AmTrust Underwriting Limited

Directors' report and financial statements

Registered number 3908537

31 December 2017

Contents

Directors and advisers

Directors	J E Cadle P Dewey M G Womack (appointed 8 May 2018)
Company secretary	D J L Barrett
Registered office	1 Great Tower Street London EC3R 5AA
Registered number	3908537
Independent auditors	KPMG LLP
Bankers	Barclays Bank PLC 1 Churchill Place London E14 5HP

Strategic report

The directors present their Strategic report for AmTrust Underwriting Limited ("the Company") for the year ended 31 December 2017.

The financial reporting framework that has been applied is United Kingdom Generally Accepted Accounting Practice (UK GAAP) including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' ("FRS 102").

Principal activity

The principal activity of the Company continues to be that of an underwriting agent, providing business to the Amtrust Group. For the current year the Company acted as an agent for Syndicate 1206 but with the transfer of its business into Syndicate 1861 and its consolidation into a single Syndicate the company will now act for Syndicate 1861.

Business review and future developments

During the year the Company underwrote £4.6m in gross written premiums on behalf of Syndicate 1206 generating £687k of commission income.

The company also generated profit commissions of £91k from premiums underwritten in previous years.

The following table summarises the key performance indicators used by the directors to assess the performance of the Company:

Turnover	**2017**	*2016*
	£	*£*
Brokerage and fees	**687,075**	*727,250*
Profit commission	**110,242**	*44,995*
	797,317	*772,245*

With the transfer of Syndicate 1206's business to Syndicate 1861 for the 2018 year of account the Company will continue to produce business for Syndicate 1861.

The Company is actively pursuing new sources of business in 2018 in order to increase turnover through a new binder with AmTrust Europe Ltd.

With effect from 01st April 2018, the Company will no longer be offering personal lines travel products due to a change in Underwriting strategy. This will only impact a limited number of products and allow the Company to focus on its core offering.

The Company's immediate parent is AmTrust Syndicate Holdings Ltd ("ASH"), a company registered in England and Wales.

The Company's ultimate holding company is AmTrust Financial Services, Inc. (AFSI) a company incorporated in Delaware, USA and listed on the NASDAQ Stock Market.

On 1 March 2018 AFSI has entered into a definitive agreement with Evergreen Parent, L.P., an entity formed by private equity funds managed by Stone Point Capital LLC, together with Barry D. Zyskind, Chairman and CEO of AFSI, George Karfunkel and Leah Karfunkel (collectively, the "Karfunkel-Zyskind Family"), in which Evergreen Parent will acquire the approximately 45% of the Company's issued and outstanding common shares that the Karfunkel-Zyskind Family and certain of its affiliates and related parties do not presently own or control. The proposed transaction as contemplated by the definitive agreement was approved by AFSI's stockholders on 21 June 2018. The proposed transaction is anticipated to close during the second half of 2018, subject to the satisfaction of customary closing conditions, including approval by regulatory authorities.

Strategic report *(continued)*

Principal risks and uncertainties

The principal risks and uncertainties facing the Company are as follows:

Liquidity risk

This is the risk that the Company will not be able to meet its liabilities as they fall due, owing to a shortfall in cash. The directors monitor cash flows and manage liquid assets to ensure that cash is available to meet obligations and operational liquidity needs.

Operational risk

This is the risk that errors caused by people, processes or systems lead to losses to the Company. This risk is managed through the use of detailed procedure manuals and a structured programme of testing of processes and systems by internal audit. The internal audit process is designed to provide management and the board with reasonable assurance that the controls and procedures are able to contain the risks within acceptable limits.

Regulatory risk

Regulatory risk is the risk of loss owing to a breach of regulatory requirements or failure to respond to regulatory change. The Company is required to comply with the requirements of the Financial Conduct Authority applicable to insurance brokers. The Company has a compliance officer who monitors regulatory developments and assesses the impact on corporate policy.

Credit risk

The key aspect of credit risk is the risk of default by one or more of the Company's debtors. This risk is managed by the executive management, which constantly reviews the status of the brokers with which the Company transacts business.

Underwriting capacity

The Company is dependent upon fellow group undertakings for its underwriting capacity. Business is placed on a normal arms-length basis. With the cessation of Syndicate 1206 new business is now being renewed into Syndicate 1861. In addition, the Company is pursuing other opportunities within the wider AmTrust Group. If, however underwriters were to withdraw capacity the Company would need to find replacement capacity in the interim. Since the Company is part of the AmTrust International Limited group, the Company is able to align itself with both Syndicate 1861 and other undertakings such as AmTrust Europe limited who is now one of the main providers of capacity. This allows longer term planning and a more integrated approach with one of its key capacity providers to give greater certainty and stability.

By order of the Board

P Dewey
Director

1 Great Tower Street
London
EC3R 5AA

27 September 2018

Directors' report

The directors present their annual report together with the audited financial statements of the Company for the year ended 31 December 2017.

Results and dividends

The loss for the year, after taxation, amounted to £85,176 (2016: profit of £68,323).

The directors do not recommend the payment of a dividend for the year ended 31 December 2017 (2016: £nil).

Balance Sheet Restatement

The balance sheet at 31 December 2016 has been restated to reflect the reclassification of amounts due to insurers at the year end. The effect of this is explained in Note 2.

Directors

The names of the directors who served during the year and as at the date of this report are listed on page 1.

Going concern

The Company's business activities, together with the factors likely to affect its future development, performance and position are set out above. The financial position of the Company as disclosed in the Statement of financial position shows net current assets and net assets of £324,554.

The directors have a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future. Thus they continue to adopt the going concern basis of accounting in preparing these annual financial statements.

Political donations

The Company made no political donations during the year (2016: £nil).

Auditors

Pursuant to Section 487 of the Companies Act 2006 KPMG LLP will be re-appointed as auditors.

Disclosure of information to the auditors

The directors who held office at the date of approval of this directors' report confirm that, so far as they are each aware, there is no relevant audit information of which the Company's auditors are unaware; and each director has taken all the steps that he ought to have taken as a director to make himself aware of any relevant audit information and to establish that the Company's auditors are aware of that information.

By order of the Board

P Dewey
Director

1 Great Tower Street
London
EC3R 5AA
27 September 2018

Statement of Directors' Responsibilities

The directors are responsible for preparing the Strategic report, the Directors' Report and financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law they have elected to prepare the financial statements in accordance with UK Accounting Standards and applicable law (UK Generally Accepted Accounting Practice), including FRS 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland.

Under company law, the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Company and of the profit or loss of the Company for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable UK accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- assess the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and
- use the going concern basis of accounting unless they either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error, and have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the company and to prevent and detect fraud and other irregularities.

Independent auditor's report to the members of AmTrust Underwriting Limited

Opinion

We have audited the financial statements of AmTrust Underwriting Limited for the year ended 31 December 2017 which comprise the statement of comprehensive income, statement of financial position, statement of changes in equity and related notes, including the accounting policies in note 2.

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 December 2017 and of its loss for the year then ended;
- have been properly prepared in accordance with UK accounting standards, including FRS 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland*; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)") and applicable law. Our responsibilities are described below. We have fulfilled our ethical responsibilities under, and are independent of the company in accordance with, UK ethical requirements including the FRC Ethical Standard. We believe that the audit evidence we have obtained is a sufficient and appropriate basis for our opinion.

Going concern

We are required to report to you if we have concluded that the use of the going concern basis of accounting is inappropriate or there is an undisclosed material uncertainty that may cast significant doubt over the use of that basis for a period of at least twelve months from the date of approval of the financial statements. We have nothing to report in these respects.

Strategic report and directors' report

The directors are responsible for the strategic report and the directors' report. Our opinion on the financial statements does not cover those reports and we do not express an audit opinion thereon.

Our responsibility is to read the strategic report and the directors' report and, in doing so, consider whether, based on our financial statements audit work, the information therein is materially misstated or inconsistent with the financial statements or our audit knowledge. Based solely on that work:

- we have not identified material misstatements in the strategic report and the directors' report;
- in our opinion the information given in those reports for the financial year is consistent with the financial statements; and
- in our opinion those reports have been prepared in accordance with the Companies Act 2006.

Matters on which we are required to report by exception

Under the Companies Act 2006 we are required to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

We have nothing to report in these respects.

Independent auditor's report to the members of AmTrust Underwriting Limited (continued)

Directors' responsibilities

As explained more fully in their statement set out on page 5, the directors are responsible for: the preparation of the financial statements and for being satisfied that they give a true and fair view; such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error; assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and using the going concern basis of accounting unless they either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue our opinion in an auditor's report. Reasonable assurance is a high level of assurance, but does not guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

A fuller description of our responsibilities is provided on the FRC's website at www.frc.org.uk/auditorsresponsibilities.

The purpose of our audit work and to whom we owe our responsibilities

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members, as a body, for our audit work, for this report, or for the opinions we have formed.

Mark Taylor (Senior Statutory Auditor)
for and on behalf of KPMG LLP, Statutory Auditor
Chartered Accountants
15 Canada Square
Canary Wharf
London
E14 5GL
27 September 2018

Statement of comprehensive income

for the year ended 31 December 2017

	Notes	2017 £	2016 £
Turnover	3	**797,317**	*772,245*
Cost of sales		**(19,317)**	*(23,028)*
Gross profit		**778,000**	*749,217*
Administrative expenses		**(863,312)**	*(681,355)*
Operating (loss)/ profit		**(85,312)**	*67,862*
Interest receivable	4	**136**	*461*
(Loss)/profit on ordinary activities before	5	**(85,176)**	*68,323*
Taxation on (loss)/profit on ordinary activities	8	**-**	*-*
(Loss)/profit and total comprehensive income for the financial year	14	**(85,176)**	*68,323*

The Company's turnover and expenses all relate to continuing operations.

There are no amounts relating to other comprehensive income for either year.

The notes on pages 11 to 18 form part of these financial statements.

Statement of financial position
for the year ended 31 December 2017

	Notes		2017		2016 Restated*
		£	£	£	£
Fixed assets					
Tangible assets	9		-		1,600
Current assets					
Debtors	10	231,830		277,522	
Cash at bank and in hand		642,807		894,698	
		874,637		1,172,220	
Creditors: amounts falling due within one year	11	(550,083)		(764,090)	
Net current assets			324,554		408,130
Net assets			324,554		409,730
Capital and reserves					
Called up share capital	13		102		102
Share premium account	14		4,998		4,998
Profit and loss account	14		319,454		404,630
Total shareholder's funds – equity interests			324,554		409,730

*The prior year comparatives have been restated to reflect the reclassification of amounts due to insurers at the year end. This is explained further in note 2.

These financial statements were approved by the board of directors on 27 September 2018 and were signed on its behalf by:

P Dewey
Director

The notes on pages 11 to 18 form part of these financial statements.

Statement of Changes in Equity
for the year ended 31 December 2017

	Called–up share capital	Share premium account	Profit and loss account	Total
	£	£	£	£
At 1 January 2016	102	4,998	336,307	341,407
Profit and total comprehensive income for the year	-	-	68,323	68,323
At 31 December 2016	102	4,998	404,630	409,730
Loss and total comprehensive income for the year	-	-	(85,176)	(85,176)
At 31 December 2017	**102**	**4,998**	**319,454**	**324,554**

The notes on pages 11 to 18 form part of these financial statements.

Notes
(forming part of the financial statements)

1 Company Information

AmTrust Underwriting Limited is a company domiciled in England and Wales, registration number 03908537 and is authorised and regulated by the Financial Conduct Authority, authorised Number 306674. The Company's Registered Office is 1 Great Tower Street, London EC3R 5AA.

2 Accounting policies

The financial statements have been prepared in accordance with the Financial Reporting Standard 102, The Financial Reporting Standard Applicable to the UK and Republic of Ireland (FRS 102). The financial statements have also been prepared under the historical cost accounting rules and on a going concern basis. The directors have reviewed the budget and cash flow forecasts of the Company for a period of not less than 12 months from the date of approving these financial statements and are confident that they show the Company will have sufficient resources to meet its liabilities as they fall due. Accordingly, the directors believe it remains appropriate to prepare the financial statements on a going concern basis.

The financial statements are presented in Pound Sterling (GBP), which is the Company's functional currency.

The Company's ultimate parent undertaking is AmTrust Financial Services, Inc. (AFSI). AFSI includes the Company in its consolidated financial statements, which are available from that company's registered office, see note 16. In these financial statements, the Company is considered to be a qualifying entity under FRS 102 and is therefore taking advantage of the exemption to prepare a cash flow statement, disclose related party transactions and information relating to financial instruments.

The principal accounting policies, which have been applied consistently throughout the year, are set out below.

Turnover

Net retained brokerage and fees are recognised when the respective broking intermediary is charged with the premium.

Over-rider income is recognised on a quarterly bordereau accruals basis.

Profit commission is a receivable on certain business placed and is based on the profitability of that business. It is only recognised when the amount due can be reliably measured.

Tangible fixed assets and depreciation

Tangible fixed assets are stated at cost less accumulated depreciation. They are depreciated by equal annual instalments over their estimated useful lives. The principal rate used for this is as follows:

Computer equipment and software	20%

Pensions

AmTrust Syndicate Holdings Limited ("ASH"), the parent company of AmTrust Underwriting Limited, AmTrust Central Bureau of Services Limited ("CBS") and AmTrust Management Services Limited ("AMSL") employ all individuals working for the Company. These companies operate a defined contribution scheme. Pension contributions relating to staff are charged to the Statement of comprehensive income in the year they are recharged to the Company.

Foreign currencies

Monetary assets and liabilities denominated in foreign currencies are translated into sterling at the rates of exchange ruling at the reporting date. Transactions in foreign currencies are recorded at the rate ruling at the date of the transaction. All differences are taken to the statement of comprehensive income.

Notes *(continued)*

Deferred taxation

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the reporting date, where transactions or events that result in an obligation to pay more tax in the future or a right to pay less tax in the future have occurred at the reporting date.

A net deferred tax asset is recognised as recoverable and therefore recognised only when, on the basis of all available evidence, it can be regarded as more likely than not that there will be suitable taxable profits against which to recover carried forward tax losses and from which the future reversal of underlying timing differences can be deducted.

Deferred tax is measured at the average tax rates that are expected to apply in the periods in which the timing differences are expected to reverse based on tax rates and laws that have been enacted or substantively enacted by the reporting date. Deferred tax is measured on an undiscounted basis.

Prior year adjustment

In 2016 accounts, the debtors and creditors included the net premium receivables amount of £591,444 that was due from the insured and owed to the insurer. AUL is acting as an agent in a contract between the insured and the insurer, and therefore it does not have a contractual right to the net premium receivables.

The Statement of financial position as at 31 December 2016 were restated as follows:

Trade debtors was decreased by £591,444;

Amounts owed to group undertakings was decreased by £591,444.

The below table shows the restatement of each line item affected.

Restatement of Financial Statements as a result of prior year adjustment

Statement of Financial Position (Extract)	Actual 2016	Adjustment	Restated 2016
Debtors	868,966	-591,444	277,522
Creditors: amounts falling due within one year	-1,355,534	591,444	-764,090

Use of estimates and judgements

In preparing these financial statements, the Directors of the Company have made judgements, estimates and assumptions that affect the application of the Company's accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates. Estimates and underlying assumptions are reviewed on an ongoing basis and revisions to estimates are recognised prospectively.

The estimates and assumptions that have a significant effect on the carrying amounts of assets and liabilities are discussed below:

Notes *(continued)*

Revenue recognition

Profit commission arrangements

Profit share on underwriting transactions is accounted for when it can be measured reliably, which is usually 24 months after the relevant year upon confirmation from the insurer, and in accordance with the contract terms. Subsequent adjustments are made through turnover in the period they arise.

3 Turnover

The total turnover of the Company has been derived from its principal activity and has been earned from the sale of insurance policies through brokers. 100% (2016: 100%) is attributable to the United Kingdom.

	2017	*2016*
	£	*£*
Net retained brokerage and fees	**687,075**	*727,250*
Profit commission	**110,242**	*44,995*
	797,317	*772,245*

4 Interest receivable

	2017	*2016*
	£	*£*
Bank interest	**136**	*461*
	136	*461*

5 (Loss)/Profit on ordinary activities before taxation

	2017	*2016*
	£	*£*
The (loss)/profit on ordinary activities before taxation after		
Recharged expenses from AmTrust Syndicate Holdings Ld, ANV Central Bureau of Services Ltd and AmTrust Management Services Ltd	**805,848**	*676,864*
Depreciation of tangible assets	**320**	*693*
Loss on disposal of tangible assets	**1,280**	*-*
Loss/(Gain) on foreign exchange transactions	**98**	*(9,110)*

Fees payable to the Company's auditor for the audit of the Company's annual accounts –KPMG LLP	**9,624**	*9,344*

Notes *(continued)*

6 Staff costs and numbers

All members of staff of the Company are employed by ASH, CBS or AMSL and their costs recharged to the Company. No staff costs are incurred directly by the Company.

	2017	*2016*
	£	*£*
Wages and salaries	**442,345**	*427,295*
Social security costs	**39,654**	*49,041*
Other pension costs	**23,303**	*24,235*
	505,302	*500,571*

7 Directors' emoluments

The total emoluments paid to directors of the Company by AmTrust Management Services Ltd and recharged to the Company during the year amounted to £nil (2016: £24,560). The total value of company contributions paid to money purchase pension schemes amounts to £nil (2016: £562). All amounts paid were in respect of management services.

The number of directors who are accruing benefits under the defined contribution scheme is nil (2016: one).

The aggregate emoluments of the highest paid director recharged to the Company were £nil (2016: £24,560). The value of Company contributions to money purchase schemes of the highest paid director amounts to £nil (2016: £562).

8 Taxation

a) Analysis of tax charge for the year

	2017	*2016*
	£	*£*
UK corporation tax		
Current tax on income for the year	-	-
	-	-

Notes *(continued)*

8 Taxation (continued)

b) Factors affecting the tax charge for the year

The tax assessed for the year differs from the standard rate of corporation tax in the UK. The differences are explained below:

	2017 £	*2016* £
(Loss)/profit on ordinary activities before tax	**(85,176)**	*68,323*
(Loss)/profit on ordinary activities before taxation multiplied by standard rate of UK corporation tax of 19.25% (2016: 20.00%)	**(16,396)**	*13,665*
Effects of:		
Capital allowances in excess of depreciation	**(1,914)**	*(2,677)*
Transfer pricing adjustment	**(4,323)**	*(6,769)*
Group relief surrendered at nil cost	**22,633**	*(4,219)*
Total current tax charge for the year	-	-

c) Change of tax rate

The calculation of taxes at the balance sheet date takes into account the reduction in the UK main corporation tax rate to 19% with effect from April 2017. The Finance Act 2018 enacted a further reduction from April 2020 to 17%.

Notes *(continued)*

9 Tangible fixed assets

	Computer equipment & software development
	£
Cost	
At 1 January 2017	3,200
Additions	-
Disposals	(3,200)
At 31 December 2017	-
Depreciation	
At 1 January 2017	1,600
Charge for the year	320
Disposals	(1,920)
At 31 December 2017	-
Net book value	
At 31 December 2017	-
At 31 December 2016	*1,600*

10 Debtors

	2017	*2016 restated*
	£	*£*
Debtors due from group undertakings	**5,177**	*4*
Trade debtors	**15,125**	*72,275*
Prepayments and accrued income	**211,528**	*205,243*
	231,830	*277,522*

Accrued income includes profit commissions owed by Syndicate 1206 of £191,280 (2016: £204,384).

Details of the restatement of prior year debtors can be found in note 2.

Notes *(continued)*

11 Creditors: amounts falling due within one year

	2017	*2016 restated*
	£	£
Trade creditors	9,292	*25,954*
Amounts owed to groups undertakings	540,791	*737,829*
Other creditors	-	*307*
	550,083	*764,090*

Details of the restatement of prior year creditors can be found in note 2.

12 Pension commitments

Staff working for the Company are employed by ASH, CBS and AMSL. Employees of both companies are members of Group Personal Pension Plans, which are defined contribution schemes. The pension costs recharged to the Company represent its share of contributions payable to the pension fund and amounted to £23,303 (2016: £24,235).

13 Called up share capital

	2017	*2016*
	£	£
Allotted and fully paid		
100 Ordinary shares of £1 each	100	*100*
2 Class 'B' Ordinary shares of £1 each	2	*2*
	102	*102*

B class shares have the same rights and restrictions and rank pari passu with the A class shares except that they carry no rights to attend and vote at the general meetings of the Company.

14 Reserves

	Share premium account	Profit and loss account
	£	£
Balance at 1 January 2017	4,998	404,630
Loss for the financial year	-	(85,176)
Balance at 31 December 2017	4,998	319,454

Notes *(continued)*

15 Related party transactions

The Company's turnover is earned from policies placed with Syndicate 1206. Syndicate 1206 is managed by AmTrust Syndicates Limited ("ASL"), a fellow AmTrust group company. The management of syndicate 1206 was transferred to ASL from AmTrust at Lloyd's Limited, a subsidiary of ASH, on 3 March 2017. The capacity of the syndicate is provided by AmTrust Corporate Member Limited.

The balances due to the syndicate at the year-end were as follows:

	2017	*2016 restated*
	£	*£*
Syndicate 1206	**433,636**	*628,860*
Syndicate 44		*(4)*

The Company is exempt from disclosing related party transactions with other companies that are wholly owned within the AFSI Group.

Details of the restatement of prior year creditors can be found in note 2.

16 Parent undertakings

The Company's immediate parent company is AmTrust Syndicate Holdings Limited, a company incorporated in England. The Company's ultimate holding company is AmTrust Financial Services, Inc. (AFSI) a company incorporated in Delaware, USA and listed on the NASDAQ Stock Market. A copy of AFSI's consolidated accounts can be obtained from that company's registered office, which is located at 59 Maiden Lane, 43rd Floor, New York, USA.

17 Post balance sheet events

On 1 March 2018 AFSI entered into a definitive agreement with Evergreen Parent, L.P., an entity formed by private equity funds managed by Stone Point Capital LLC, together with Barry D. Zyskind, Chairman and CEO of AFSI, George Karfunkel and Leah Karfunkel (collectively, the "Karfunkel-Zyskind Family"), in which Evergreen Parent will acquire the approximately 45% of the Company's issued and outstanding common shares that the Karfunkel-Zyskind Family and certain of its affiliates and related parties do not presently own or control. The proposed transaction as contemplated by the definitive agreement was approved by AFSI's stockholders on 21 June 2018. The proposed transaction as contemplated by the definitive agreement was approved by AFSI's stockholders on 21 June 2018. The proposed transaction is anticipated to close during the second half of 2018, subject to the satisfaction of customary closing conditions, including approval by regulatory authorities.