade and his father.

- a. Each of the Plaintiffs are shareholders in Defendant Axis Acquisition, Inc.
- b. Defendants Amur Finance and Amur Investments are also shareholders in Defendant Axis Acquisition.

29. Axis Capital's common stock is held exclusively by Axis Acquisition.

B. Organization and Background of Events Relating to Axis Acquisition

30. Upon information and belief, the current shareholders¹ of Axis Acquisition are as follows:

Amur Finance	6,416.4 Shares	
Amur Investments	857.2 Shares	
<i>Subtotal:</i>	<i>7,273.6 Shares</i>	<i>(Approx 71%)</i>
Gordon Glade, individually	396.0 Shares	
CNC	1,804.0 Shares	
Cecilia Park, individually	203.0 Shares	
Hellsnyc	571.5 Shares	
<i>Subtotal:</i>	<i>2,974.5 Shares</i>	<i>(Approx. 29%)</i>

31. Amur Finance and Amur Investments are primarily owned and controlled by Defendant ShahMohammed.

32. CNC, Hellsnyc, Glade, and Park are each minority shareholders of Axis Acquisition.

33. Management of Axis Acquisition is vested in the following Board of Directors:

Mostafiz ShahMohammed
Shauna Heckathorn
Alison Mason
Kalyan Makam
Cecilia Park
Gordon Glade

34. Axis Capital is the only subsidiary corporation of Axis Acquisition and constitutes all or substantially all of the assets of Axis Acquisition.

35. On or about May 16, 2013, the then-current shareholders of Axis Acquisition and Axis Capital entered into the Second Amended and Restated Shareholders Agreement (the

¹ Restricted stock awards were granted to certain employees in July 2015, however, these restricted stock awards do not begin vesting until August 2016.

“Shareholders’ Agreement”), attached hereto as **Exhibit A**. The shareholders at the time that the Shareholders’ Agreement was signed included:

Amur Finance Company
Amur Investments
CNC
Hellsnyc
Gordon Glade, individually
DRGG Investments, LLC²

36. Park later became bound by the terms of the Shareholders’ Agreement by virtue of her later acquisition of stock in Axis Acquisition.

37. As will be discussed in greater detail below, the Amur Entities and People have taken numerous steps to obtain the Plaintiffs’ shares of Axis Acquisition, dilute the Plaintiffs’ ownership and financial interests in Axis Acquisition, and/or restrict the Plaintiffs’ ability to meaningfully manage and monitor the operations of Axis Acquisition. Such attempts include, but are not limited to:

- a. In November 2015, one or more of the Amur Entities and People—led by Defendant ShahMohammed—approached Glade and Park about exchanging the shares they owned in Axis Acquisition (directly as individuals or indirectly through CNC and Hellsnyc) for shares in Amur Finance (the “Exchange Offer”).
- b. On December 2 and 3, 2015, Glade and Park verbally notified the Amur Entities and People that they were rejecting the Exchange Offer. As set forth more fully in the letters transmitted by Glade and Park on or about December 8, 2015, the Exchange Offer undervalued the shares of Axis Acquisition held by the Plaintiffs, and the Amur Entities and People failed to provide basic

² The shares that had been held by DRGG Investments, LLC are currently being held as unissued stock of Axis Acquisition.

documents and information regarding Amur Finance so that the offer could be evaluated on a business basis.

- c. On or about December 2, 2015, ShahMohammed wrongfully told Glade that Glade did not have the option of refusing the Exchange Offer.
- d. Following the verbal notification of Glade's rejection, Glade was told by Defendant ShahMohammed that Glade and Park failed to see his "vision" for Amur Finance and were not "on the boat." Defendant ShahMohammed further told Glade that Glade and Park would be "out of the boat" if they did not accept the Exchange Offer.
- e. Indeed, immediately after Glade and Park verbally declined to exchange their shares in Axis Acquisition for shares in Amur Finance, Defendant ShahMohammed and others of the Amur Entities and People began wrongfully accusing Glade and Park of failing to perform their jobs as CEO and President, respectively, of Axis Capital. Such accusations are in spite of record performance and growth of Axis Capital during 2014 and 2015 and the repeated positive statements regarding Glade and Park as CEO and President, respectively, of Axis Capital. Accusations of deficient job performance had never previously been made against Glade and Park by any of the Amur Entities or People prior to that time.
- f. Glade and Park transmitted letters on or about December 8, 2015 confirming their rejection of the Exchange Offer. True and accurate copies of those rejection letters are attached as **Exhibits B and C.**

- g. Within two weeks of declining the Exchange Offer, on December 17, 2015, Glade and Park were summarily removed as CEO and President, respectively, of Axis Capital and replaced by officers and directors of Amur Finance. This removal is discussed in greater detail below in the section regarding Axis Capital.
- h. Over the next several months, the Amur Entities and People took numerous actions wherein they purported to have the boards of the Axis Entities take various actions to the detriment of the Plaintiffs's financial and ownership interests in Axis Acquisition and for the benefit of the Amur Entities and People. As will be discussed in greater detail below, such actions included issuing new classes of preferred shares and warrants that could be converted into non-voting common stock of Axis Capital.
- i. Glade and Park were later placed on administrative leave on April 26, 2016 without valid basis or cause.
- j. Glade and Park were wrongfully terminated—allegedly for cause—in May 2016 without the payment of the severance packages due to each of them, which totaled in excess of one million dollars.
- k. Park's termination had the additional effect of stripping her of 300 additional shares in Axis Acquisition that were in the process of vesting. Had Plaintiff Park's employment not been wrongfully terminated in May 2016, the number of shares owned by Plaintiff Park would have grown over the next three years. Specifically, Plaintiff Park had been granted certain restricted stock awards that would have vested in August 2016 (100 shares), August 2017 (100

shares), and August 2018 (100 shares).

- l. Following the rejection of the Exchange Offer, the Amur Entities and People began systematically refusing or ignoring information requests from Glade and Park regarding the operations of Axis Acquisition and Axis Capital to which Glade and Park were entitled. In addition, the Amur Entities and People failed to provide the information and documents to Glade and Park that was required by the Shareholders' Agreement to be provided without request.
- m. Upon information and belief, beginning prior to the Exchange Offer and continuing through the present date, the Amur Entities and People have wrongfully met and/or communicated amongst each other without the presence or involvement of Glade and Park with regard to the operation and management of Axis Acquisition and Axis Capital.
- n. As will be discussed in greater detail below, the Amur Entities and People have wrongfully held multiple board meetings and attempted to take various corporate actions without the proper authority and without following the requirements of the Shareholders' Agreement or Nebraska law. For example, after Glade and Park refused the Exchange Offer, the Amur Entities and People attempted to cause the issuance of multiple series of preferred stock and related warrants to Amur Finance and/or Amur Investments. Such actions were calculated and intended to dilute the ownership and financial interests of all Plaintiffs if Amur Finance and/or Amur Investments exercised the rights granted to them under such documents.

38. Prior to the Exchange Offer being officially made to Glade and Park, Defendant ShahMohammed, Defendant Heckathorn, and/or other of the Amur Entities and People ordered employees who reported to Defendant Heckathorn to surreptitiously contact Glade's personal accountants to obtain information about the shares of Axis Acquisition owned by Glade and CNC. Upon information and belief, these employees were expressly directed to not seek Glade's permission to contact his accountant. Glade has never given any of the Amur Entities or People permission to access information about his personal finances without his express permission.

39. Shortly before the Exchange Offer was made to Glade and Park, the Amur Entities and People announced to Glade and Park that they intended to convert Axis Acquisition and/or Axis Capital from Nebraska corporations to a Delaware limited liability company.

40. Upon information and belief, the Amur Entities and People wanted to transition one or both of the Axis Entities to a Delaware limited liability company for the purposes of obtaining greater control over one or both of the Axis Entities and limiting the Amur Entities and People's fiduciary obligations to the Plaintiffs.

C. Organization and Background of Events Relating to Axis Capital

41. Axis Acquisition owns one hundred percent (100%) of the voting and nonvoting common stock of Axis Capital.

42. Pursuant to the Shareholders' Agreement, Amur Finance owns 7,546.22 Series A Preferred Shares, Amur Investments owns 453.78 Series A Preferred Shares, and Hellsnyc owns 302.52 Series A Preferred Shares in Axis Capital.

43. Upon information and belief, the 86.91 Series A Preferred Shares that were issued to DRGG under the terms of the Shareholders' Agreement are now owned by one or more of the Amur Entities in addition to those shares identified in Paragraph 42, above.

44. As of December 16, 2015, the management of Axis Capital was vested in the following Board of Directors and officers:

Mostafiz ShahMohammed, Director and Chairman
Gordon Glade, Director and CEO
Cecilia Park, Director and President
Shauna Heckathorn, Director and CFO
Alison Mason, Director
Kalyan Makam, Director

45. However, on December 17, 2015 (less than one month following Glade and Park's rejection of the Exchange Offer), the management of Axis Capital was changed in the following ways:

- a. Glade was removed as the CEO of Axis Capital, and his title was changed to Vice Chairman, with the assignment to focus on expanding Axis Capital's business in Canada.
- b. Park was removed as the President of Axis Capital, and she was assigned the newly formed position of Executive Vice President for Investment Strategy at Amur Finance.
- c. Glade's and Park's former roles were assumed by people directly tied to and controlled by Amur Finance, specifically:
 - i. Defendant ShahMohammed assumed Glade's role as CEO of Axis Capital.

- ii. Amur Finance's Director of Strategy and Sr. Vice-President of Strategy, Malia K. Du Mont, was appointed Co-President and Chief Operating Officer of Axis Capital.
- iii. Amur Finance Director, Andrea Zana, was appointed Co-President and Chief Risk Officer of Axis Capital.
- d. The replacement of Glade and Park with Amur Finance's own directors and officers exemplify the attempts of the Amur Entities and People to wrongfully commandeer control of Axis Acquisition's sole asset, Axis Capital, and to wrongfully oppress the minority shareholders: Glade, Park, CNC, and Hellsnyc.

46. Additionally, and as discussed more in depth below, certain series of preferred stock and warrants in Axis Capital have been purportedly issued to Amur Finance and/or Amur Investments as a result of the Amur Entities and People's attempts to dilute the ownership and financial interest of the minority shareholders: Glade, Park, CNC, and Hellsnyc.

D. Organization and Background of Events Relating to Amur Finance

47. Upon information and belief, Amur Finance's shareholders are the following:
- a. Defendant ShahMohammed, who owns and controls Amur Finance either directly or indirectly; and
 - b. Pine River Capital Management L.P., a Delaware limited partnership ("Pine River") and/or affiliates of Pine River. Pine River's principal place of business in the State of Minnesota.
48. Upon information and belief, management of Amur Finance is vested in the following Board of Directors and officers:

Mostafiz ShahMohammed, Director, Chairman and CEO
Shauna Heckathorn, Director of Finance
Alison Mason, Director, Executive Vice President and CFO
Kalyan Makam, Director and Executive Vice President
Mark Sheridan, Director and Executive Vice President
Larry H. Weinberg, Director, Executive Vice-President, and COO
Designee from Pine River

49. As set forth above, Amur Finance is one of the shareholders of Axis Acquisition.

50. Amur Finance has appointed the following directors of Axis Acquisition's and Axis Capital's boards of directors: Mostafiz ShahMohammed, Shauna Heckathorn, Alison Mason, and Kalyan Makam (collectively, the "Individual Defendants"). As detailed above, each of the Individual Defendants is a director and/or officer of Amur Finance.

51. As the appointer of the Individual Defendants, and to the extent that the Individual Defendants do not each owe a fiduciary duty to Axis Acquisition, Axis Capital, or the Plaintiffs, such fiduciary duties are owed to each of the Plaintiffs by Amur Finance.

52. Additionally, as the majority shareholder, Amur Finance also owed fiduciary duties to each of the Plaintiffs as minority shareholders.

53. In addition to Axis Acquisition, Amur Finance has a number of other investments in other companies, including, but not limited to:

- a. *Amur Aviation* – Provides aircraft finance and leasing services to fixed- and rotary-wing customers.
- b. *Amur ESL, Amur Ship Finance, and Coral Alliance* – Offer project management and support services to the energy, shipping & logistics industries.

54. Upon information and belief, these other investments are not as profitable as the Axis Entities, and Amur Finance is utilizing the money obtained from as well as the other resources of the Axis Entities to subsidize and finance the operations of these other investments.

E. Organization and Background of Events Relating to Amur Finance IV

55. Upon information and belief, Amur Finance IV is a wholly owned subsidiary of Amur Finance.

56. To finance its operations, Axis Capital borrows money from Amur Finance IV, which Amur Finance IV obtains from hedge funds such as Pine River. Amur Finance IV's parent company, Amur Finance, also borrows money from Pine River as well as other financing entities such as Garrison Point and Mutual of Omaha.

57. Since the removal of Glade and Park as the CEO and President, respectively, of Axis Capital on or about December 17, 2015, one or more of the Amur Entities and People have had direct or indirect control of Axis Capital's financial borrowing. Specifically, financing is obtained on behalf of Axis Capital by Defendant ShahMohammed, Defendant Makam, or Defendant Mason instructing Defendant Heckathorn to require Axis Capital to submit a Request for Borrowing to Amur Finance IV. Amur Finance IV will then submit a similar request to Pine River or one of the other financing entities. All or a portion of the funds received by Amur Finance IV as a consequence of such request are then transmitted to Axis Capital.

58. Axis Capital pays interest on the money received from Amur Finance IV.

59. However, in addition to paying interest on the money borrowed, Axis Capital is required to pay an administrative fee to Amur Finance in the amount of 2 percent of the amount borrowed on a monthly basis.

60. Through the administrative fee, Amur Finance actually profits off of the money its subsidiary lends to Axis Capital.

61. Under this structure and given the multiple hats worn by the Individual Defendants with regard to the Amur Entities and Axis Capital, the lender (Amur Finance IV) and “administrator” (Amur Finance) is essentially in total control of when and how much the borrower (Axis Capital) actually borrows.

- a. As set forth above, each of these Individual Defendants is directly involved in the management or ownership of Amur Finance—the parent company of Amur Finance IV.
- b. Given the role of Amur Finance’s own officers and directors in submitting and directing the request for financing on behalf of Axis Capital, Amur Finance indirectly controls and determines the payment of interest and administrative fees from Axis Capital to Amur Finance IV and Amur Finance, respectively.
- c. Upon information and belief, the funds paid by Axis Capital in connection with the loans from Amur Finance IV are transmitted from Amur Finance IV to Amur Finance for the use and benefit of the Amur Entities and People.

62. During the time period of December 17, 2015 through March 2016, one or more of the Amur Entities and People required Axis Capital to make multiple requests totaling approximately \$16 million from Amur Finance IV, which in turn used such request to obtain those moneys from Pine River.

63. This money was not needed or necessary to support the operations of Axis Capital, and wasteful of Axis Acquisition’s sole asset, Axis Capital. For example:

- a. The 2% administrative fee payable from Axis Capital to Amur Finance on \$16 million is approximately \$320,000 per annum, which is in addition to the interest being paid on the money to Amur Finance IV.
- b. Upon information and belief, the current interest rate being charged by Amur Finance IV to Axis Capital is 12% per annum, which would equate to interest costs of approximately \$1.92 million per year if the principal balance of \$16 million is not reduced during that time.

64. To the extent all or any portion of such money was required for the operations of Axis Capital (a fact denied by Plaintiffs), there were other funding options available at the same or a lower interest rate and without the payment of the administrative fee.

65. Upon information and belief, Amur Finance IV invests in a number of companies, including, but not limited to, PMC Aviation 2012-1 LLC, a Delaware limited liability company ("PMC"). Amur Finance IV is the managing member of and the lender to PMC.

- a. Upon information and belief, such investments have not been successful or profitable and have instead resulted in large amounts of litigation for Amur Finance IV.
- b. For example, Amur Finance IV has sued and has caused PMC to sue Jet Midwest Group, LLC (one of PMC's members) for more than \$74 million (the "PMC/JMG Litigation").
- c. Further, PMC is separately suing one of its customers, Dynamic International Airways LLC, a Virginia limited liability company ("Dynamic"), for \$2.5 million in connection with the alleged non-payment of the lease of a Boeing 767 aircraft (the "PMC/Dynamic Litigation").

- d. During the course of the PMC/JMG Litigation, the CEO and managing member of JMG has alleged that Defendant ShahMohammed boasted about his strategy of taking over companies.

F. Organization and Background of Events Relating to Amur Capital

66. Upon information and belief, Defendant ShahMohammed owns and controls Amur Capital with his wife, Randi Gustafson.

67. Amur Capital purports to employ a majority of the individuals working for Amur and Axis.

68. In 2015, the Defendants purported to change the employment status of Plaintiff Glade and Plaintiff Park from being employees of Axis Capital to being employees of Amur Capital.

69. Glade and Park were identified by the Defendants as employees of Amur Capital until they were wrongfully terminated in May 2016.

G. Organization and Background of Events Relating to Amur Investments

70. Upon information and belief, Defendant ShahMohammed owns and controls Amur Investments either directly or indirectly or is the sole member of the company.

71. As set forth above, Amur Investments is one of the shareholders of Axis Acquisition.

H. Amur Entities and People's Control and Mismanagement of Axis Entities

72. Since at least the Fall of 2015, and potentially earlier, the Amur Entities and People have controlled and mismanaged the Axis Entities for the use and benefit of the Amur Entities and People.

73. On or about December 21, 2015, Larry Weinberg, Director, Executive Vice-President, and COO of Amur Finance, visited Axis Capital's headquarters in Grand Island, Nebraska. During his December 2015 visit, Weinberg indicated that Amur Finance would be consolidating all of its North American employees into one single employer, Amur Capital, which would then lease its employees to Axis Capital and Amur Finance.

- i. Under this arrangement, certain changes occurred, which were designed and made for the sole or principle purpose of increasing the amounts paid to one or more of the Amur Entities and People as opposed to being made for the benefit of the Axis Entities.
- ii. For example, Amur Capital engaged TriNet, a professional employee organization, to manage the payroll and benefits for employees on Amur Capital's behalf.
- iii. TriNet charges Amur Capital a fee for these services, and these fees are passed through by Amur Capital to Axis Capital. These fees are substantially in excess of the costs Axis Capital had previously incurred to self-perform these same activities.
- iv. Prior to Amur Finance's consolidation of all its employees into Amur Capital, Axis Capital already had dedicated human resources personnel who handled the payroll and benefits for its employees. Those dedicated human resources personnel continue to work with Axis Capital employees.
- v. The additional services purportedly offered by TriNet are not necessary to the successful operation of Axis Capital or the management of its payroll and

benefits, and the costs for such services are wasteful and designed to benefit the Amur Entities and People.

- vi. Upon information and belief, Amur Finance wanted TriNet's services for one or more of its other investments and, therefore, required the participation of Axis Capital in order to subsidize all or a portion of the costs of TriNet services for its other investments.
- vii. Upon information and belief, Amur Capital is wrongfully assessing Axis Capital a greater proportion of costs associated with employees who purportedly provide services to Axis Capital as well as one of the Amur Entities, such as Amur Finance.
- viii. These actions artificially and wrongfully inflate the costs of operating Axis Capital and wrongfully transfer funds to one or more of the Amur Entities and People without corresponding value being returned to Axis Capital.

74. The Individual Defendants have promoted and approved certain unnecessary and wasteful loan transactions despite Axis Capital being adequately capitalized each time. For example:

- a. On or about December 17, 2015, Axis Capital made an outsized \$11 million draw from Amur Finance IV that, upon information and belief, was funded by Amur Finance IV's arrangement with Pine River.
 - i. There was no valid or legitimate business purpose that required Axis Capital to obtain such a large amount of financing at that time.

- ii. This action wrongfully inflated the interest expense paid by Axis Capital for operating funds.
 - iii. As detailed above, the Amur Entities and People wrongfully profited by forcing Axis Capital to take this unnecessary loan in the amount of the 2% administrative fee Axis Capital was required to pay Amur Finance in connection with this loan.
- b. In March 2016, Amur Finance again caused, directly or indirectly, Axis Capital to draw the remaining \$5 million of available funds in Axis Capital's subordinated loan with Amur Finance.
 - i. There was no valid or legitimate business purpose that required Axis Capital to obtain such a large amount of financing at that time.
 - ii. This action wrongfully inflated the interest expense paid by Axis Capital for its funds.
 - iii. As detailed above, the Amur Entities and People wrongfully profited by forcing Axis Capital to take this unnecessary loan in the amount of the 2% administrative fee Axis Capital was required to pay Amur Finance in connection with this loan.

75. Defendants ShahMohammed, Mason, and Heckathorn have wholly ignored or substantially delayed responding to Glade and Park's requests for financial information about Axis Acquisition and Axis Capital.

- a. Glade and Park are entitled to such information under both the terms of the Shareholders' Agreement as well as Nebraska law.

- b. The failure to provide this information prevents Glade, Park, CNC, and Hellsnyc from properly monitoring their investment as shareholders in Axis Acquisition.

76. On or about December 17, 2015, Glade and Park were wrongfully and improperly removed from their former management positions in Axis Capital at a board meeting.

- a. The notice of the meeting did not indicate this proposed change in management, and Glade and Park were informed of this action minutes before this meeting took place. This lack of notice violates Nebraska law and the Shareholders' Agreement.
- b. Glade and Park were not consulted about the change of their positions prior to the change being made.
- c. Glade and Park were replaced with Co-Presidents Malia Du Mont and Andrea Zana, who are officers and/or directors of Amur Finance.
- d. Upon information and belief, neither Du Mont nor Zana had any prior experience in the field of small-ticket equipment finance. Indeed, neither Du Mont nor Zana had even been working at Axis Capital prior to their appointment as Co-Presidents of the company.
- e. Glade was reassigned to work on projects for Axis in Canada.
- f. Park was required to almost immediately move back to New York to begin working on a daily basis at the headquarters for the Amur Entities in White Plains, New York.

77. On or about April 26, 2016, in furtherance of the strategy of oppression by the Amur Entities and People, Glade and Park were each wrongfully placed on a paid two-week

administrative leave, which resulted in the unjustified termination of their employment on or about May 10, 2016.

78. Upon information and belief, the removal of Glade and Park as officers of Axis Capital, moving Park to New York, assigning Glade the new territory of Canada, and ultimately terminating Glade's and Park's employment were all designed to (1) frustrate and diminish Glade's and Park's involvement in the management and operations of Axis Acquisition and Axis Capital; (2) dilute or reduce the value of the Plaintiffs' financial interest in Axis Acquisition; and (3) aid the Amur Entities and People in gaining full operational and financial control of Axis Acquisition and Axis Capital for the financial benefit of one or more of the Amur Entities and People and/or to subsidize one or more of the Amur Entities' other investments and operations. For example, the Amur Entities are involved in a variety of lawsuits that are draining cash from those companies' operations (*e.g.*, the PMC/JMG Litigation and the PMC/Dynamic Litigation) and, upon information and belief, have otherwise not shown the same level of financial success that Axis Capital has shown in recent years.

79. The actions of the Amur Entities and People as shareholders, directors, and/or officers of Axis Capital and Axis Acquisition are motivated by the desire to benefit Amur Finance and/or the other Amur Entities to the detriment of the Plaintiffs by actions such as (1) attempting to merge or convert Axis Capital or Axis Acquisition into Amur Finance, and (2) using the operations of Axis Capital and Axis Acquisition to support the other failing investments of Amur Finance and/or Amur Finance IV.

I. Unauthorized Corporate Actions Approved at Board of Director's Meetings on January 15, 2016 and April 28, 2016

80. On or about January 13, 2016, Defendant Makam sent an email notice of a directors meeting to discuss the issuance of a new class of convertible preferred shares and

warrants in Axis Capital. Pursuant to the document attached to the email, each share of the Series B Preferred Stock was to become eligible to be converted into one share of *voting* common stock at any time after the meeting.

81. On or about January 15, 2016, the Board of Directors of Axis Capital held a meeting (the “January 15th Meeting”) wherein the Individual Defendants in their capacities as directors of both Axis Capital and Axis Acquisition voted in favor of creating a new class of convertible preferred shares known as Series B Preferred Shares and issuing related warrants in Axis Capital.

- a. The document that was eventually filed with the Nebraska Secretary of State’s Office by one or more of the Defendants and purportedly adopted at the January 15, 2016 meeting, differs from the document attached to the meeting notice.
- b. Unlike the notice previously issued, each share of the Series B Preferred Stock was to be convertible to one share of *nonvoting* common stock at any time after the meeting. The Individual Defendants concealed the change from voting to nonvoting common stock at the January 15th Meeting. This significant change was not discussed or noted in the meeting.

82. In light of the improper meeting notice and other procedural and substantive deficiencies, Glade and Park objected to the validity of the January 15th Meeting and abstained from all votes taken at the January 15th Meeting.

83. At or shortly after the January 15th Meeting, seven hundred fifty-eight (758) Series B Preferred shares that are convertible into the same number of Nonvoting Common

Stock of Axis Capital and warrants for an additional 758 shares of Nonvoting Common Stock of Axis Capital were issued directly to Amur Finance.

- a. These Series B Preferred shares were entitled to a 12% annual dividend, the right to vote on any sale, merger or consolidation of Axis Capital or Axis Acquisition and, upon such an event, the right to receive 100% of the face value of the stock before any other shareholder received payment.
- b. At its election, Amur Finance was entitled to convert its Series B Preferred Stock into and exercise the warrants for Nonvoting Common Stock for a significantly lower price than the face value of the shares without regard to the actual value of the Nonvoting Common Stock shares.

84. The money obtained through the issuance of the Series B Preferred Shares was not necessary to fund ongoing operations or repay debt owed by the Axis Entities. Rather, to the extent that all or any portion of such money was required (a fact denied by Plaintiffs), there were other funding options available at a lower interest rate that would not have involved the issuance of preferred stock or warrants that could be converted into Nonvoting Common Stock of Axis Capital.

85. Under the terms of the Shareholders' Agreement and Nebraska law, the corporate action taken at the January 15th Meeting required the written consent of all of the Investor Shareholders (as defined therein).

86. The corporate action taken at the January 15th Meeting did not receive the unanimous, written consent of the shareholders of Axis Acquisition that is required by Nebraska law and is, therefore, invalid.

87. No discussion was had at the January 15th Meeting regarding potential conflicts of interest of the directors or whether the transaction was fair to Axis Acquisition.

88. No discussion was had at the January 15th Meeting regarding whether the transaction was fair to the Plaintiffs as minority shareholders.

89. On or about April 28, 2016, and less than two full days after Glade and Park were placed on a two-week administrative leave, the boards of directors for Axis Capital and Axis Acquisition held another meeting (the "April 28th Meeting"). The Individual Defendants in their capacities as directors of both Axis Capital and Axis Acquisition voted in favor of (1) redeeming 8,000 shares of Series A Preferred Stock in Axis Capital held by Amur Finance and Amur Investments; and (2) creating a new series of convertible preferred stock in Axis Capital known as the Series C Preferred Stock and issuing related warrants.

90. At the April 28th Meeting and at the insistence and request of one or more of the Amur Entities and People, the following events purportedly occurred:

- a. The articles of incorporation for Axis Capital were amended;
- b. The subscription agreement for Series C Preferred Stock of Axis Capital were approved;
- c. The subscription agreement for warrants relating the Series C Preferred Stock of Axis Capital were approved;
- d. The warrants exercisable for Nonvoting Common Stock of Axis Capital were approved; and
- e. The offer letter to the holders of Series A Preferred Stock of Axis Capital was approved (the "April 28th Offer Letter").

91. Notably, while the April 28th Offer Letter was purportedly approved, Plaintiff Hellsnyc has not yet received such document even though it still holds Series A Preferred Stock of Axis Capital. As such, either (i) the April 28th Offer Letter has not yet been extended to any of the Series A Preferred Stock Holders or (ii) one or more of the Amur Entities and People have failed and neglected to treat Plaintiff Hellsnyc in the same manner as Amur Finance and Amur Investments with regard to this transaction.

92. In light of the improper meeting notice and other procedural and substantive deficiencies, Glade and Park objected to the validity of the April 28th Meeting and abstained from all votes taken at the April 28th Meeting.

93. Under the terms of the April 28th Offer Letter, each holder of Series A Preferred Stock (Amur Finance, Amur Investments, and Hellsnyc) was allowed the opportunity to (i) convert each share of its Series A Preferred Stock into 0.303 shares of Series C Preferred Stock and (ii) receive a warrant to acquire a number of shares of Nonvoting Common Stock of Axis Capital equal to the number of shares of Series C Preferred Stock to be issued to that shareholder. Such offer was required to be accepted within one week of the date of the April 28th Offer Letter.

94. The April 28th Offer Letter did not allow for the redemption of Series A Preferred Stock for cash, which is what was intended when the Series A Preferred Stock was created.

95. Shareholders of Series C Preferred Stock are entitled to a 15% annual dividend, the right to vote on any sale, merger or consolidation of Axis Capital or Axis Acquisition and, upon such an event, the right to receive 100% of the face value of the stock before any other shareholder received payment.

96. At the Series C shareholder's election, Series C Preferred Stock can be converted into and exercise the warrants for Nonvoting Common Stock at a significantly lower price than the face value of the shares without regard to the actual value of the Nonvoting Common Stock shares.

97. Upon information and belief, Series C Preferred shares and warrants have been issued or are being issued directly to Amur Finance and/or Amur Investments.

98. The money obtained or to be obtained through the issuance of the Series C Preferred Shares was and is not necessary to fund ongoing operations or repay debt owed by the Axis Entities. Rather, to the extent that all or any portion of such money was or is required (a fact denied by Plaintiffs), there were and are other options available at the same or a lower interest rate that would not involve the issuance of preferred stock or warrants that could be converted into Nonvoting Common Stock of Axis Capital.

99. No discussion was had at the April 28th Meeting regarding potential conflicts of interest of the directors or whether the transaction was fair to the corporation.

100. No discussion was had at the April 28th Meeting regarding whether the transaction was fair to the Plaintiffs as minority shareholders.

101. Additionally, the corporate action taken at the April 28th Meeting did not receive required unanimous, written consent of the Investor Shareholders of Axis Acquisition and is, therefore, invalid.

102. The cumulative effect of the January 15th and April 28th Meetings, the issuance of Series B Preferred Stock and related warrants, and the actual or potential conversion of Series A Preferred Stock into Series C Preferred Stock and related warrants is (1) the dilution of CNC's, Hellsnyc's, Glade's, and Park's economic interest in Axis Acquisition and Axis Capital;

(2) upon conversion of the Series B and C Preferred Stock and/or the exercise of related warrants, Axis Acquisition will no longer own 100% of Axis Capital; and (3) the Amur Entities and People have wrongfully acquired stock and rights without regard to fair value, thereby diminishing the value of the Plaintiffs' financial interest in Axis Acquisition.

J. Amur Finance's Activities Jeopardize the Operations of Axis Acquisition and Axis Capital

103. Pine River is a large hedge fund and an investment advisor that, upon information and belief, owns a minority interest in Amur Finance.

104. Upon information and belief, Pine River granted Amur Finance IV a loan in excess of one hundred and fifty million dollars, which amount is still outstanding and unpaid (the "Pine River Loan").

105. Upon information and belief, Amur Finance has pledged its stock in Axis Acquisition to Pine River as security or collateral for the Pine River Loan.

106. Upon information and belief, there are additional investors and/or other sources of capital that are also providing financing through Amur Finance and/or Amur Finance IV that is utilized by Axis Capital. Such investors or other sources of income include, but are not limited to, Garrison Point and Mutual of Omaha.

107. Upon information and belief, Amur Finance and/or Amur Finance IV is required to make certain representations and written reports to investors and capital sources such as Pine River regarding the value of its assets and certain financial data and ratios. Additionally, Amur Finance and/or Amur Finance IV is required to maintain certain financial ratios and meet minimum financial requirements to avoid default on those agreements. Additionally, certain loan covenants must be complied with by Amur Finance and/or Amur Finance IV. Upon

information and belief, Amur Finance and/or Amur Finance IV is either in or at the risk of being in default on one or more of these obligations.

108. Upon information and belief, upon a default by Amur Finance and/or Amur Finance IV, Pine River is entitled to exercise all of the shareholder rights of Amur Finance and would, thus, become the de facto majority shareholder in Axis Acquisition.

109. Upon information and belief, a change of control (*i.e.*, a new majority shareholder) and/or another material adverse change would constitute a default under Axis Capital's Secured Loan Agreement with KeyBank as well as one or more of Axis Capital's other banking or lending facilities, including a default in Axis Capital's line of credit with Wells Fargo.

110. Should any of these banking or lending facilities be eliminated, the consequences to the successful operation of Axis Capital would be severe, and the value of the Plaintiffs' ownership and financial interest in Axis Acquisition would be significantly limited if not destroyed.

**III. FIRST CAUSE OF ACTION: DECLARATORY JUDGMENT &
INJUNCTIVE RELIEF
(AGAINST ALL DEFENDANTS)**

111. The allegations of the foregoing paragraphs above are incorporated by reference herein with the same force and effect as if set forth in full below.

112. The corporate actions identified in Section 4.3 of the Shareholders' Agreement are required to be taken by the unanimous written consent of all Investor Shareholders entitled to vote, including Glade, CNC, Park and Hellsnyc.

- a. The Shareholders' Agreement contains provisions governing the authority of the shareholders and Boards of Directors of Axis Acquisition and Axis Capital to approve certain corporate actions, including but not limited to:

- i. effecting any liquidity event (including any securitization) with respect to Axis Acquisition's direct or indirect interest in any Subsidiary (such as Axis Capital) or its assets;
- ii. selling, assigning, transferring, pledging, hypothecating, or otherwise encumbering or disposing of any equity securities of Axis Capital;
- iii. except in the ordinary course of the Company's business, selling, assigning, transferring, pledging, hypothecating, or otherwise encumbering or disposing of any assets of Axis Acquisition or any of its Subsidiaries (such as Axis Capital);
- iv. issuing any Equity Securities or other capital stock (including preferred stock) of Axis Acquisition or permitting any Subsidiary (such as Axis Capital) to issue any capital stock (including preferred stock) of such Subsidiary;
- v. reclassifying, altering, or amending the terms, conditions, or covenants of existing debt issued by Axis Acquisition or any of its Subsidiaries (such as Axis Capital);
- vi. amending, altering, or repealing any provision of the articles of incorporation, bylaws, or other organizational documents of Axis Acquisition or any of its Subsidiaries (such as Axis Capital);
- vii. effecting any dilution of any Equity Securities not or hereafter held by any Investor Shareholder;
- viii. causing, approving, or permitting the Axis Capital Board or any direct or indirect Subsidiary to do (or permit to be done) any of the

foregoing or any of the other actions identified in Section 4.3 of the Shareholders' Agreement.

- b. Among other things, Section 4.3 of the Shareholders' Agreement prohibits the above-listed corporate actions (and other actions identified in Section 4.3) from being taken other than through written consent.
- c. Although Section 4.3 of the Shareholders' Agreement purports to allow the corporate actions itemized therein to be taken by only the "prior written consent of Investor Shareholders holding a majority of all Equity Securities held by all Investor Shareholders (each, in their sole discretion)," the attempt to require less than unanimous consent for an action taken by written consent is invalid and unenforceable under Nebraska law.
- d. *Neb. Rev. Stat. § 21-2054(1)*, which was in effect at the time of January 15th Meeting and the April 28th Meeting and which is still in effect as of the filing of this Complaint, relates to action taken by written consent. This statute makes clear that action required or permitted to be taken at a shareholders' meeting may be taken without a meeting "if the action is taken by all shareholders entitled to vote on the action." See also *Shea v. Hambros, PLC*, 673 N.Y.S.2d 369 (N.Y. App. Div. 1998).
- e. Investor Shareholders under the terms of the Shareholders' Agreement include the following:
 - i. Amur Finance;
 - ii. Amur Investments;
 - iii. Hellsnyc;

- iv. DRGG; and
- v. Any Affiliate of Amur Finance, Amur Investments, Hellsnyc, or DRGG as the term "Affiliate" is defined by the Shareholders' Agreement.
- f. Under the terms of the Shareholders' Agreement, an "Affiliate" of DRGG is CNC. As such, CNC is an Investor Shareholder.
- g. Under the terms of the Shareholders' Agreement, an "Affiliate" of DRGG is Glade. As such, Glade is an Investor Shareholder.
- h. Under the terms of the Shareholders' Agreement, an "Affiliate" of Hellsnyc is Park. As such, Park is an Investor Shareholder.
- i. The unanimous written consent of all Investor Shareholders of Axis Acquisition was required by Nebraska law to approve the corporate actions taken at the January 15th and April 28th Meetings, including but not limited to: the creation and/or issuance of the Series B and C Preferred Stock and warrants for Non-Voting Common Stock; the modification of Series A Preferred Stock; the potential or actual conversion of Series A Preferred Stock into Series C Preferred Stock and related warrants; the potential or actual dilution of shares owned by each of the Plaintiffs; and amending the articles of incorporation for Axis Capital.
- j. The unanimous written consent of all Investor Shareholders was not obtained relating to the corporate actions taken at the January 15th Meeting and April 28th Meeting.

- k. At least the following Investor Shareholders did not issue their written consent to any of the corporate actions taken at the January 15th Meeting and April 28th Meeting: Glade, CNC, Park, and Hellsnyc.

113. Defendants have failed or neglected to provide required and requested information regarding the Axis Entities to Plaintiffs.

- a. Section 5.5 of the Shareholders' Agreement requires Axis Acquisition to automatically provide, without request, certain financial information. Defendants have failed and neglected to produce all such information to Plaintiffs.
- b. Section 5.5 of the Shareholders' Agreement requires Axis Acquisition to provide, upon request "such information as is reasonably requested by [a shareholder]." Among other documents, Plaintiffs have requested copies of the following documents which have not yet been provided:
- i. Monthly general ledger with cash receipts and cash outflows of Axis Capital;
 - ii. Any waiver or amendments requested or obtained with regard to any banking facilities of Axis Capital;
 - iii. Monthly Servicer Report on the VLN Facility provided to Amur Finance IV and Amur Finance;
 - iv. Quarterly reports of all material off-balance sheet transactions; and
 - v. Annual audited financial statements including any management letters from auditors.

c. Additionally, Section 5.5 of the Shareholders' Agreement states that without request, Axis Acquisition is required to provide certain reports and information to each of the Plaintiffs (i) on a monthly basis and within five business days of the end of the month to which such information or report relates; (ii) on a quarterly basis and within fifteen business days of the end of the quarter to which such information or report relates; and (iii) annually as soon as practicable (and in no event later than 90 calendar days) following the end of the year to which such information or report relates. Defendants have failed and neglected to produce all such information to Plaintiffs.

114. There is a presently existing controversy between Plaintiffs and Defendants with regard to each of the foregoing paragraphs and subparagraphs in this section including whether: (A) The corporate actions identified in Section 4.3 of the Shareholders' Agreement are required to be taken by the unanimous written consent of all Investor Shareholders entitled to vote, including each of the Plaintiffs; and (B) Defendants have failed or neglected to provide required and requested information regarding the Axis Entities to Plaintiffs.

115. By improperly and wrongfully taking one or more of the corporate actions identified in Section 4.3 of the Shareholders' Agreement without the unanimous written consent of all Investor Shareholders entitled to vote, including each of the Plaintiffs, the Amur Entities and People have and continue to harm the Plaintiffs in at least the following ways:

- a. Lost value of the Plaintiffs' investments in Axis Acquisition and that company's sole asset, Axis Capital;
- b. Oppression of their rights as minority shareholders of Axis Acquisition;

- c. The inability to effectuate their rights over the management and direction of Axis Acquisition and Axis Capital; and
- d. The inability to effectively and timely monitor the operations of Axis Acquisition and Axis Capital.

116. Unless Defendants are preliminarily and permanently enjoined from the conduct alleged herein, Plaintiffs will be irreparably harmed by:

- a. Lost value of the Plaintiffs' investments in Axis Acquisition and that company's sole asset, Axis Capital;
- b. Oppression of their rights as minority shareholders of Axis Acquisition;
- c. The inability to effectuate their rights over the management and direction of Axis Acquisition and Axis Capital; and
- d. The inability to effectively and timely monitor the operations of Axis Acquisition and Axis Capital.

117. Plaintiffs do not have an adequate remedy at law for these damages.

WHEREFORE, Plaintiffs respectfully request:

A. The entry of a declaratory judgment declaring that (1) The corporate actions identified in Section 4.3 of the Shareholders' Agreement are and were required to be taken by the unanimous written consent of all Investor Shareholders entitled to vote, including Glade, CNC, Park, and Hellsnyc; (2) the unanimous written consent of all Investor Shareholders entitled to vote, including Glade, CNC, Park, and Hellsnyc, was required to approve of the corporate actions taken at the January 15th and April 28th Meetings; (3) because the unanimous written consent of all Investor Shareholders, including Glade, CNC, Park, and Hellsnyc, was lacking, the

corporate actions purportedly taken at the January 15th and April 28th Meetings are null and void; (4) Defendants have failed or neglected to provide required and requested information regarding the Axis Entities to Plaintiffs; (5) Plaintiffs' requests for information are properly within the scope of the Shareholders' Agreement; and (6) all of the information requested by the Plaintiffs should be immediately provided.

B. Temporary and permanent injunctive relief against all Defendants as follows:

1. Injunctive relief restricting Defendants from:

- i. Taking or continuing any of the corporate actions identified in Section 4.3 of the Shareholders' Agreement without the unanimous written consent of all Investor Shareholders entitled to vote, including each of the Plaintiffs;
- ii. Exercising any of the rights purportedly created at the January 15th Meeting or April 28th Meeting in any fashion without the unanimous written consent of all Investor Shareholders entitled to vote, including each of the Plaintiffs;
- iii. Preventing, interfering with, or inhibiting Glade and Park from fulfilling their duties and responsibilities as directors of the Axis Entities;
- iv. Paying any amounts allegedly due in connection with or related to the Series B or Series C Preferred Shares and their related warrants or demanding any payment in connection with such Series B or Series C Preferred Shares; and

v. Failing or neglecting to timely provide the required and/or requested information regarding the Axis Entities to Plaintiffs.

2. Injunctive relief affirmatively ordering the Defendants, and each of them, to allow for the immediate inspection by the Plaintiffs of all information specified in Section 5.5 of the Shareholders' Agreement; and

3. Such other and further relief as this court may deem just and proper.

C. In accordance with *Neb. Rev. Stat.* § 21-20,163, the appointment of a receiver with all powers and duties as the Court directs, who may take all other actions required to preserve the corporate assets of Axis Acquisition wherever located, and carry on the business of Axis Acquisition until a full hearing can be held.

IV. SECOND CAUSE OF ACTION: JUDICIAL DISSOLUTION **(AGAINST ALL DEFENDANTS)**

118. The allegations of the foregoing paragraphs above are incorporated by reference herein with the same force and effect as if set forth in full below.

119. By saddling Axis Capital with unnecessary debts, operating it solely for the benefit of Amur Finance and/or one or more of the other Amur Entities and People, jeopardizing its credit facilities, wrongfully oppressing its minority shareholders, and wrongfully re-assigning and later terminating Glade and Park from their employment and officer positions, the Individual Defendants and/or Amur Finance are misapplying and wasting Axis Acquisition's sole asset, Axis Capital.

120. The actions or inactions of the Individual Defendants and/or Amur Finance constitute conduct that is illegal, oppressive, or fraudulent, and they continue to misapply corporate assets, in at least the following ways:

a. Creating and/or issuing the Series B and C Preferred Stock and warrants;

- b. Modifying the Series A Preferred Stock and/or allowing for its conversion to Series C Preferred Stock and related warrants;
- c. Potentially or actually diluting the shares owned by each of the Plaintiffs;
- d. Amending the articles of incorporation for Axis Capital;
- e. Operating Axis Acquisition and its sole asset, Axis Capital, in disregard for the best interests of all of the shareholders;
- f. Failing to timely and properly provide the documents required by the Shareholders' Agreement;
- g. Failing to follow correct corporate governance procedures in approving corporate transactions;
- h. Preventing Glade and Park from actively participating in the management or operation of Axis Acquisition and Axis Capital, reassigning them, and terminating their employment despite their successful prior management of Axis Acquisition and Axis Capital;
- i. By misapplying or wasting Axis Acquisition's primary asset, Axis Capital;
- j. Taking other punitive actions in retribution for Glade's and Park's refusal of the Exchange Offer; and
- k. By requiring Axis Capital to pay fees and interest in connection with loans or other financing which are unnecessary and not required for any valid business purpose.

121. The acts and omissions of the Individual Defendants are ongoing and will continue to harm corporate assets absent intervention from the Court.

122. The wrongful conduct of the Amur Entities and People make clear that the appointment of a receiver is reasonable and necessary to wind up and liquidate Axis Acquisition as well as manage the business and affairs of the company.

WHEREFORE, Plaintiffs respectfully request that the Court judicially oversee the winding up of Axis Acquisition, order an accounting of Axis Acquisition's books and records, order judicial dissolution of Axis Acquisition, and appoint a receiver under *Neb. Rev. Stat. § 21-20,164* to wind up and liquidate Axis Acquisition as well as manage the business and affairs of the company.

**V. THIRD CAUSE OF ACTION: BREACH OF FIDUCIARY DUTY
(AGAINST THE INDIVIDUAL DEFENDANTS AND AMUR FINANCE)**

123. The allegations of the foregoing paragraphs above are incorporated by reference herein with the same force and effect as if set forth in full below.

124. At all relevant times to this litigation, the Individual Defendants were directors and officers of both Axis Acquisition and Axis Capital.

125. Each of the Individual Defendants was appointed to the Boards of Directors of Axis Acquisition and Axis Capital by Amur Finance.

126. Amur Finance owed fiduciary duties as the majority shareholder of Axis Acquisition and as the appointer of the Individual Defendants.

127. One or more of the Individual Defendants and/or Amur Finance breached the fiduciary duties that they owed to Plaintiffs as minority shareholders in each of the following ways:

- a. Failing and refusing to disclose requested financial information and data concerning Axis Acquisition and Axis Capital;
- b. Failing to disclose and approving conflicting interest transactions;

- c. Voting in favor of the creation and/or issuance of Series B and C Preferred Stock and warrants;
- d. Otherwise taking steps to dilute the ownership and financial interest of minority shareholders;
- e. Failing to timely and properly provide the documents required by the Shareholders' Agreement to the Plaintiffs;
- f. Wrongfully wasting Axis Acquisition's sole asset, Axis Capital, by requiring Axis Capital to borrow money from Amur Finance IV that was not needed for the operations of Axis Capital;
- g. To the extent all or any portion of such money was required for the operations of Axis Capital (a fact denied by Plaintiffs), there were other funding options available at the same or a lower interest rate and without the payment of the administrative fee;
- h. Operating Axis Capital and Axis Acquisition in a manner that was in the best interests of Amur Finance or the other Amur Entities and People, rather than Axis Capital or Axis Acquisition;
- i. Taking other punitive actions in retribution for Glade's and Park's refusal of the Exchange Offer; and
- j. Jeopardizing Axis Capital's senior credit facilities.

128. As a direct and proximate cause of the Individual Defendants' and/or Amur Finance's breach of their fiduciary duties, Plaintiffs have suffered damages in an amount to be determined at trial.

WHEREFORE, Plaintiffs request judgment against the Individual Defendants and/or Amur Finance, jointly and severally, in an amount to be determined at trial.

**VI. FOURTH CAUSE OF ACTION: AIDING AND ABETTING BREACH OF
FIDUCIARY DUTY
(AGAINST AMUR ENTITIES AND PEOPLE)**

129. The allegations of the foregoing paragraphs above are incorporated by reference herein with the same force and effect as if set forth in full below.

130. Each of the Amur Entities and People knew that the Individual Defendants and/or Amur Finance owed fiduciary duties to each of the Plaintiffs, who were minority shareholders.

131. At all relevant times to this litigation, the principle objective of each of the Amur Entities and People were to operate Axis Capital solely for the benefit of one or more of the Amur Entities and People.

132. Each of the Amur Entities and People gave the Individual Defendants and/or Amur Finance substantial assistance or encouragement in violating the fiduciary duties owed by the Individual Defendants and/or Amur Finance to the Plaintiffs such that the needs, wants, or desires of one or more of the Amur Entities and People took precedence over such fiduciary duties.

133. The Amur Entities and People's wrongful acts include, but are not limited to:

- a. Preventing Glade and Park – the only directors independent and not on the Board of Amur Finance – from having any meaningful involvement in the operations of Axis Acquisition and Axis Capital;
- b. Improperly attempting to authorize the creation and issuance of the B and C Preferred Stock and related warrants directly to Amur Finance and/or Amur Investments;

- c. Authorizing unnecessary and wasteful loan transactions, which resulted in the payment of excessive interest and administrative fees;
- d. Charging Axis Capital more for services such as managing employees of Amur Capital than necessary, reasonable, or appropriate; and
- e. Upon information and belief, jeopardizing Axis Capital's operating loans by defaulting on Amur Finance's and/or Amur Finance IV's obligations (i) to make certain representations to investors and capital sources such as Pine River regarding the value of its assets and certain financial data and ratios and/or (ii) to maintain certain financial ratios and meet minimum financial requirements to avoid default on those agreements.

134. The above-referenced acts were committed in furtherance of operating Axis Acquisition solely for the benefit of one or more of the Amur Entities and People.

135. As a direct and proximate cause of one or more of the Amur Entities and People's participation in this scheme, Plaintiffs have suffered damages in an amount to be determined at trial.

WHEREFORE, Plaintiffs request judgment against the Amur Entities and People, jointly and severally, in an amount to be determined at trial.

PRAYERS FOR RELIEF APPLICABLE TO ALL CAUSES OF ACTION

WHEREFORE, Plaintiffs respectfully pray for the following relief from this court:

- A. General damages as proved at trial;
- B. Pre- and post-judgment interest as allowed by law;
- C. That the Court set a time and place for a temporary injunction hearing and order that Defendants be served with notice of time, place and nature of said hearing;
- D. That during the pendency of this action, a temporary injunction be issued enjoining Defendants from:
 - i. Taking any of the corporate actions identified in Section 4.3 of the Shareholders' Agreement without the unanimous written consent of all Investor Shareholders entitled to vote, including each of the Plaintiffs;
 - ii. Exercising any of the rights purportedly created at the January 15th Meeting or April 28th Meeting in any fashion without the unanimous written consent of all Investor Shareholders entitled to vote, including each of the Plaintiffs;
 - iii. Preventing, interfering with, or inhibiting Glade and Park from fulfilling their duties and responsibilities as directors of the Axis Entities;
 - iv. Paying any amounts allegedly due in connection with or related to the Series B or Series C Preferred Shares and their related warrants or demanding any payment in connection with such Series B or Series C Preferred Shares; and
 - v. Failing or neglecting to provide required and requested information regarding the Axis Entities to Plaintiffs;

- E. That during the pendency of this action, a temporary injunction be issued affirmatively ordering the Defendants, and each of them, allow for the immediate inspection by the Plaintiffs of all information specified in Section 5.5 of the Shareholders' Agreement;
- F. That on final hearing said temporary injunction be made permanent, ordering that Defendants refrain from:
- i. Taking any of the corporate actions identified in Section 4.3 of the Shareholders' Agreement without the unanimous written consent of all Investor Shareholders entitled to vote, including each of the Plaintiffs;
 - ii. Exercising any of the rights purportedly created at the January 15th Meeting or April 28th Meeting in any fashion without the unanimous written consent of all Investor Shareholders entitled to vote, including each of the Plaintiffs;
 - iii. Preventing, interfering with, or inhibiting Glade and Park from fulfilling their duties and responsibilities as directors of the Axis Entities;
 - iv. Paying any amounts allegedly due in connection with or related to the Series B or Series C Preferred Shares and their related warrants or demanding any payment in connection with such Series B or Series C Preferred Shares; and
 - v. Failing or neglecting to provide required and requested information regarding the Axis Entities to Plaintiffs;

- G. That on final hearing said temporary injunction be made permanent, ordering that the Defendants, and each of them, allow for the immediate inspection by the Plaintiffs of all information specified in Section 5.5 of the Shareholders' Agreement;
- H. That in accordance with *Neb. Rev. Stat.* § 21-20,163, appoint a receiver with all powers and duties as the Court directs, who may take all other actions required to preserve the corporate assets of Axis Acquisition wherever located, and carry on the business of Axis Acquisition until a full hearing can be held;
- I. That in accordance with *Neb. Rev. Stat.* § 21-20,164, appoint a receiver to wind up and liquidate Axis Acquisition as well as manage the business and affairs of the company;
- J. That Plaintiffs be awarded costs incurred herein; and
- K. For such other and further equitable relief as the Court deems just and proper.

DATE: June 2, 2016.

GORDON GLADE, an individual; and CECILIA PARK an individual; CENTRAL NEBRASKA CREDIT, LTD, a Nebraska limited partnership; and HELLSNYC LLC, a Delaware limited liability company,

By: /s/ Erin Ebeler Rolf
Edward H. Tricker, No. 15504
Erin Ebeler Rolf, No. 23923
Kaylen K. Akert, No. 25755
WOODS & AITKEN LLP
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etricker@woodsaitken.com
eerolf@woodsaitken.com
kakert@woodsaitken.com

PRAECIPE

TO THE CLERK OF THE COURT:

Please issue Summonses on Defendants Axis Capital, Inc., Axis Acquisition, Inc., Amur Finance Company, Inc., Amur Finance IV LLC, Amur Investments LLC, Amur Capital Management LP, Mostafiz ShahMohammed, Alison Mason, Kalyan Makam, and Shauna Heckathorn with a copy of the Complaint and Exhibits attached, for service upon each Defendant by the following method(s), at the following addresses:

By Certified Mail:

Axis Acquisition, Inc.

ATTN: Shauna Heckathorn, Registered Agent
308 N. Locust
Grand Island, NE 68801

Amur Finance IV LLC

c/o Corporation Service Company
2711 Centerville Rd. Suite 400
Wilmington, DE 19808

Axis Capital, Inc.

ATTN: Shauna Heckathorn, Registered Agent
308 N. Locust
Grand Island, NE 68801

Amur Investments LLC

c/o Corporation Service Company
2711 Centerville Rd. Suite 400
Wilmington, DE 19808

Amur Finance Company, Inc.

c/o Corporation Service Company, Registered Agent
2711 Centerville Rd. Suite 400
Wilmington, DE 19808

Amur Capital Management LP

c/o Corporation Service Company
2711 Centerville Rd. Suite 400
Wilmington, DE 19808

By Personal or Residential Service:

Mostafiz ShahMohammed

One North Lexington Ave.
Suite 1101
White Plains, NY 10601

Kalyan Makam

One North Lexington Ave.
Suite 1101
White Plains, NY 10601

Alison Mason

One North Lexington Ave.
Suite 1101
White Plains, NY 10601

Shauna Heckathorn

308 N. Locust
Grand Island, NE 68801

Please make Summonses returnable according to law.

Dated this 2nd day of June, 2016.

/s/ Erin Ebeler Rolf

Erin Ebeler Rolf, No. 23923

SECOND AMENDED AND RESTATED
SHAREHOLDERS AGREEMENT

THIS SECOND AMENDED AND RESTATED SHAREHOLDERS AGREEMENT (this "Agreement") is made and entered into as of May 16, 2013, by and among AXIS ACQUISITION, INC., a Nebraska corporation (the "Company"), AXIS CAPITAL, INC., a Nebraska corporation ("Axis Capital"), and the Persons listed on Schedule 1 hereto.

RECITALS

A. The Company is a holding company that owns 100% of the issued and outstanding common stock of Axis Capital.

B. Pursuant to Preferred Share Purchase Agreements of even date herewith, (i) Panthera Finance 2010 II LLC has agreed to sell a total of 6,811.61 shares of Axis Capital Preferred Shares to AFC, (ii) Panthera Finance 2010 II LLC has agreed to sell a total of 409.68 shares of Axis Capital Preferred Shares to Amur Investments and (iii) Amur Advisors LLC has agreed to sell a total of 198.12 shares of Axis Capital Preferred Shares to Amur Investments (collectively, the "Preferred Share Sale").

C. Pursuant to Common Share Purchase Agreements of even date herewith (a) Panthera Finance 2010 LLC has agreed to sell a total of 1,506.8 shares of Common Shares to AFC, Amur Investments, DRGG and/or Hellsnyc, (b) Acrewood 2010, L.P. has agreed to sell a total of 2,146.60 shares of Common Shares to AFC, (c) Ingleside Axis, LLC has agreed to sell a total of 2,146.60 shares of Common Shares to AFC, (d) RMCW, LLC has agreed to sell 1,878.28 shares of Common Shares to AFC and (d) Yellow Dot 2, LLC has agreed to sell 214.66 shares of Common Shares to AFC (collectively, the "Common Share Sale")

D. Pursuant to Subscription Agreements of even date herewith, (a) AFC has agreed to subscribe for, and Axis Capital as agreed to issue, 1,767.69 shares of Axis Capital Preferred Shares, (b) Hellsnyc has agreed to subscribe for, and Axis Capital has agreed to issue, 191.57 shares of Axis Capital Preferred Shares and (c) DRGG has agreed to subscribe for, and Axis Capital has agreed to issue, 86.91 shares of Axis Capital Preferred Shares (collectively, the "Preferred Share Subscriptions").

E. Each Investor Shareholder and each Management Shareholder owns, or will own as of the date hereof, directly or indirectly, the Equity Securities set forth opposite such Shareholder's name on Schedule 1 hereto, as it may be amended from time to time.

F. In connection with the Preferred Share Sale, the Common Share Sale and the Preferred Share Subscriptions, the Shareholders wish to amend and restate the Amended and Restated Shareholders Agreement, dated as of May 15, 2012, by and among Axis Capital, the Company and the shareholders signatory thereto (the "Prior Agreement") and to otherwise provide for the rights and obligations described herein.

NOW, THEREFORE, in consideration of the mutual premises set forth above and the covenants set forth herein and for other good and valuable consideration, the receipt and adequacy of which are hereby acknowledged, the parties hereto hereby amend and restate the Prior Agreement in its entirety to read as follows:

ARTICLE I

DEFINITIONS

1.1 Definitions. Unless otherwise defined elsewhere in this Agreement, all capitalized terms used herein shall have the meanings ascribed to them below:

"Accumulation Account" has the meaning set forth in Section 5.3(a).

"Adoption Agreement" means an Adoption Agreement, executed by a proposed transferee, including Affiliates, in the form attached hereto as Exhibit A.

"AFC" means Amur Finance Company, Inc., a Delaware corporation.

"AFC Designees" has the meaning set forth in Section 4.2(b).

"Affiliate" means (a) with respect to any individual, (i) a spouse or descendant, through blood or adoption, of such individual, (ii) any trust, family partnership or limited liability company whose beneficiaries shall primarily be such individual and/or such individual's spouse and/or any Person related by blood or adoption to such individual or such individual's spouse or (iii) the estate or heirs of such individual, and (b) with respect to any Person that is not an individual, any other Person who or which, directly or indirectly through one or more intermediaries, Controls, is Controlled by or is under common Control with such Person and/or one or more Affiliates thereof.

"Agreement" has the meaning set forth in the preamble to this Agreement, as the same may be amended from time to time.

"Amur Investments" means Amur Investments LLC, a Delaware limited liability company.

"Axis Capital" has the meaning set forth in the preamble to this Agreement.

"Axis Capital Board" has the meaning set forth in Section 4.2(f).

"Axis Capital Preferred Shares" means the Series A cumulative redeemable preferred shares issued by Axis Capital, which rank subordinate only to Axis Capital's senior bank loan facilities, are unconditionally guaranteed by the Company pursuant to this Agreement, and accrue a 15% annual dividend, payable monthly in cash on the 15th day of each month (or the next Business Day thereafter, if the 15th day of such month does not fall on a Business Day).

"Board" means the board of directors of the Company.

"Business Day" means any day (other than any Saturday or Sunday) on which banks in the State of Nebraska and the State of New York are open for general business.

"Cause" (a) with respect to Glade, has the meaning set forth in Glade's employment agreement with Axis Capital and (b) with respect to an Employee Shareholder, means (i) misappropriation of funds, embezzlement, theft, act of dishonesty, or fraud by the Employee Shareholder from or against the Company, or from or against any parent, affiliate or subsidiary of the Company; (ii) a conviction, guilty plea or plea of *nolo contendere* by the Employee Shareholder for any felony; (iii) continued neglect of duties for which employed (other than by reason of disability), continued acts of insubordination by the Employee Shareholder, or gross negligence, fraud or willful misconduct on the

part of the Employee Shareholder in connection with the performance of his or her duties hereunder; (iv) harassment (sexual or otherwise) or other discrimination in violation of state or federal law by the Employee Shareholder in connection with his or her employment; or (v) a willful and knowing violation by the Employee Shareholder of any material federal or state law or regulation applicable to the Company or any other act or event as a result of which the Employee Shareholder becomes unacceptable to, or is removed, suspended or prohibited from participating in the conduct of the Company's affairs by any regulatory authority having jurisdiction over the Company.

"CNC" means Central Nebraska Credit, Ltd., a Nebraska limited partnership.

"Common Shares" means the common shares, par value \$0.01 per share, of the Company.

"Common Share Sale" has the meaning set forth in the recitals to this Agreement.

"Common Stock Equivalents" means warrants, options and rights exercisable for Common Shares and instruments convertible or exchangeable for Common Shares.

"Company" has the meaning set forth in the preamble to this Agreement.

"Control" means the possession, directly or indirectly, of the power to direct or cause the direction of the management and policies (investment or otherwise) of a Person, whether through ownership of voting securities, by contract or otherwise.

"Co-Sale Right" has the meaning set forth in Section 2.2(c)(i).

"Drag-Along Notice" has the meaning set forth in Section 2.2(e).

"Drag-Along Shareholders" has the meaning set forth in Section 2.2(e).

"DRGG" means DRGG Investments, LLC, a Nebraska limited liability company.

"Employee Buy-Out Closing Date" has the meaning set forth in Section 2.4(b).

"Employee Buy-Out Notice" has the meaning set forth in Section 2.4(a).

"Employee Shareholders" means any Person that holds Common Shares issued upon exercise of a stock option granted pursuant to the Stock Option Plan and any Person designated in writing to the other Shareholders and the Company to whom or which such Person transfers any Common Shares.

"Equity Securities" means any Common Shares or Common Stock Equivalents.

"Exercise Price" with respect to an Employee Shareholder has the meaning set forth in the stock option agreement entered into between such Employee Shareholder and the Company pursuant to the Stock Option Plan.

"FMV" means the fair market value for each Equity Security, as a majority of the Board shall reasonably determine, subject to Sections 2.3(c) and 2.4(c).

"Glade" means Gordon Glade, a resident of the State of Nebraska as of the date of this Agreement.

"Good Reason" means, with respect to any Employee Shareholder, (i) any material change by the Company in the functions, duties or responsibilities of the Employee Shareholder's position with the Company that would reduce the ranking or level, dignity, responsibility, importance or scope of such position; (ii) any imposition on the Employee Shareholder of a requirement to be permanently based at a location more than 50 miles from the office of the Company at which the Employee Shareholder is then based without the written consent of the Employee Shareholder; or (iii) any reduction without the written consent of the Employee Shareholder in the Employee Shareholder's annual salary below the base salary then provided for.

"Hellsnyc" means Hellsnyc LLC, a Delaware limited liability company.

"Hellsnyc Designee" has the meaning set forth in Section 4.2(b).

"Information" has the meaning set forth in Section 6.9(a).

"Initiating Buy-Out Shareholders" has the meaning set forth in Section 2.3(a).

"Initiating Shareholder" has the meaning set forth in Section 2.2(e).

"Investor Shareholders" means AFC, Amur Investments, Hellsnyc, DRGG, any Affiliate of any of the foregoing that directly holds Equity Securities and any Person designated in writing to the other Shareholders and the Company to whom or which AFC, Amur Investments, Hellsnyc and/or DRGG from time to time transfers any Equity Securities.

"Issuance" has the meaning set forth in Section 3.1.

"Management Buy-Out Closing Date" has the meaning set forth in Section 2.3(b).

"Management Buy-Out Notice" has the meaning set forth in Section 2.3(a).

"Management Designees" has the meaning set forth in Section 4.2(b).

"Management Shareholders" means Glade, CNC and any Affiliate of either (other than DRGG) that holds Equity Securities.

"Mandatory Distribution" has the meaning set forth in Section 5.3(e).

"Mandatory Redemption" has the meaning set forth in Section 5.3(d).

"Net Receipts" has the meaning set forth in Section 5.3(a).

"New Securities" has the meaning set forth in Section 3.2.

"Non-Management Directors" has the meaning set forth in Section 4.2(h).

"Offered Securities" has the meaning set forth in Section 2.2(a).

"Operating Expenses" has the meaning set forth in Section 5.3(a).

"Origination Account" has the meaning set forth in Section 5.3(b).

"Participating Investor Shareholder" has the meaning set forth in Section 2.2(b).

"Person" shall be construed broadly and shall include, without limitation, an individual, a partnership, an investment fund, a limited liability company, a corporation, an association, a joint stock company, a trust, a joint venture, an unincorporated organization and a governmental entity or any department, agency or political subdivision thereof.

"Preemptive Rights Notice" has the meaning set forth in Section 3.1.

"Preferred Shareholders" means AFC, Hellsnyc, DRGG, any Affiliate of any of the foregoing that directly holds Axis Capital Preferred Shares and any Person designated in writing to the other Shareholders and the Company to whom or which AFC, Hellsnyc and/or DRGG from time to time transfers any Axis Capital Preferred Shares.

"Preferred Share Sale" has the meaning set forth in the recitals to this Agreement.

"Preferred Share Subscription" has the meaning set forth in the recitals to this Agreement.

"Prior Agreement" has the meaning set forth in the recitals to this Agreement.

"Pro Rata Share" has the meaning set forth in Section 3.1.

"Purchase Option" has the meaning set forth in Section 2.2(b).

"Proposed Purchaser" has the meaning set forth in Section 2.2(a).

"Residual Cash Flow" means, as of any given time, any and all proceeds and other amounts in the Accumulation Account at such time, after making any and all distributions required by Section 5.3(a) as of such time.

"Securities Act" means the Securities Act of 1933, as amended, and the rules and regulations from time to time promulgated thereunder.

"Selling Shareholder" has the meaning set forth in Section 2.2(c)(i).

"Shareholder" means (a) each Person listed on Schedule 1 attached hereto, (b) any transferee of Equity Securities under Section 2 who or which shall have signed an Adoption Agreement, (c) any new shareholder of the Company who receives shares pursuant to the Stock Option Plan and has signed a counterpart to this Agreement in a form approved by the Company and (d) any new shareholder of the Company who or which has been approved by the Company to be a Shareholder hereunder and has signed a counterpart to this Agreement in a form approved by the Company.

"Stock Option Plan" means the Axis Acquisition, Inc. Stock Option Plan adopted by the Company on or following the date of this Agreement.

"Sub Debt" means the outstanding subordinated indebtedness, in existence as of the date of the Prior Agreement, in the approximate stated principal amount of \$8,500,000 that is currently owed by Axis Capital to various related and unrelated parties (including, without limitation, Whitecap (Offshore) Fund II, Ltd.) and that is subordinated in right of payment, enforcement and cash flows to the

Axis Capital Preferred Shares (but only if and to the extent that AFC has been provided true, correct and complete copies of all documentation executed and/or delivered in respect of such indebtedness).

"Subsidiary" means any direct or indirect subsidiary of the Company.

"Transfer" has the meaning set forth in Section 2.1(a).

"Transfer Notice" has the meaning set forth in Section 2.2(a).

"Transferor" shall have the meaning set forth in Section 2.2(a).

"Working Capital Account" has the meaning set forth in Section 5.3(a).

ARTICLE II

TRANSFERS OF EQUITY SECURITIES

2.1 Transfer Restrictions.

(a) Except as otherwise provided in Section 2.2 and Section 2.3, no Management Shareholder or Employee Shareholder may sell, assign, transfer, pledge, hypothecate or otherwise encumber or dispose of, in any way, all or any part of its Equity Securities (or any interest therein) (each, a "Transfer") now or hereafter owned or held by such Management Shareholder or Employee Shareholder. Any Transfer by any Management Shareholder or Employee Shareholder not made in conformance with this Agreement shall be null and void, shall not be recorded on the books of the Company and shall not be recognized by the Company.

(b) Any proposed Transfer by a Management Shareholder or Employee Shareholder pursuant to Section 2.2 or Section 2.3 shall require the prior written approval of the Investor Shareholders pursuant to Section 4.3(e) below; provided, that no Management Shareholder or Employee Shareholder may Transfer any Equity Securities to DRGG without the prior written approval of each Investor Shareholder. With respect to any Transfer by any Management Shareholder or Employee Shareholder as to which the requisite approval under Section 4.3(e) or this Section 2.1(b) has been granted, the transferee of such Transfer shall be required to, and shall, execute and deliver to the Company a counterpart to this Agreement and/or an Adoption Agreement (as requested by the Board) as a condition to the effectiveness of such Transfer. From and after any such approval, execution and delivery, (i) such transferee shall be deemed a "Management Shareholder" or an "Employee Shareholder", as applicable (for any transfers to any Person other than an Investor Shareholder) hereunder and shall be subject to each of the terms, conditions, covenants and agreements of this Agreement, (ii) Schedule 1, which designates the signatories hereto, shall be amended to reflect such new Shareholder and (iii) the Company shall promptly deliver copies of such counterparts and such revised Schedule 1 to each of the other Shareholders.

2.2 Procedure for Transfer of Equity Securities.

(a) Transfer Notice. If, at any time during the term of this Agreement (provided that the requisite approval under Section 4.3(e), if applicable, has been granted), any Shareholder proposes to Transfer all or any portion of its Equity Securities (a "Transferor") to one or more Persons, such Transferor shall provide to each Shareholder prior written notice (each, a "Transfer Notice") of its intention to sell such Equity Securities (the "Offered Securities"). Each Transfer Notice shall specify the following:

(i) the name, address and telephone number of the proposed purchaser of such Offered Securities (the "Proposed Purchaser");

(ii) the proposed terms of payment and price, which shall be denominated in United States dollars and shall be payable in immediately available funds;

(iii) the number of Equity Securities proposed to be purchased;

(iv) the date for consummation of the proposed Transfer; and

(v) all other material terms and conditions of the proposed Transfer.

(b) Right of First Refusal. Each Investor Shareholder shall have the option, for a period of thirty (30) days from receipt of a Transfer Notice, to elect to purchase from a Transferor, on the same terms and conditions as outlined in such Transfer Notice, such number of the Offered Securities (on a fully diluted as-converted basis, as applicable) as is proportionate to such Investor Shareholder's interest in all outstanding Equity Securities (on a fully diluted as-converted basis, as applicable) held by all Investor Shareholders (the "Purchase Option"). Each Investor Shareholder may exercise such Purchase Option (each, a "Participating Investor Shareholder"), if at all, by notifying the Company and the other Shareholders, in writing, prior to the expiration of such 30-day period. Any closing on the transfer and sale of any Offered Securities to Participating Investor Shareholders under this Section 2.2(b) and to the Proposed Purchaser shall occur concurrently and under the same terms of sale as set forth in the applicable Transfer Notice; provided, that all sales of Offered Securities to Participating Investor Shareholders pursuant to this Section 2.2(b) shall be made free and clear of any and all liens, charges, pledges and other encumbrances and restrictions (other solely than this Agreement). In the event that any Investor Shareholder does not elect, within such 30-day period, to exercise the Purchase Option, the Company shall provide written notice to all other Investor Shareholders that such unpurchased Offered Securities are available for purchase. In such event, all Participating Investor Shareholders shall have an additional ten (10) days from the date of receipt of any such notice to agree to purchase any or all of such unpurchased Offered Securities (each such electing Investor Shareholder, in proportion to such electing Investor Shareholder's interest in all outstanding Equity Securities (on a fully diluted as-converted basis, as applicable) held by all such electing Investor Shareholders) for the price and upon the terms specified in the notice, which shall be the same as those set forth in the Transfer Notice, by giving written notice to the Company and stating therein the quantity of such unpurchased Offered Securities to be purchased.

(c) Right of Co-Sale.

(i) Notice. Each Shareholder shall have the option, for a period of fifteen (15) days from receipt of a Transfer Notice by any Transferor, to elect to participate in such sale of the Offered Securities by such Transferor, on the same terms and conditions as outlined in such Transfer Notice (the "Co-Sale Right"). Each such Shareholder may exercise such Co-Sale Right (each, a "Selling Shareholder"), if at all, by notifying the Company and the Transferor thereof, in writing, prior to the expiration of such 15-day period. Such Selling Shareholder's notice to the Transferor and the Company shall indicate the number of Equity Securities the Selling Shareholder wishes to sell under its right to participate. To the extent one or more of the Selling Shareholders exercises such right of participation in accordance with the terms and conditions set forth below in this Section 2.2(c), the number of Equity Securities that the Transferor may sell in the Transfer shall be correspondingly reduced.

(ii) Election. Each Selling Shareholder shall have the right to sell up to that

number of Equity Securities owned by it that is equal to the product obtained by multiplying (A) the aggregate number of Offered Securities (assuming, where applicable, the conversion, exchange or exercise of any Common Stock Equivalents) by (B) a fraction, the numerator of which is the number of Common Shares (assuming, where applicable, the conversion, exchange or exercise of any Common Stock Equivalents) owned by such Selling Shareholder on the date of the Transfer Notice, and the denominator of which is the total number of Common Shares (assuming, where applicable, the conversion, exchange or exercise of any Common Stock Equivalents) owned by all Selling Shareholders and the Transferor on the date of the Transfer Notice. For the avoidance of doubt, to the extent any Selling Shareholder elects pursuant to this Section 2.2(c)(ii) to sell any Equity Securities owned by it, such Equity Securities shall be included pro rata in any purchase of Equity Securities by the electing Investor Shareholders pursuant to Section 2.2(b).

(iii) Closing. Any closing on the transfer and sale of any Equity Securities pursuant to this Section 2.2(c) shall occur concurrently and under the same terms of sale as set forth in the applicable Transfer Notice.

(d) Expiration of Rights. If the Shareholders do not elect, prior the expiration of the applicable period of time with respect to a Purchase Option or a Co-Sale Right, as the case may be, to purchase the Offered Securities pursuant to a Transfer Notice, the Transferor shall have sixty (60) days thereafter to Transfer all the Offered Securities as to which the Shareholders' Purchase Option or Co-Sale Right, as the case may be, was not exercised. In the event the Transferor has not Transferred the Offered Securities within said sixty (60) day period, in order to effect any subsequent Transfer of the Offered Securities by such Transferor as to which the requisite approval under Section 4.3(e) is required, the Transferor shall be required to submit a new Transfer Notice and reinitiate the processes under this Section 2.2.

(e) Drag-Along Right. If, collectively, any group of Investor Shareholders holding a majority of all Equity Securities held by the Investor Shareholders (such group, the "Initiating Shareholders") desire to sell all or a majority of their respective Equity Securities to one or more non-affiliated purchasers, then such Initiating Shareholders shall have the right, but not the obligation, to require all (but not less than all) of the other Shareholders (collectively, the "Drag-Along Shareholders") to sell to such purchaser(s) the same percentage of their respective Equity Securities (of the same class as being sold by the Initiating Shareholders) as the Initiating Shareholders are then selling to such purchaser(s) and for the same price per share of Equity Security (on a fully diluted as-converted basis, as applicable) and on the same terms and conditions of sale as applicable to the sale by the Initiating Shareholders. The Initiating Shareholders shall exercise their respective rights under this Section 2.2(e), if at all, by delivering written notice of such exercise (the "Drag-Along Notice") to the Drag-Along Shareholders. Each Drag-Along Notice shall set forth the price per share of Equity Security proposed to be sold, the proposed closing date, and all other material terms and conditions of the proposed sale. If the Initiating Shareholders require the Drag-Along Shareholders to sell their Equity Securities pursuant to this Section 2.2(e), the closing thereof shall occur concurrently with and under the same terms and conditions of sale as the sale of the Initiating Shareholders' Equity Securities (and as set forth in the Drag-Along Notice).

2.3 Management Shareholder Buy-Out Provisions.

(a) In the event of the death or incapacity of Glade or the termination of Glade's employment with Axis Capital and/or the Company, then the Company shall have the right, to be exercised, if at all, during the 30-day period immediately following (A) the date on which the Investor Shareholders and the Company become aware of Glade's death or incapacity or (B) the date of

termination of Glade's employment with Axis Capital and/or the Company, to purchase any or all of the Equity Securities held by Glade and CNC. In the event the Company does not deliver to Glade (or the representative of Glade's estate), CNC and the Investor Shareholders within such 30-day period written notice of its election to purchase all of the Equity Securities held by Glade and CNC, then one or more of the Investor Shareholders (excluding DRGG and Hellsnyc) shall have the right, to be exercised, if at all, during the 30-day period immediately following expiration of the 30-day period applicable to the Company's right to elect to purchase such Equity Securities, to purchase all of the Equity Securities held by Glade and CNC that the Company has not elected to purchase pursuant to this Section 2.3(a). The Investor Shareholders and/or the Company shall exercise this option, if at all, by delivering written notice (the "Management Buy-Out Notice") to Glade (or the representative of Glade's estate, as the case may be) and CNC setting forth its/their election to purchase all (but not less than all) of the Equity Securities then held by Glade and CNC for an amount equal to the then FMV (as determined in accordance with Section 2.3(c)) price per Common Share. If any of the Investor Shareholders elect to exercise the buy-out rights under this Section 2.3(a) (such Investor Shareholders, the "Initiating Buy-Out Shareholders"), then each such Initiating Buy-Out Shareholder shall, unless otherwise agreed by each of the Initiating Buy-Out Shareholders, be entitled to acquire its pro rata portion, based on the number of Equity Securities held by all Investor Shareholders (excluding DRGG and Hellsnyc), of the Equity Securities then held by Glade and CNC that the Company has not elected to purchase pursuant to this Section 2.3(a). For the avoidance of doubt, if the Company and the Initiating Buy-Out Shareholders, in the aggregate, elect to purchase less than all of the Equity Securities then held by Glade and CNC, then the Company and the Initiating Buy-Out Shareholders shall be deemed to have not elected to purchase any Equity Securities pursuant to this Section 2.3(a). Notwithstanding the foregoing, if Glade's employment with Axis Capital or the Company is terminated for Cause then the purchase price for all of the Equity Securities held by Glade and CNC shall be equal to seventy-five percent (75%) of the FMV of such Equity Securities. Glade and CNC each hereby irrevocably constitute and appoint each Investor Shareholder (but only if such Investor Shareholder is an Initiating Buy-Out Shareholder) and any officer or agent thereof, with full power of substitution, as his or its true and lawful attorney-in-fact with full irrevocable power and authority in the place and stead of Glade and CNC, as applicable, and in the name of Glade and CNC, as applicable, or in its own name, for the purpose of carrying out the rights set forth in this Section 2.3, to take any and all appropriate action and to execute any and all documents and instruments that may be necessary or desirable to accomplish the purposes of this Section 2.3; provided, that anything in this Section 2.3 to the contrary notwithstanding, no Investor Shareholder may exercise any rights under the power of attorney provided for in this Section 2.3 unless a default under this Section 2.3 on the part of Glade and/or CNC shall have occurred and be continuing.

(b) The closing of any purchase and sale of Equity Securities pursuant to this Section 2.3 shall take place on the date (the "Management Buy-Out Closing Date") that is within sixty (60) days after delivery of the Management Buy-Out Notice pursuant to Section 2.3(a). On the Management Buy-Out Closing Date, Glade (or the representative of Glade's estate, as the case may be) and CNC shall execute and deliver to the Initiating Buy-Out Shareholders or the Company (as applicable) such instruments of transfer as shall be reasonably requested by the Company in order to convey good and valid legal title to the Initiating Buy-Out Shareholders or the Company (as applicable) of the Equity Securities being transferred, free and clear of any and all liens, charges, pledges and other encumbrances and restrictions (other solely than this Agreement). On the Management Buy-Out Closing Date, the Initiating Buy-Out Shareholders or the Company (as applicable) shall pay to Glade (or the representative of Glade's estate, as the case may be) and CNC an amount equal to the applicable purchase price under Section 2.3(a) for the Equity Securities held by such Shareholder, by wire transfer of immediately available funds to an account or accounts designated by Glade (or the representative of Glade's estate, as the case may be) and CNC. The closing shall occur at a location mutually agreed upon by the Initiating Buy-Out Shareholders or the Company (as applicable), Glade (or the representative of Glade's estate, as the case may be) and CNC. If such parties cannot agree upon the location for the closing, closing shall

occur at the corporate headquarters of Axis Capital. Glade (or the representative of Glade's estate, as the case may be) and CNC shall pay his, her or its own attorneys' fees and expenses in connection with such purchase and sale, and the Initiating Buy-Out Shareholders or the Company (as applicable) shall pay their own attorneys' fees and expenses in connection with such purchase and sale.

(c) For purposes of this Section 2.3, a majority of the Board shall reasonably determine the FMV for each Equity Security. Notwithstanding the foregoing, if an independent appraiser, which has been duly appointed by the Board after the date of this Agreement, has made a determination of FMV within one year of the relevant Management Buy-Out Notice and there has not been a material change in the financial condition of the Company since such determination (as determined by the Board), the Board shall rely on such prior appraisal to establish the FMV, but only with respect to a sale other than as described in the penultimate sentence of Section 2.3(a). If the Board is unable to agree on the FMV within ten (10) days of the Management Buy-Out Notice or if Glade (or the representative of Glade's estate, as the case may be) and/or CNC is not in agreement with the FMV determined by the Board, Glade (or the representative of Glade's estate, as the case may be), CNC and the Board shall jointly appoint an independent appraiser within five (5) days of such failure or disagreement. The appraiser so appointed shall be experienced in the valuation of corporations engaged in the business conducted by the Company or similar businesses. The parties shall instruct the appraiser to render its determination as soon as possible (but in any event no later than thirty (30) days) after his or her appointment. The determination of the FMV by the appraiser shall be final and binding on the Company, the Investor Shareholders, Glade (or the representative of Glade's estate, as the case may be) and CNC. If Glade (or the representative of Glade's estate, as the case may be), CNC and the Company are unable to agree on the selection of an appraiser, then (i) Glade (or the representative of Glade's estate, as the case may be) and CNC shall designate one appraiser and (ii) the Company shall appoint another appraiser, and the two appraisers together shall appoint a third appraiser (who alone shall make the determination of FMV). The cost of any appraisal conducted by the appraiser making the determination of FMV shall be borne (severally, and not jointly) one-half (1/2) by Glade and CNC, and one-half (1/2) by the Company. Each party shall be solely responsible for the payment of the fees and disbursements of its counsel. The time periods set forth in this Section 2.3 for effecting the purchases of the Equity Securities by the Company pursuant to this Section 2.3 shall be temporarily suspended for the duration of the period required for the final determination of FMV to be made but in no event shall extend one hundred twenty (120) days after the date of delivery of the Management Buy-Out Notice.

2.4 Employee Shareholder Buy-Out Provisions.

(a) In the event of the death or incapacity of any Employee Shareholder or the termination of such Employee Shareholder's employment or engagement with the Company, then the Company shall have the right, to be exercised, if at all, during the 30-day period immediately following (A) the date on which the Company becomes aware of such Employee Shareholder's death or incapacity or (B) the date of termination of such Employee Shareholder employment or engagement with the Company, to purchase any or all of the Equity Securities held by such Employee Shareholder. The Company shall exercise this option, if at all, by delivering written notice (the "Employee Buy-Out Notice") to such Employee Shareholder (or the representative of such Employee Shareholder's estate, as the case may be) setting forth its election to purchase any or all of the Equity Securities then held by such Employee Shareholder for a purchase price determined in accordance with Section 2.4(d).

(b) The closing of any purchase and sale of Equity Securities pursuant to this Section 2.4 shall take place on the date (the "Employee Buy-Out Closing Date") that is within sixty (60) days after delivery of the Employee Buy-Out Notice pursuant to Section 2.4(a). On the Employee Buy-Out Closing Date, the Employee Shareholder (or the representative of the Employee Shareholder's estate, as the case may be) shall execute and deliver to the Company such instruments of transfer as shall be

reasonably requested by the Company in order to convey good and valid legal title to the Company of the Equity Securities being transferred, free and clear of any and all liens, charges, pledges and other encumbrances and restrictions (other solely than this Agreement). On the Employee Buy-Out Closing Date, the Company shall pay to the Employee Shareholder (or the representative of such Employee Shareholder's estate, as the case may be) an amount equal to the applicable purchase price under Section 2.4(d) for the Equity Securities held by such Employee Shareholder, by wire transfer of immediately available funds to an account or accounts designated by the Employee Shareholder (or the representative of the Employee Shareholder's estate, as the case may be). The closing shall occur at a location mutually agreed upon by the Company and the Employee Shareholder (or the representative of the Employee Shareholder's estate, as the case may be). If such parties cannot agree upon the location for the closing, closing shall occur at the corporate headquarters of Axis Capital. The Employee Shareholder (or the representative of the Employee Shareholder's estate, as the case may be) shall pay his, her or its own attorneys' fees and expenses in connection with such purchase and sale, and the Company shall pay its own attorneys' fees and expenses in connection with such purchase and sale.

(c) For purposes of this Section 2.4, a majority of the Board shall reasonably determine the FMV for each Equity Security. Notwithstanding the foregoing, if an independent appraiser, which has been duly appointed by the Board after the date of this Agreement, has made a determination of FMV within one year of the relevant Employee Buy-Out Notice and there has not been a material change in the financial condition of the Company since such determination (as determined by the Board), the Board shall rely on such prior appraisal to establish the FMV. If the Board is unable to agree on the FMV within ten (10) days of the Employee Buy-Out Notice or if the Employee Shareholder (or the representative of the Employee Shareholder's estate, as the case may be) is not in agreement with the FMV determined by the Board, the Employee Shareholder (or the representative of the Employee Shareholder's estate, as the case may be) and the Board shall jointly appoint an independent appraiser within five (5) days of such failure or disagreement. The appraiser so appointed shall be experienced in the valuation of corporations engaged in the business conducted by the Company or similar businesses. The parties shall instruct the appraiser to render its determination as soon as possible (but in any event no later than thirty (30) days) after his or her appointment. The determination of the FMV by the appraiser shall be final and binding on the Company and the Employee Shareholder (or the representative of the Employee Shareholder's estate, as the case may be). If the Employee Shareholder (or the representative of the Employee Shareholder's estate, as the case may be) and the Company are unable to agree on the selection of an appraiser, then (i) the Employee Shareholder (or the representative of the Employee Shareholder's estate, as the case may be) shall designate one appraiser and (ii) the Company shall appoint another appraiser, and the two appraisers together shall appoint a third appraiser (who alone shall make the determination of FMV). The cost of any appraisal conducted by the appraiser making the determination of FMV shall be borne (severally, and not jointly) one-half (1/2) by the Employee Shareholder, and one-half (1/2) by the Company. Each party shall be solely responsible for the payment of the fees and disbursements of its counsel. The time periods set forth in this Section 2.4 for effecting the purchases of the Equity Securities by the Company pursuant to this Section 2.4 shall be temporarily suspended for the duration of the period required for the final determination of FMV to be made but in no event shall extend one hundred twenty (120) days after the date of delivery of the Employee Buy-Out Notice.

(d) (i) If an Employee Shareholder's employment or engagement with the Company is terminated by the Company without Cause, and the Company has delivered an Employee Buy-Out Notice, the purchase price payable by the Company to the Employee Shareholder on the Employee Buy-Out Closing Date shall be an amount equal to the FMV of such Equity Securities;

(ii) If an Employee Shareholder's employment or engagement with the Company is terminated by such Employee Shareholder with Good Reason, and the Company has delivered an

Employee Buy-Out Notice, the purchase price payable by the Company to the Employee Shareholder on the Employee Buy-Out Closing Date shall be an amount equal to the FMV of such Equity Securities;

(iii) If an Employee Shareholder's employment or engagement with the Company is terminated by the Company for Cause, and the Company has delivered an Employee Buy-Out Notice, the purchase price payable by the Company to the Employee Shareholder on the Employee Buy-Out Closing Date shall be an amount equal to the lesser of (x) 75% of the Exercise Price at which such Equity Securities were purchased and (y) the FMV of such Equity Securities; and

(iv) If an Employee Shareholder's employment or engagement with the Company is terminated by such Employee Shareholder without Good Reason, and the Company has delivered an Employee Buy-Out Notice, the purchase price payable by the Company to the Employee Shareholder on the Employee Buy-Out Closing Date shall be an amount equal to the lesser of (x) 75% of the Exercise Price at which such Equity Securities were purchased and (y) the FMV of such Equity Securities;

All payments under this Section 2.4 shall be made in cash in immediately available funds.

ARTICLE III

PREEMPTIVE RIGHTS

3.1 Pro Rata Right. If the Company determines to issue and/or sell any New Securities (each, an "Issuance"), the Company shall, prior to such Issuance, deliver a notice (a "Preemptive Rights Notice") to the Shareholders other than the Employee Shareholders setting forth the type of proposed New Securities, the number of New Securities proposed to be issued, the proposed date of such Issuance and the price and other terms and conditions of such proposed Issuance. For a period of thirty (30) days following the receipt of the Preemptive Rights Notice to the Shareholders, each such Shareholder shall have the right, but not the obligation, to purchase its Pro Rata Share of the Issuance on the same price, terms and conditions as are set forth in such Preemptive Rights Notice. For purposes of this Article III, a Shareholder's "Pro Rata Share" shall mean a ratio (a) the numerator of which is the aggregate of the number of Equity Securities (on a fully diluted as-converted basis, as applicable) held by such Shareholder as of the date the Company delivers the Preemptive Rights Notice pursuant to this Section 3.1, and (b) the denominator of which is the total number of issued and outstanding Equity Securities (on a fully diluted as-converted basis, as applicable) as of the date the Company delivers the Preemptive Rights Notice pursuant to this Section 3.1.

3.2 New Securities. "New Securities" shall mean any capital stock (including, without limitation, Common Shares and/or Common Stock Equivalents) of the Company whether now authorized or not, and rights, options or warrants to purchase capital stock, and securities of any type whatsoever that are, or may become, convertible or exchangeable into capital stock; provided, that the term "New Securities" does not include: (a) any Common Shares where the Shareholders waived or otherwise failed to exercise their preemptive rights; (b) the Common Shares or other securities issued, or issuable, pursuant to the Stock Option Plan or otherwise to employees, directors or consultants of the Company approved by the Board or other similar incentive plans; (c) securities offered pursuant to a firm commitment underwriting and a registration statement filed in compliance with the Securities Act of 1933; (d) securities issued pursuant to the arms-length acquisition of another Person by the Company, whether by merger, stock purchase, recapitalization, purchase of all or substantially all the assets of such Person or otherwise, where such transaction has been approved by the Board; (e) Common Shares or other securities of the Company issued to lessors, lenders, or strategic partners in connection with leases, debt financings, service providers, consulting arrangements, or any strategic partnering or other similar

transactions approved by the Board; or (f) securities issued pursuant to any stock dividend, stock split, combination or other reclassification by the Company of any of its capital stock.

3.3 Exercise of Preemptive Rights. Each Shareholder shall have thirty (30) days from the date of receipt of a Preemptive Rights Notice to agree to purchase any or all of such Shareholder's Pro Rata Share of such New Securities for the price and upon the terms specified in the Preemptive Rights Notice by giving written notice to the Company and stating therein the quantity of New Securities to be purchased.

3.4 Reallocation. In the event that any Shareholder does not elect, prior to the expiration of the 30-day period described in Section 3.3, to purchase any or all of its Pro Rata Share of the Issuance that such Shareholder is entitled to purchase, the Company shall provide written notice to all other Shareholders that such Shareholder's Pro Rata Share (or portion thereof) of the Issuance is available for purchase. Each Shareholder that has elected to purchase its Pro Rata Share of the Issuance shall have an additional period of thirty (30) days from the date of receipt of such notice within which to elect to purchase the unsubscribed portion of any Shareholder's Pro Rata Share of the Issuance for the price and upon the terms specified in the notice by giving written notice to the Company and stating therein the quantity of such unsubscribed portion of any Shareholder's Pro Rata Share of the Issuance to be purchased. In the event that the offer of such Pro Rata Share of the Issuance is oversubscribed, the available New Securities will be allocated for purchase by such other Shareholders in proportion to such Shareholders' Pro Rata Share prior to such purchase.

3.5 Company's Right to Sell. If the Shareholders do not elect, prior to expiration of the 30-day period set forth in Section 3.4, to purchase all of the New Securities offered pursuant to the Preemptive Rights Notice, the Company shall have thirty (30) days thereafter to sell or enter into an agreement (pursuant to which the sale of New Securities covered thereby shall be closed, if at all, within thirty (30) days from the date of such agreement) to sell all New Securities as to which the Shareholders' option to purchase was not exercised, at a price and upon terms no more favorable to the purchasers thereof than specified in the Preemptive Rights Notice relating to such New Securities. In the event the Company has not sold, or entered into an agreement to sell, all of such New Securities within said 30-day period (or sold and/or issued all such New Securities in accordance with the foregoing within thirty (30) days from the date of such agreement), the Company shall not thereafter issue or sell any New Securities without first offering such New Securities to each Shareholder in the manner provided in this Article III.

ARTICLE IV

GOVERNANCE MATTERS

4.1 Operation of the Company. Each Shareholder shall take all actions necessary to ensure that the Company and each Subsidiary thereof are operated in accordance with each of the terms of this Agreement (including, without limitation, to vote all Equity Securities (to the extent entitled to vote) held by it, and to cause the directors nominated by it to vote to effect the terms hereof).

4.2 Board of Directors.

(a) Number of Directors. The Board shall consist of seven (7) members.

(b) Election of Directors. For so long as this Agreement is in effect, each Shareholder shall vote (or cause to be voted) the Equity Securities owned beneficially or of record by such Shareholder (to the extent entitled to vote) and take all other actions necessary to insure that, subject to Section 4.2(c), (i) four (4) directors of the Company shall be as designated by AFC (or such other

Person as AFC may from time to time designate in writing to the Company) (the "AFC Designees"), (ii) one (1) director of the Company shall be as designated by Hellsnyc (or such other Person as Hellsnyc may from time to time designate in writing to the Company) (the "Hellsnyc Designee") and (iii) two (2) directors of the Company shall be as designated by Glade (the "Management Designees"). CNC expressly agrees that its interests are aligned with Glade and the Management Designee's presence on the Board constitutes adequate Board representation for CNC. As of the date of this Agreement, the AFC Designees shall be Mostafiz ShahMohammed, Alison Mason, Shauna Heckathorn and Mark Sheridan; the Hellsnyc Designee shall be Cecilia Park and the Management Designees shall be Gordon Glade and Dean Rubin.

(c) Death, Resignation or Incapacity of Directors. Upon the death, resignation or incapacity of any director nominated or appointed to the Board, the Shareholder (or the representative of such shareholder's estate, as the case may be) that nominated or appointed such director, or alternate, pursuant to this Section 4.2 shall be entitled to nominate or appoint such director's or alternate's replacement to the Board.

(d) Removal of Directors. Any director or alternate serving on the Board shall be removed from office upon the motion of the Shareholder who nominated or appointed such director or alternate to such position pursuant to this Section 4.2, and such Shareholder shall be entitled to nominate or appoint a successor to fill the resulting vacancy. No director, or alternate, nominated or appointed to the Board by any Shareholder pursuant to this Section 4.2 shall be removed from such position unless the nominating or appointing Shareholder consents to such removal. Upon motion in accordance with this Section 4.2(d) to remove any director or alternate from the Board, each Shareholder agrees to vote all Equity Securities owned by it (to the extent entitled to vote) to effect the removal of such director or alternate.

(e) Expenses. The Company shall pay the reasonable out-of-pocket expenses incurred by each Board member designated pursuant to Section 4.2 in connection with attending the meetings of the Board and any committees thereof.

(f) Axis Capital Board. The Company shall cause the Axis Capital board of directors (the "Axis Capital Board") to be comprised of the Management Designees and any other director(s) hereafter appointed pursuant to the immediately succeeding sentence. At any time after the date of this Agreement, the Company shall cause (i) any or all of the AFC Designees to be appointed to the Axis Capital Board, if so requested in writing by AFC and (ii) the Hellsnyc Designee to be appointed to the Axis Capital Board, if so requested in writing by Hellsnyc. The Company shall cause the Axis Capital Board to at all times operate consistently with the terms of this Agreement.

(g) Director Duties and Obligations. To the maximum extent permitted by applicable law, no director serving on the Board shall have any fiduciary duty to the Company or any Shareholder or group of Shareholders, and, accordingly, any director serving on the Board may vote or otherwise act in such director's capacity as a director for the benefit of, or as otherwise directed by, the Shareholder that designated such director.

(h) Governance. The Company, Axis Capital and each of the Shareholders shall take all actions necessary to cause the bylaws of the Company and Axis Capital to be amended such that in the event of a vote of the Board (or the Axis Capital Board, as applicable) with respect to any matter that results in a tie, then the vote of a majority of the directors of the Company (or Axis Capital, as applicable) other than the Management Designees (the "Non-Management Directors") shall be deemed the act of the Board (or the Axis Capital Board, as applicable). Written notice of the time and place of all regular and special meetings of the Board (and the Axis Capital Board) shall be delivered personally to each director

or sent by facsimile transmission or other form of electronic transmission (such as e-mail) at least five days prior the start of the meeting, or sent by first class mail at least seven days before the start of the meeting. Notice of any meeting may be waived in writing at any time before or after the meeting and will be waived by any director by attendance thereat.

(i) Board Observer Rights. Each of the Investor Shareholders shall be entitled to designate one person with Board observer rights who shall be entitled to attend all meetings of the Board and committees thereof. Each such observer shall be responsible for paying all of his or her expenses incurred in connection with serving as a Board observer, including, without limitation, travel expenses.

4.3 Investor Shareholder Rights. For so long as any Investor Shareholder holds any Equity Securities, the Company shall not, either, directly or indirectly, do or permit to be done any of the following without the prior written consent of Investor Shareholders holding a majority of all Equity Securities held by all Investor Shareholders (each, in their sole discretion):

- (a) effect or permit any merger or consolidation to which the Company or any Subsidiary is a constituent party;
- (b) effect any liquidity event (including any securitization) with respect to the Company's direct or indirect interest in any Subsidiary or its assets;
- (c) sell, assign, transfer, pledge, hypothecate or otherwise encumber or dispose of any equity securities of Axis Capital now or hereafter held by the Company;
- (d) except in the ordinary course of the Company's business, sell, assign, transfer, pledge, hypothecate or otherwise encumber or dispose of any assets now or hereafter held by the Company or any Subsidiary;
- (e) permit the Transfer of any Equity Securities by any Management Shareholder or any Employee Shareholder;
- (f) issue any Equity Securities or other capital stock of the Company (including preferred stock but excluding Common Shares or other securities issued pursuant to the Company's stock option plan(s), stock purchase plan(s) or otherwise to employees, directors or consultants of the Company approved by the Board or similar incentive plan as of the date of this Agreement), or permit any Subsidiary to issue any capital stock (including preferred stock) of such Subsidiary;
- (g) liquidate, including dissolve or wind-up, the business and affairs of the Company or any Subsidiary;
- (h) declare a voluntary bankruptcy or insolvency of the Company or any Subsidiary;
- (i) other than with respect to the Axis Capital Preferred Shares, purchase or redeem or pay or declare any dividend or make any distribution on, any shares of capital stock of the Company or any Subsidiary,
- (j) purchase, or contemplate the purchase of, an equipment lease portfolio from another Person;
- (k) reclassify, alter or amend the terms, conditions or covenants of existing debt issued by the Company or any Subsidiary;

- (l) incur any indebtedness, or guarantee any indebtedness of any other Person;
- (m) make any single expenditure in excess of \$50,000, or any collection of related expenditures in excess of \$100,000 in the aggregate, other than as included in any budget of the Company or any Subsidiary, as applicable, that has been previously approved by the Board and is still then in effect;
- (n) change the servicer of any of the leases or portfolios held by the Company or any of its Subsidiaries;
- (o) change the auditor of the Company or any Subsidiary;
- (p) amend, alter or repeal any provision of the articles of incorporation, bylaws or other organizational documents of the Company or any Subsidiary;
- (q) effect any dilution of any Equity Securities now or hereafter held by any Investor Shareholder;
- (r) increase or decrease the authorized number of directors constituting the Board; or
- (s) cause, approve or permit the Axis Capital Board or any direct or indirect Subsidiary of the Company to do (or permit to be done) any of the foregoing.

ARTICLE V

REPRESENTATIONS, WARRANTIES AND COVENANTS

5.1 General. Each Shareholder represents and warrants to each other Shareholder that (a) such Shareholder has taken all requisite action to authorize and approve the execution, delivery and performance of this Agreement by such Shareholder, (b) this Agreement has been duly executed and delivered by such Shareholder, and constitutes the legal, valid and binding obligation of such Shareholder, enforceable against such Shareholder in accordance with its terms, (c) the execution, delivery and performance of this Agreement by such Shareholder will not (i) in the case of an entity, violate any provision of the charter documents of such Shareholder, (ii) violate, conflict with or result in (or with notice or lapse of time or both result in) a breach of or default under any term or provision of any contract or agreement to which such Shareholder is a party or by which such Shareholder or any of its assets or properties is or may be bound, or (iii) violate any order, judgment, injunction, award or decree of any court or arbitration body, or any governmental, administrative or regulatory authority, by which such Shareholder or any of its assets or properties is or may be bound.

5.2 Insurance. The Company has obtained, from a financially sound and reputable insurer, a Directors and Officers liability insurance policy in an amount at least equal to \$1 million per occurrence and \$1 million in the aggregate and on such other terms and conditions satisfactory to the Board, including but not limited to (a) having a tail period after termination as provided in this Section 5.2 of no less than five (5) years, and (b) naming of each of the members of the Board to such insurance policy. The Company shall cause such insurance policy to be maintained continuously and without interruption until such time as the Board determines that such insurance policy should be terminated.

5.3 Accumulation Account; Redemptions; Distributions.

(a) Axis Capital has established two separate bank accounts as follows: (i) a working capital account (the "Working Capital Account") and (ii) an accumulation account (the "Accumulation Account"). Axis Capital shall cause to be deposited into the Accumulation Account all Net Receipts. The term "Net Receipts" means all receipts from monthly lease run-offs including, without limitation, all receipts due and received by Axis Capital and its Subsidiaries from the senior loan facilities after satisfying any and all requisite fees, expenses, interest and amortization on the related senior loan facilities as evidenced in the servicing reports. Axis Capital shall satisfy its Operating Expenses (defined below) out of the Working Capital Account. The term "Operating Expenses" means all selling, general and administrative expenses and working capital required to run Axis Capital's operations. Axis Capital shall periodically present to the Axis Capital Board its forward required Operating Expenses. The Axis Capital Board shall vote to authorize, in its sole discretion, further transfers to the Working Capital Account from the Accumulation Account. The Axis Capital Board may also, in its sole discretion, elect to make transfers from the Working Capital Account to the Accumulation Account. Any and all cash retained in the Accumulation Account shall be utilized by Axis Capital to pay as and when due the following: (w) payments of all dividends on the Axis Capital Preferred Shares (including, without limitation, any deferred dividends); (x) all Mandatory Redemptions (as defined below); (y) interest payments with respect to the Sub Debt; and (z) payment of dividends in respect of the Common Shares, as determined pursuant to Section 5.3(e).

(b) Axis Capital has established another bank account held by AXIS Capital called the "Origination Account."

(c) [Intentionally Deleted.]

(d) (i) On June 15, 2016 and on the fifteenth (15th) day of each month thereafter (or the next Business Day thereafter, if the 15th day of such month does not fall on a Business Day), Axis Capital shall redeem a number of the Axis Capital Preferred Shares held by each Preferred Shareholder that is equal to (x) seventy-five percent (75%) multiplied by (y) 1/24 of the number of Axis Capital Preferred Shares held by such Preferred Shareholder as of the date of this Agreement and (ii) on June 15, 2018, Axis Capital shall redeem the remaining twenty-five percent (25%) of the Axis Capital Preferred Shares held by each Preferred Shareholder, in each case for a redemption price equal to the face value of such Axis Capital Preferred Shares (collectively, the "Mandatory Redemption"). At the time of each redemption payment to the Preferred Shareholders, Axis Capital shall concurrently distribute any accrued but unpaid dividends and any deferred dividends with respect to the Axis Capital Preferred Shares. To the extent any Axis Capital Preferred shares are outstanding at any time after June 15, 2018, such Axis Capital Preferred Shares shall be immediately redeemed by Axis Capital at 110% of face value (together with all accrued but unpaid dividends thereon and any deferred dividends)

(e) From to time to time, following the date of this Agreement, (i) as determined by the Axis Capital Board, Axis Capital shall make a dividend to the Company (in its capacity as the sole shareholder of common shares of Axis Capital) in an amount equal to all retained earnings of Axis Capital after making provision for (A) working capital, (B) reasonable holdback for current debt repayments, (C) a reasonable reserve for delinquencies and losses and (D) any Mandatory Redemption, and (ii) as determined by the Board (subject to compliance with any loan agreements to which the Company is a party), the Company shall make a dividend to the Preferred Shareholders in an amount equal to all amounts distributed to the Company by Axis Capital pursuant to Section 5.3(e)(i) (each, a "Mandatory Distribution").

(f) In the event (i) of the death or incapacity of Glade or Dean Rubin, (ii) of the termination of Glade's or Dean Rubin's employment with Axis Capital and/or the Company, or (iii) Glade or Dean Rubin ceases to spend substantially all of his business time and attention on the business

of the Company and/or Axis Capital (except as otherwise agreed in writing by AFC), the Investor Shareholders shall have the right, upon written notice to the Company from any group of Investor Shareholders holding a majority of all Equity Securities held by the Investor Shareholders, to cause Axis Capital to effect (x) a Mandatory Redemption with respect to all Preferred Shares issued and outstanding on the date such notice is delivered by the Investor Shareholders, the first monthly payment in respect of such Mandatory Redemption being due on the first Business Day of the first month following the delivery of such written notice, and (y) as soon as practicable (but in any event within thirty (30) days following delivery of such notice by the Investor Shareholders), a Mandatory Distribution.

(g) On the date of this Agreement, Axis Capital shall issue a total of (i) 1,767.69 shares of Axis Capital Preferred Shares to AFC for a total purchase price of \$1,767,690 (ii) 191.57 shares of Axis Capital Preferred Shares to Hellsnyc for a total purchase price of \$191,573 and (iii) 86.91 shares of Axis Capital Preferred Shares to DRGG for a total purchase price of \$86,913, pursuant to the terms and conditions set forth in the subscription agreements between Axis Capital and such applicable party, dated as of the date of this Agreement.

(h) On the date of this Agreement, Axis Capital shall deliver to each of AFC, Hellsnyc and DRGG a certified amended stock ledger showing AFC as holder of 7,546.22 Axis Capital Preferred Shares, Amur Investments as holder of 453.78 Axis Capital Preferred Shares, Hellsnyc as holder of 302.52 Axis Capital Preferred Shares and DRGG as holder of 86.91 Axis Capital Preferred Shares.

(i) On the date of this Agreement, the Company shall deliver (i) to each of AFC, Amur Investments, Hellsnyc and DRGG, (A) a certified amended stock ledger of the Company showing AFC with 6,416.4 Common Shares, Amur Investments with 857.2 Common Shares, Hellsnyc with 571.5 Common Shares and DRGG with 101.5 Common Shares and (B) a certified amended director register of the Company showing that the Board consists of the AFC Designees, the Hellsnyc Designee and the Management Designees, (ii) to AFC, a share certificate for 6,416.4 Common Shares issued in the name of AFC, (iii) to Amur Investments, a share certificate for 857.2 Common Shares issued in the name of Amur Investments, (iv) to Hellsnyc, a share certificate for 571.5 Common Shares issued in the name of Hellsnyc and (i) to DRGG, a share certificate for 47.84 Common Shares issued in the name of DRGG.

5.4 Negative Covenants. For so long as any Investor Shareholder (other than DRGG and Hellsnyc) holds any Equity Securities, neither the Company nor any Management Shareholder shall, directly or indirectly, do or permit to be done any of the following without the prior written consent of all of the Investor Shareholders (other than DRGG and Hellsnyc), in their sole discretion:

(a) enter into any engagement, agreement, understanding or negotiation with any Person regarding any business activities or operations that are competitive with the business activities or operations then conducted by the Company or any Subsidiary, or otherwise set up an equipment leasing or financing business; provided, that Glade's current activities in his capacity as a minority shareholder and/or board member of Brunswick State Bank shall not be deemed a breach of this Section 5.4(a); or

(b) engage in any sale or transfer of assets to the Company or any Subsidiary from the Company, any Subsidiary, any Management Shareholder or any of their respective Affiliates; provided, that this Section 5.4(b) shall not prohibit sales or transfers of certain contracts for the lease or financing of equipment in the ordinary course of business consistent with past practice.

5.5 Information. For so long as any Investor Shareholder holds any Equity Securities, the Company agrees as follows:

(a) The Company shall provide to each Investor Shareholder the following reports and information: (i) monthly servicer reports for all Axis Capital, Company, or Subsidiary lending facilities as well as any audit reports commissioned by any such lender; (ii) monthly general ledger with cash receipts and cash outflows; (iii) monthly and quarterly management accounts, balance sheets, income statements and cash flow statements as well as delinquency, aging and loss/write-off reports and monthly bank statements for each of the Working Capital Account, the Accumulation Account and the Origination Account; (iv) quarterly reports of all material off-balance sheet transactions; (v) annual audited financial statements including any management letters from auditors; and (vi) annual budgets. Any of the foregoing information or reports to be provided (x) monthly shall be provided within five (5) Business Days of the end of the month to which such information or report relates; (y) quarterly shall be provided within fifteen (15) Business Days of the end of the quarter to which such information or report relates; and (z) annually shall be provided as soon as practicable (but in no event later than ninety (90) calendar days) following the end of the year to which such information or report relates.

(b) In addition, the Company shall provide to each Investor Shareholder the following: (i) such information as is reasonably requested by such Investor Shareholder; (ii) automatically and without further request, prompt notification of any modification to any contract that is material to the business, affairs or prospects of the Company; and (iii) immediate notice of any event of default under any credit agreement, or any breach of any agreement, to which the Company is a party.

(c) Each Investor Shareholder shall have the right, during normal business hours, and upon reasonable advance notice to the Company, to inspect and make copies of documents and financial information, including without limitation the books and records, of the Company, Axis Capital and any of their respective Affiliates.

ARTICLE VI

MISCELLANEOUS

6.1 Effective Date. This Agreement shall be effective as of the date first set forth above.

6.2 Successors and Assigns. The terms and conditions of this Agreement shall inure to the benefit of and be binding upon the parties hereto, their successors and permitted assigns and their legal representatives. Except as otherwise provided in this Agreement, none of the Management Shareholders hereto shall assign any of their respective rights or obligations hereunder. Nothing in this Agreement, express or implied, is intended to confer upon any party other than the parties hereto or their respective successors and assigns any rights, remedies, obligations, or liabilities under or by reason of this Agreement.

6.3 Governing Law; Jurisdiction; Service of Process; Waiver of Right to Jury Trial.

(a) This Agreement, together with any dispute arising under this Agreement, shall be governed by, construed, applied and enforced in accordance with the laws of the State of Nebraska, except that no doctrine of choice of law shall be used to apply any law other than that of the State of Nebraska, and no defense, counterclaim or right of set-off given or allowed by the laws of any other state or jurisdiction, shall be interposed in any action hereon or thereon.

(b) To the maximum extent allowed under the laws of the State of Nebraska, each of the Shareholders waives its right to trial by jury in connection with any action arising out of the terms of this Agreement. Each of the Shareholders further agrees that under no circumstances shall a prevailing

party be entitled to consequential damages, special damages, punitive damages, exemplary damages or any other form of damages other than actual economic damages.

(c) Process in any suit or action proceeding may be served on any party anywhere in the world, whether within or without the jurisdiction of any such court. Without limiting the foregoing, each Shareholder agrees that service of process on such party as provided in Section 6.6 herein shall be deemed effective service of process on such Shareholder.

(d) Notwithstanding the foregoing, each Shareholder agrees to participate in at least one-half day or mediation or other informal voluntary dispute resolution process prior to initiating any suit or action. If any Shareholder fails to respond to a written notice requesting mediation or other informal voluntary dispute resolution process within thirty (30) days of such notice, such Shareholder shall be deemed to have waived the requirements of this Section 6.3(d).

(e) In connection with any dispute arising under this Agreement between any of the Company and/or the Shareholders (or their respective Affiliates, agents, employees, officers, directors, members, partners, shareholders or representatives), the non-prevailing party in such dispute, as determined by a final non-appealable order of a court of competent jurisdiction, shall be responsible for, and pay to, the prevailing party in such dispute the costs and expenses (including reasonable attorneys' fees and expense) incurred by such prevailing party in connection with such dispute.

6.4 Counterparts. This Agreement may be executed in multiple counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same instrument.

6.5 Headings and Titles. Headings and titles used in this Agreement are used for convenience only and are not to be considered in construing or interpreting this Agreement.

6.6 Communications. All notices and other communications required or permitted hereunder shall be in writing and shall be deemed given upon personal delivery, delivery via FedEx or other similar overnight express mail service, or electronically confirmed delivery by facsimile. All notices shall be addressed as follows:

(a) if to Axis Capital, to:

Axis Capital, Inc.
308 North Locust Street
Grand Island, Nebraska 68801
Attention: Gordon Glade
Facsimile No.: 308/398-4141

with a copy to:

c/o Amur Finance Company, Inc.
One North Lexington Avenue, Suite 1101
White Plains, New York 10601
Attn: Mostafiz ShahMohammed
Facsimile No.: 212/893-8831

(b) if to the Company, to:

Axis Acquisition, Inc.

308 North Locust Street
Grand Island, Nebraska 68801
Attention: Gordon Glade
Facsimile No.: 308/398-4141

with a copy to:

c/o Amur Finance Company, Inc.
One North Lexington Avenue, Suite 1101
White Plains, New York 10601
Attn: Mostafiz ShahMohammed
Facsimile No.: 212/893-8831

(c) if to AFC, to:

Amur Finance Company, Inc.
One North Lexington Avenue, Suite 1101
White Plains, New York 10601
Attn: Mostafiz ShahMohammed
Facsimile No.: 212/893-8831

(d) if to Amur Investments, to:

Amur Finance Company, Inc.
One North Lexington Avenue, Suite 1101
White Plains, New York 10601
Attn: Mostafiz ShahMohammed
Facsimile No.: 212/893-8831

(e) if to Hellsnyc, to:

Hellsnyc LLC
320 West 38th Street, #539
New York, New York 10018
Attn: Cecilia Park
Facsimile No.: 212/893-8833

(f) If to DRGG, to:

DRGG Investments, LLC
308 North Locust Street
Grand Island, Nebraska 68801
Attn: Gordon Glade
Facsimile No.: 308/398-4141

or (d) if to a Shareholder, at such Shareholder's address as set forth on Schedule 1, or, in each case, at such other address as shall have been furnished to the other parties hereto in writing.

6.7 Entire Agreement, Amendments and Waivers. This Agreement (including the schedules and exhibits hereto, if any) constitutes the full and entire understanding and agreement among the parties hereto with regard to the subjects hereof. Any term of this Agreement may be amended and the

observance of any term of this Agreement may be waived (either generally or in a particular instance and either retroactively or prospectively), only with the written consent of all of the parties hereto.

6.8 Severability. If one or more provisions of this Agreement are held to be unenforceable under applicable law, such provision shall be excluded from this Agreement and the balance of the Agreement shall be interpreted as if such provision were so excluded and shall be enforceable in accordance with its terms.

6.9 Confidentiality.

(a) Each Shareholder agrees to keep confidential, not use, and not disclose to any Person other than its counsel and other professional advisers, directly or indirectly, the terms and conditions of this Agreement, any documents relating to any Shareholder's investment in the Company or any of the operational and financial information pertaining to the Company or any of its Shareholders, in each case that the Company or any of its representatives has disclosed to such Shareholder before the date of this Agreement or discloses to such Shareholder thereafter (the "Information"), it being agreed and intended that all such Information shall be and remain strictly confidential and proprietary to the Company and is being disclosed only for a limited purpose with the advance understanding that the Information will not be used, and will be kept strictly confidential, once it is disclosed.

(b) The parties hereto agree that a violation of this Section 6.9 will cause the Company irreparable injury, and, accordingly, in the event of any breach by any Shareholder of its duties of confidentiality hereunder, the Company shall be entitled to temporary and permanent injunctive relief enjoining and restraining any Shareholder from any act or other violation or threatened violation of its duty of confidentiality.

(c) Notwithstanding any other provisions of this Agreement to the contrary, each Shareholder's obligation of confidentiality in this Section 6.9 shall survive until the first anniversary of the date such Shareholder ceases to be a Shareholder.

6.10 Further Assurances. The parties hereto agree to execute such further instruments and to take such further action as may be reasonably necessary to carry out the intent of this Agreement.

6.11 Legend. Each existing or replacement certificate for Equity Securities now owned or hereafter acquired by the Shareholders shall bear the following legend on its face:

"THE SECURITIES REPRESENTED BY THIS CERTIFICATE HAVE NOT BEEN AND WILL NOT BE REGISTERED UNDER THE UNITED STATES SECURITIES ACT OF 1933 (AS AMENDED) AND MAY NOT BE SOLD, OFFERED FOR SALE, PLEDGED OR HYPOTHECATED DIRECTLY OR INDIRECTLY, IN THE UNITED STATES OR TO ANY UNITED STATES PERSON OR TO ANY OTHER RESTRICTED PERSON IN THE ABSENCE OF A REGISTRATION STATEMENT IN EFFECT WITH RESPECT TO THE SECURITIES UNDER SUCH ACT OR AN EXEMPTION THEREFROM. THE SALE, PLEDGE, HYPOTHECATION, ASSIGNMENT OR TRANSFER OF THE SECURITIES REPRESENTED BY THIS CERTIFICATE ARE SUBJECT TO THE TERMS AND CONDITIONS OF A CERTAIN SHAREHOLDERS AGREEMENT BY AND BETWEEN THE HOLDER HEREOF AND CERTAIN SHAREHOLDERS OF THE COMPANY. COPIES OF SUCH AGREEMENT MAY BE OBTAINED UPON WRITTEN REQUEST TO THE SECRETARY OF THE COMPANY. THE COMPANY WILL NOT REGISTER THE TRANSFER OF SUCH SECURITIES ON THE BOOKS OF THE COMPANY

UNLESS AND UNTIL THE TRANSFER HAS BEEN MADE IN COMPLIANCE WITH THE TERMS OF SUCH SHAREHOLDERS AGREEMENT.”

6.12 Termination. The rights and obligations of the parties under this Agreement (as amended or restated from time to time in accordance with this Agreement) shall terminate upon the occurrence of any of the following events: (i) the voluntary written agreement of all of the Shareholders (or, as applicable, their successor in interest) to terminate this Agreement; (ii) the dissolution, bankruptcy or insolvency of the Company; (iii) the closing of the Company's sale of all or substantially all of its assets; (iv) at such time as only one Shareholder remains; or (v) the listing or quotation of any Common Shares on a national securities exchange registered under section 6 of the Securities Exchange Act of 1934 or quotation of any Common Shares on a system sponsored by a national securities association registered under Section 15A(b) of the Securities Exchange Act of 1934. Subject to Section 2.3, this Agreement shall not terminate in case of death of a Shareholder and the community of heirs shall become party to this Agreement in lieu and in place of the deceased with all such Shareholder's rights and obligations. Subject to the immediately preceding sentence, this Agreement will terminate with respect to any Shareholder (but only with respect to such Shareholder) on the date such Shareholder ceases to hold any Equity Securities.

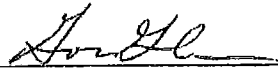
6.13 Inconsistency. In the event the organizational documents of the Company contain provisions that conflict with or are inconsistent with any of the terms and conditions of this Agreement, the terms and conditions of this Agreement shall prevail. The parties to this Agreement hereby agree to take all actions as may be required by the Investor Shareholders to (a) amend, in a manner consistent with the provisions of this Agreement, the bylaws or other organizational documents of the Company, Axis Capital and/or any of their respective Subsidiaries and (b) cause the adoption by the Company, Axis Capital and/or any of their respective Subsidiaries of such amended bylaws or other organizational documents of the Company, Axis Capital and/or any of their respective Subsidiaries.

[signatures on following page]

IN WITNESS WHEREOF, the parties hereto have executed this Agreement as of the date first above written.


COMPANY:

AXIS ACQUISITION, INC.

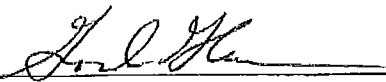
By: 
Name: Gordon Glade
Title: President

AXIS CAPITAL:

AXIS CAPITAL, INC.

By: 
Name: Gordon Glade
Title: President

SHAREHOLDERS:



Gordon Glade

CENTRAL NEBRASKA CREDIT, LTD.

By: Tilden, LLC, its general partner

By: 
Gordon Glade, Manager

DRGG INVESTMENTS, LLC

By: 
Name: Gordon Glade
Title: President

AMUR INVESTMENTS LLC

By: 

Name: Mostafiz Shah Mohammed
Title: Managing Member of Sole Member

AMUR FINANCE COMPANY, INC.

By: 

Name: Mostafiz Shah Mohammed
Title: President

HELLSNYC LLC

By: _____

Name: Cecilia Park
Title: Member

AMUR INVESTMENTS LLC

By: _____
Name: Mostafiz ShahMohammed
Title: Managing Member of Sole Member

AMUR FINANCE COMPANY, INC.

By: _____
Name: Mostafiz ShahMohammed
Title: President

HELLSNYC LLC

By:  _____
Name: Cecilia Park
Title: Member

SCHEDULE 1

LIST OF SHAREHOLDERS

Name	Address	Equity Securities Owned
Gordon Glade	308 North Locust Street Grand Island, NE 68801 Facsimile: 308/398-4141	396 Common Shares
Central Nebraska Credit, Ltd.	308 North Locust Street Grand Island, NE 68801 Attn: Gordon Glade Facsimile: 308/398-4141	1,804 Common Shares
Amur Finance Company, Inc.	One North Lexington Avenue Suite 1101 White Plains, New York 10601 Facsimile: 212/893-8831	6,416.4 Common Shares
Amur Investments LLC	One North Lexington Avenue Suite 1101 White Plains, New York 10601 Facsimile: 212/893-8831	857.2 Common Shares
Hellsnyc LLC	320 West 38 th Street, #539 New York, New York 10018 Attn: Cecilia Park Facsimile No.: 212/893-8833	571.5 Common Shares
DRGG Investments, LLC	308 North Locust Street Grand Island, NE 68801 Attn: Gordon Glade Facsimile: 308/398-4141	101.5 Common Shares

EXHIBIT A

ADOPTION AGREEMENT

This Adoption Agreement (this "Adoption Agreement") is executed by the undersigned (the "Transferee") pursuant to the terms of that certain Second Amended and Restated Shareholders Agreement dated as of May __, 2013 (the "SHA"), by and among Axis Acquisition, Inc. (the "Company") and certain of its shareholders. Capitalized terms used but not defined herein shall have the respective meanings ascribed to such terms in the SHA. By the execution of this Adoption Agreement, the Transferee agrees as follows:

(a) Acknowledgement. The Transferee acknowledges that the Transferee is acquiring certain shares of the capital stock of the Company (the "Stock") subject to the terms and conditions of the SHA.

(b) Agreement. The Transferee (i) agrees that the Transferee shall be bound by certain voting requirements set forth in the SHA in respect of the Stock acquired by the Transferee, and (ii) hereby adopts the SHA with the same force and effect as if the Transferee were originally a party thereto.

(c) Notice. Any notice required or permitted by the SHA shall be given to the Transferee at the address listed below.

EXECUTED AND DATED this _____ day of _____, 20__.

TRANSFEREE:

[_____]

By:

Name: _____

Title: _____

Address: _____

Attn: _____

Facsimile: _____

December 8, 2015

Dear Chairman of the Board and Board Members

Axis Capital, Inc. and Axis Acquisition, Inc. (collectively "Axis")

Ladies and Gentlemen,

Recently, I was presented with an offer made by the Chairman to exchange my shares in Axis Acquisition, Inc. ("AA") for shares in Amur Finance Company, Inc. ("AFC"). While I appreciate the offer (the "Exchange"), I advised the Chairman that I have decided to decline such offer. There are several bases for my decision. Such include, but are not limited to:

1. The valuation of AA as compared to AFC's valuation greatly favors the current shareholders of AFC and disfavors me. I believe the proposed valuation of \$36M for Axis is substantially low particularly in light of the \$50M valuation which the Board arrived at in early July for the purpose of the Board-approved issuance of Letter of Intent to acquire Commercial Equipment Finance, Inc. (CEFI) coupled with the fact that AA's performance since that time has substantially increased AA's valuation. I have not been provided with sufficient financial detail to fully understand the basis or the rationale for the \$178M valuation of AFC. Consequently, the Exchange which was based on a conversion of 5.38 shares of AA for 1 share of AFC results in a substantial negative financial impact to me which I have concluded is not justified.
2. Further, the terms of the Exchange included an additional substantial discount (i.e. 25%) if some of my shares were purchased for cash. Such a discount only further compounds the inadequacy of the comparative valuation between AA and AFC.
3. Although I asked to see the existing agreement(s) that AFC has with its current shareholders, the Chairman declined to provide any of them to me. Thus, I had no basis to evaluate the rights, duties or obligations of AFC or its existing shareholders in connection with the proposal. I also was unable to evaluate what rights, duties or obligations that I would enjoy if I became an AFC shareholder as contrasted to other AFC shareholders.
4. I have concerns regarding the conversion of Axis from a Nebraska C corporation to a Delaware LLC. Although this effort has apparently been underway for several months, I as CEO of Axis have not been asked to participate in such efforts and have not been furnished which any business rationale or documentation that explained how or why such is a prudent business decision particularly in light of the numerous loan covenants which would be impacted. Further, no sufficient or detailed data has been given to me with respect to the business justification to reassign Axis employees to a different entity.

Notwithstanding my decision regarding the Exchange, I want to again reiterate my belief that the current ownership and corporate structure will allow Axis to continue its growth and financial success in the coming years. I am excited about Axis' business prospects and look forward to a continuation of my

role at Axis, in conjunction with others, in aiding such growth and successes. As the Chairman will recall, as recently as last month, I was told by him that I was doing a good job at Axis and that he wanted me to continue my efforts in the future both with respect to Axis as well as AFC. Please understand that I welcome the opportunity to earn stock awards from AFC and to become integral to the future financial success of AFC. I am keenly interested in the vision for AFC and fervently believe that Axis, as one of the AFC subsidiaries, has, is and will greatly contribute to such vision.

I look forward to the continued support of each of you with respect to our efforts at Axis and rest assured that Axis and AFC have my ongoing full dedication.

Sincerely yours,

A handwritten signature in cursive script, appearing to read "Gordon Glade", followed by a long horizontal flourish.

Gordon Glade, CEO

December 8, 2015

Dear Chairman of the Board and Board Members

Axis Capital, Inc. and Axis Acquisition, Inc. (collectively "Axis")

Ladies and Gentlemen,

Recently, I was presented with an offer made by the Chairman regarding the shares I currently own in Axis Acquisition, Inc. In essence the offer proposed an exchange of my Axis stock for stock in AFC. While I appreciate the offer I have decided to decline such offer. There are several bases for my decision. Such include, but are not limited to:

1. The valuation of Axis as compared to AFC's valuation greatly favors the current shareholders of AFC and disfavors me. I believe the proposed valuation of \$36M for Axis is substantially low particularly in light of the \$50M valuation which the Board arrived at in early July for the purpose of Board-approved issuance of Letter of Intent to acquire Commercial Equipment Finance, Inc. (CEFI) coupled with the fact that Axis's business and financial performance since that time has substantially increased Axis's valuation. I do not feel I have been provided with sufficient financial detail nor the methodology used to fully understand the basis or the rationale for the \$178M valuation of AFC. Consequently, I concluded that the Exchange which was based on a conversion of 5.38 shares of Axis for 1 share of AFC results in an unexplained as well as unjustified substantial negative financial impact to me.
2. Further, the terms of the Exchange included an additional substantial discount (i.e. 25%) if some of my shares were purchased for cash. Such a discount only further compounds the inadequacy of the comparative valuation between Axis and AFC. As such, this aspect of the Exchange is also unwarranted and unacceptable.
3. I have not been provided with adequate data, documents or other appropriate information to allow me to examine and understand the rights, duties or obligations of AFC or its existing shareholders in connection with the Exchange. I also was unable to evaluate what rights, duties or obligations that I would enjoy if I became an AFC shareholder as contrasted to other AFC shareholders. Since AFC is a closely held private corporation, I believe that it is prudent for any potential shareholder to know what rights, if any (e.g. voting), the current and would-be shareholders possess.
4. I have reservations regarding the conversion of Axis from a Nebraska C corporation to a Delaware LLC as well as transfer entire Axis employees to another entity. Although this effort has apparently been underway for several months, I as President of Axis have not been asked to participate in such efforts and have never been furnished which any business rationale or documentation that explained how or why such is a prudent business decision

particularly in light of the financing documents, including loan covenants, which would be impacted.

In connection with my decision regarding the Exchange as well any other topics regarding Axis, I want to again state that it is my belief that Axis is properly positioned to continue its growth and financial success in the coming years. I am excited about Axis' business prospects and look forward to a continuation of my role at Axis. I have appreciated the very positive comments and statements that have been made over the past several months regarding my contributions. Certainly, I appreciate being rewarded Axis restricted stock awards mid-year 2015 as your recognition of my contributions. I will continue to work very hard in conjunction with others to try to insure the financial success of Axis and to integrate Amur's other teams into Axis business. Please understand that I welcome the opportunity to earn stock awards from AFC and to become integral to the future financial success of AFC.

I look forward to the continued working relationship that I have with each of you with respect to Axis and AFC. I remain fully devoted to the business activities of Axis and to furthering AFC's success.

A handwritten signature in dark ink, appearing to read 'Cecilia Park', with a stylized, wavy line extending from the end of the name.

Sincerely yours,

Cecilia Park, President