

**Nausch, Hogan & Murray, Inc.
NHM International, Inc.
Nausch, Hogan & Murray, (V.I.) Inc.**

COMBINED FINANCIAL STATEMENTS

December 31, 2015

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TABLE OF CONTENTS

	PAGE
INDEPENDENT AUDITOR'S REPORT . . .	1
FINANCIAL STATEMENTS.	
COMBINED BALANCE SHEETS	3
COMBINED STATEMENTS OF INCOME (LOSS) AND COMPREHENSIVE INCOME (LOSS)	5
COMBINED STATEMENTS OF STOCKHOLDER'S EQUITY	7
COMBINED STATEMENTS OF CASH FLOWS	8
NOTES TO FINANCIAL STATEMENTS .	10



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INDEPENDENT AUDITOR'S REPORT

To the Stockholder
Nausch, Hogan & Murray, Inc

We have audited the accompanying combined financial statements of Nausch, Hogan & Murray, Inc, NHM International, Inc and Nausch, Hogan & Murray, (V I) Inc, which comprise the combined balance sheets as of December 31, 2015 and 2014 and the related combined statements of income (loss) and comprehensive income (loss), stockholder's equity and cash flows for the years then ended and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these combined financial statements in accordance with accounting principles generally accepted in the United States of America, this includes the design, implementation and maintenance of internal control relevant to the preparation and fair presentation of combined financial statements that are free from material misstatement, whether due to fraud or error

Auditor's Responsibility

Our responsibility is to express an opinion on these combined financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the combined financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the combined financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the combined financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the combined financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the combined financial statements.

To the Stockholder
Nausch, Hogan & Murray, Inc

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion

Opinion

In our opinion, the combined financial statements referred to above present fairly, in all material respects, the financial position of Nausch, Hogan & Murray, Inc , NHM International, Inc and Nausch, Hogan & Murray, (V I) Inc as of December 31, 2015 and 2014 and the results of its operations and cash flows for the years then ended in conformity with accounting principles generally accepted in the United States of America

Sheehan & Company CPA, PC

Brightwaters, New York
September 14, 2016

Sam Munn - President
[Signature] - CFO
Paul [Signature] - CORPORATE SECRETARY

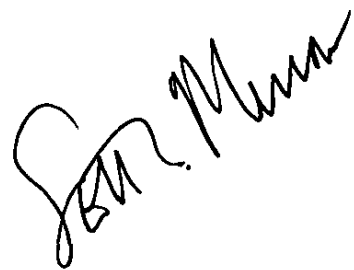
Nausch, Hogan & Murray, Inc.
NHM International, Inc.
Nausch, Hogan & Murray, (V.I.) Inc.

COMBINED BALANCE SHEETS

December 31, 2015 and 2014

ASSETS

	<u>2015</u>	<u>2014</u>
Current assets:		
Cash and cash equivalents	\$ 15,423,059	\$ 18,900,512
Commissions receivable	1,342,235	1,071,411
Prepaid assets	<u>452,096</u>	<u>430,834</u>
Total current assets	17,217,390	20,402,757
Fixed assets:		
Property and equipment, net	<u>5,522</u>	<u>73,806</u>
Total assets	<u>\$ 17,222,912</u>	<u>\$ 20,476,563</u>



The accompanying notes are an integral
part of these financial statements

-3-

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Nausch, Hogan & Murray, Inc.
NHM International, Inc.
Nausch, Hogan & Murray, (V.I.) Inc.

COMBINED BALANCE SHEETS

December 31, 2015 and 2014

LIABILITIES AND STOCKHOLDER'S EQUITY

	<u>2015</u>	<u>2014</u>
Current liabilities:		
Unremitted insurance premiums	\$ 13,393,583	\$ 12,156,944
Unremitted insurance claims	1,052,812	1,349,778
Insurance premium financing	283,778	295,830
Accrued expenses	378,314	50,000
Employee withholding pension payable	<u>4,187</u>	<u>4,187</u>
Total current liabilities	15,112,674	13,856,739
Long-term liabilities:		
Deferred rent	<u>21,344</u>	<u>87,937</u>
Total liabilities	<u>15,134,018</u>	<u>13,944,676</u>
Stockholder's equity:		
Common stock	21,600	21,600
Additional paid-in-capital	1,290,097	1,290,097
Retained earnings	1,192,281	5,160,420
Accumulated other comprehensive income:		
Unrealized gains (losses) on foreign currency	<u>(415,084)</u>	<u>59,770</u>
Total stockholder's equity	<u>2,088,894</u>	<u>6,531,887</u>
 Total liabilities and stockholder's equity	 <u>\$ 17,222,912</u>	 <u>\$ 20,476,563</u>

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part of these financial statements

-4-

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Nausch, Hogan & Murray, Inc.
NHM International, Inc.
Nausch, Hogan & Murray, (V.I.) Inc.

COMBINED STATEMENTS OF INCOME (LOSS) AND
COMPREHENSIVE INCOME (LOSS)

For the Years Ended December 31, 2015 and 2014

	<u>2015</u>	<u>2014</u>
Revenues:		
Commissions	\$ 10,815,242	\$ 17,652,864
Adjusters fees	210	-
Interest income	62,588	108,548
Other income	27,501	42,861
Total revenues	<u>10,905,541</u>	<u>17,804,273</u>
Expenses:		
Compensation and related costs	5,212,039	5,691,052
Payroll taxes	290,079	321,676
Rent	553,110	541,211
Depreciation and amortization	39,286	49,393
Professional and consultant fees	343,442	440,541
Telephone	54,806	66,216
Bank charges	12,097	14,872
Automobile expenses	99,711	138,298
Dues and subscriptions	26,965	29,333
Travel and entertainment	212,919	270,822
Interest expense	1,925	2,076
Insurance expense	1,127,525	1,155,016
Foreign office expenses	3,687,302	3,987,491
General office expenses	542,790	553,913
Total expenses	<u>12,203,996</u>	<u>13,261,910</u>
Income (loss) from operations	(1,298,455)	4,542,363

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-5-

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Nausch, Hogan & Murray, Inc.
NHM International, Inc.
Nausch, Hogan & Murray, (V.I.) Inc.

COMBINED STATEMENTS OF INCOME (LOSS) AND
COMPREHENSIVE INCOME (LOSS)

For the Years Ended December 31, 2015 and 2014

	<u>2015</u>	<u>2014</u>
Other income (expenses):		
(Loss) on disposal of equipment	\$ -	\$ (414)
Income (loss) before provision for income taxes	(1,298,455)	4,541,949
Provision for income taxes	(140,686)	(342,748)
Net income (loss)	(1,439,141)	4,199,201
Other comprehensive income (loss):		
Unrealized gains (losses) on foreign currency translation arising during period, net of tax	(474,854)	(205,417)
Total other comprehensive income (loss)	(474,854)	(205,417)
Comprehensive income (loss)	<u>\$ (1,913,995)</u>	<u>\$ 3,993,784</u>

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part of these financial statements

-6-

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Nausch, Hogan & Murray, Inc.
NHM International, Inc.
Nausch, Hogan & Murray, (V.I.) Inc.

COMBINED STATEMENTS OF STOCKHOLDER'S EQUITY

For the Years Ended December 31, 2015 and 2014

	<u>Common Stock</u>	<u>Additional Paid-In- Capital</u>	<u>Retained Earnings/ Distributions Paid</u>	<u>Accumulated Other Comprehensive Income (Loss)</u>	<u>Total Stockholder's Equity</u>
Balance, January 1, 2014	\$ 21,600	\$ 1,290,097	\$ 4,461,219	\$ 265,187	\$ 6,038,103
Net income	-	-	4,199,201	-	4,199,201
Unrealized (losses) on foreign currency, net of tax	-	-	-	(205,417)	(205,417)
Distributions	-	-	(3,500,000)	-	(3,500,000)
Balance, December 31, 2014	21,600	1,290,097	5,160,420	59,770	6,531,887
Net (loss)	-	-	(1,439,141)	-	(1,439,141)
Unrealized (losses) on foreign currency, net of tax	-	-	-	(474,854)	(474,854)
Distributions	-	-	(2,528,998)	-	(2,528,998)
Balance, December 31, 2015	\$ 21,600	\$ 1,290,097	\$ 1,192,281	\$ (415,084)	\$ 2,088,894

The accompanying notes are an integral
part of these financial statements

Nausch, Hogan & Murray, Inc.
NHM International, Inc.
Nausch, Hogan & Murray, (V.I.) Inc.

COMBINED STATEMENTS OF CASH FLOWS

For the Years Ended December 31, 2015 and 2014

	<u>2015</u>	<u>2014</u>
Cash flows from operating activities:		
Net income (loss)	\$ (1,439,141)	\$ 4,199,201
Adjustments to reconcile net income (loss) to net cash used by operating activities		
Unrealized gains (losses) on foreign currency	(474,854)	(205,417)
Depreciation and amortization	39,286	49,393
Deferred rent	(66,593)	(66,593)
Loss on disposal of equipment	-	414
(Increase) decrease in assets		
Commissions receivable	(270,824)	474,487
Prepaid assets	(21,262)	(28,173)
Increase (decrease) in liabilities		
Unremitted insurance premiums	1,236,639	(3,963,718)
Unremitted insurance claims	(296,966)	(1,333,480)
Accrued expenses	328,314	(306,960)
Total adjustments to net income (loss)	<u>473,740</u>	<u>(5,380,047)</u>
Net cash (used) by operating activities	<u>(965,401)</u>	<u>(1,180,846)</u>
Cash flows from investing activities:		
Purchases of property and equipment	-	(3,244)
Proceeds from sale of property and equipment	<u>-</u>	<u>5,000</u>
Net cash provided by investing activities	<u>-</u>	<u>1,756</u>

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-8-

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& COMPANY

Nausch, Hogan & Murray, Inc.
NHM International, Inc.
Nausch, Hogan & Murray, (V.I.) Inc.

COMBINED STATEMENTS OF CASH FLOWS

For the Years Ended December 31, 2015 and 2014

	<u>2015</u>	<u>2014</u>
Cash flows from financing activities:		
Proceeds from insurance premium financing	\$ 472,963	\$ 493,050
Payments on insurance premium financing	(485,015)	(493,050)
Distributions to stockholder	<u>(2,500,000)</u>	<u>(3,500,000)</u>
Net cash (used) by financing activities	<u>(2,512,052)</u>	<u>(3,500,000)</u>
 Net increase (decrease) in cash and cash equivalents	 (3,477,453)	 (4,679,090)
 Cash and cash equivalents, beginning of year	 <u>18,900,512</u>	 <u>23,579,602</u>
 Cash and cash equivalents, end of year	 <u><u>\$ 15,423,059</u></u>	 <u><u>\$ 18,900,512</u></u>
 Supplemental disclosures of cash flow information:		
Cash paid for:		
Interest	<u>\$ 1,925</u>	<u>\$ 2,076</u>
Taxes	<u>\$ 135,560</u>	<u>\$ 370,921</u>
 Supplemental schedule of non-cash investing and financing activities:		
Distribution of net book value of Yacht to stockholder	<u><u>\$ (28,998)</u></u>	<u><u>\$ -</u></u>

The accompanying notes are an integral
part of these financial statements

-9-

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Nausch, Hogan & Murray, Inc.
NHM International, Inc.
Nausch, Hogan & Murray, (V.I.) Inc.

NOTES TO FINANCIAL STATEMENTS

1. Nature of operations and summary of significant accounting policies:

Description of business: Nausch, Hogan & Murray, Inc (the Company), and its affiliates and subsidiaries, is a non-public insurance broker, arranging property, casualty and marine liability coverage to both domestic and foreign clientele

The significant accounting policies followed by the Company and its subsidiaries and affiliates are summarized as follows

Principles of combination: The combined financial statements include the accounts of the Company, which includes a Singapore subsidiary and two Brazil subsidiaries and its affiliates NHM International, Inc and Nausch, Hogan and Murray, (V I), Inc All significant balances and transactions amongst the entities have been eliminated in combination

As of December 31, 2015, NHM International, Inc was completely liquidated and all assets were transferred to the Company One of the significant assets, a Yacht, was distributed to the stockholder at year end

Basis of presentation: The accompanying combined financial statements have been prepared on the accrual basis of accounting

Cash equivalents and foreign cash conversions: Cash equivalents are short-term, highly liquid investments that are readily convertible to known amounts of cash Foreign currencies are converted to United States dollars using the prevailing exchange rates at the Combined Balance Sheets date

Commissions receivable: The commissions receivable balance is the amount management expects to collect on balances outstanding at year end and is presented in the Combined Balance Sheets, net of allowance for doubtful accounts Management closely monitors outstanding balances and writes off, as appropriate, any balances that are deemed to be uncollectible As management has significant experience with and knowledge of their clients, they have been successful in monitoring and collecting their receivables At December 31, 2015 and 2014, the allowance for doubtful accounts had a zero balance based upon management's estimate of collectability

Nausch, Hogan & Murray, Inc.
NHM International, Inc.
Nausch, Hogan & Murray, (V.I.) Inc.

NOTES TO FINANCIAL STATEMENTS

1. Nature of operations and summary of significant accounting policies (continued):

Property and equipment: Acquisitions of property and equipment in excess of \$1,000 are capitalized. Maintenance and repairs that do not improve or extend the lives of property and equipment are charged to expense as incurred. Property and equipment is recorded at cost and is depreciated principally under the double declining method over the estimated useful lives of the respective assets. Depreciation and amortization expense for the years ending December 31, 2015 and 2014 was \$39,286 and \$49,393, respectively.

Leases: The Company has operating leases and the related rental is charged to expense as incurred on a straight-line basis.

Long-lived assets: Long-lived assets are evaluated for impairment when events or changes in circumstances indicate that the carrying amount of the assets may not be recoverable through the estimated undiscounted future cash flows from the use of these assets. When any such impairment exists, the related assets will be written down to fair value. No impairment losses have been necessary through December 31, 2015.

Accruals, prepayments and expense recognition: Accruals and prepayments have been recognized, including income tax.

Other comprehensive income: Other comprehensive income refers to revenues, expenses, gains and losses that under generally accepted accounting principles are excluded from net income as these amounts are recorded directly as an adjustment to stockholder's equity. Accumulated other comprehensive income is comprised of the cumulative effects of foreign currency translations.

Recognition of premium commission revenues: Property, casualty and marine liability premium commissions are generally recognized as revenue when earned.

Employee benefit plan: The Company sponsors a 401(k) savings plan that covers substantially all full-time employees. Benefits are a function of years of service and level of compensation, as well as employee elected salary deferrals.

Nausch, Hogan & Murray, Inc.
NHM International, Inc.
Nausch, Hogan & Murray, (V.I.) Inc.

NOTES TO FINANCIAL STATEMENTS

1. Nature of operations and summary of significant accounting policies (continued):

Taxes on income: The Company, with the consent of its stockholder, has elected under the Internal Revenue Code to be an S corporation. In lieu of corporation income taxes, the shareholders of an S corporation are taxed on their proportionate share of the entity's taxable income. The Company is not taxed as an S corporation in New York City. Accordingly, the provision and liability reflects New York City taxes. The provision and liability for federal, state, city and foreign income taxes in the combined financial statements also includes taxes on the income of NHM International, Inc. as well as the foreign branch offices and subsidiaries. Deferred income taxes are recognized for the tax consequences of "temporary differences" by applying enacted statutory tax rates applicable to future years to differences between the financial statement carrying amounts and the tax basis of existing assets and liabilities. The effect on deferred taxes of a change in tax rates is recognized in income in the period that includes the enactment date. Any deferred tax liabilities and assets resulting from temporary differences are considered immaterial and, therefore, are not provided for at December 31, 2015 and 2014.

The Company has adopted requirements for accounting for uncertainty in income taxes in accordance with recently enacted accounting standards. As of December 31, 2015, management has analyzed the Company's tax positions and has concluded that no liability for unrecognized tax benefits should be recorded or disclosed related to uncertain tax positions taken on returns filed for open tax years (2012-2014) or expected to be taken in the Company's 2015 tax returns.

The Company recognizes interest accrued related to unrecognized tax benefits in interest expense and penalties in operating expenses. During the years ended December 31, 2015 and 2014, the Company did not recognize or accrue any interest and penalties related to unrecognized tax benefits.

Fair value measurements: As required by accounting principles generally accepted in the United States of America, the Company reports the fair value of assets and liabilities based on established fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and the lowest priority to measurements involving significant unobservable inputs (Level 3 measurements). The three levels of the fair value hierarchy are as follows:

Nausch, Hogan & Murray, Inc.
NHM International, Inc.
Nausch, Hogan & Murray, (V.I.) Inc.

NOTES TO FINANCIAL STATEMENTS

1. Nature of operations and summary of significant accounting policies (continued):

Fair value measurements (continued):

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical investments that the Company has the ability to access at the measurement date
- Level 2 inputs are inputs other than quoted prices included within Level 1 that are observable for the investment, either directly or indirectly
- Level 3 inputs are unobservable inputs for the investment

The level in the fair value hierarchy within which a fair measurement in its entirety falls is based on the lower level input that is significant to the fair value measurement in its entirety

The Company's financial instruments consist primarily of cash and cash equivalents, commissions receivable, accounts payable, accrued expenses and debt. The carrying values for the Company's financial instruments approximate fair value. The Company measures its cash and cash equivalents at fair value and is classified with Level 1 as the valuation inputs are based on quoted prices in active markets for identical assets. There are no financial assets or liabilities classified as Level 2 or 3.

Use of estimates: The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Events occurring after reporting date: The Company has evaluated events and transactions that occurred between December 31, 2015 and September 14, 2016, which is the date the combined financial statements were available to be issued, for possible disclosure and recognition in the combined financial statements.

Nausch, Hogan & Murray, Inc.
NHM International, Inc.
Nausch, Hogan & Murray, (V.I.) Inc.

NOTES TO FINANCIAL STATEMENTS

2. Insurance premium financing:

Insurance premium financing consists of the following

	<u>2015</u>	<u>2014</u>
Note payable, Signature Bank, due June 23, 2016, payable in ten monthly principal installments of \$47,296, plus interest. The note has an interest rate of 1% and is secured by an interest in one of the Company's money market accounts	\$283,778	\$ -
Note payable, Signature Bank, due June 23, 2015, payable in ten monthly principal installments of \$49,305, plus interest. The note has an interest rate of 1% and is secured by an interest in one of the Company's money market accounts	-	295,830
Total insurance premium financing	<u>\$283,778</u>	<u>\$295,830</u>

3. Operating leases:

The Company leases office space in New York City under an operating lease that expired on August 31, 2016. Under the terms of this lease, the Company was obligated to pay escalation rentals for certain operating expenses and real estate taxes. The Company signed a lease for new office space on July 14, 2016 for a one year term that expires on August 31, 2017. Minimum future rental payments due under the leases as of December 31, 2015 are summarized as follows:

<u>Year Ending December 31,</u>	<u>Amount</u>
2016	\$383,144
2017	<u>83,288</u>
	<u>\$466,432</u>

Rent expense, including charges for operating expenses and taxes, for the years ending December 31, 2015 and 2014, was \$522,284 and \$511,117, respectively.

Nausch, Hogan & Murray, Inc.
NHM International, Inc.
Nausch, Hogan & Murray, (V.I.) Inc.

NOTES TO FINANCIAL STATEMENTS

3. Operating leases (continued):

The Company leased office space in St Thomas, Virgin Islands under an operating lease which expired on December 31, 2008. On September 9, 2008, the Company exercised a lease option under the terms of the original contract extending the lease until December 31, 2010. On August 17, 2010, the Company exercised a second lease option extending the lease through December 31, 2013. Since then, the lease has been extended through December 31, 2016. Under the terms of this lease, the rent may be adjusted to reflect increases in the Consumer Price Index. Future rental payments due under the lease as of December 31, 2015 are summarized as follows:

<u>Year Ending December 31,</u>	<u>Amount</u>
2016	<u>\$30,828</u>
	<u>\$30,828</u>

Rent expense, including charges for operating expenses and taxes, for the years ending December 31, 2015 and 2014, was \$30,828 and \$30,094, respectively.

4. Concentrations of credit risk:

The Company maintains its cash balances in multiple financial institutions located in various countries. From time to time, during the year, balances exceeded federally insured limits and, therefore, pose credit risks. Management has not experienced any loss and does not believe there is any significant market risks associated with such balances.

For the years ended December 31, 2015 and 2014, a significant portion of the Company's operating income and total outstanding commissions receivable are related to the following sources:

<u>December 31, 2015</u>		
	<u>Commissions</u>	<u>Commissions Receivable</u>
Customer A	32%	79%
<u>December 31, 2014</u>		
	<u>Commissions</u>	<u>Commissions Receivable</u>
Customer A	57%	86%

Nausch, Hogan & Murray, Inc.
NHM International, Inc.
Nausch, Hogan & Murray, (V.I.) Inc.

NOTES TO FINANCIAL STATEMENTS

5. Property and equipment:

Property and equipment are summarized by major classifications as follows

	<u>2015</u>	<u>2014</u>
Machinery and equipment	\$ 106,331	\$ 106,331
Furniture and fixtures	144,844	144,844
Leasehold improvements	10,348	10,348
Transportation equipment	<u>-</u>	<u>3,065,839</u>
	261,523	3,327,362
Less accumulated depreciation and amortization	<u>(256,001)</u>	<u>(3,253,556)</u>
	<u>\$ 5,522</u>	<u>\$ 73,806</u>

6. Common stock:

The Company was incorporated on August 17, 1976 and was authorized to issue 200 shares of common stock, no par value, all of which are issued and outstanding as of December 31, 2015 and 2014

NHM International was incorporated on February 19, 1980 and was dissolved as of December 31, 2015. It was authorized to issue 100 shares of common stock, no par value, all of which were issued and outstanding as of December 31, 2014

Nausch, Hogan and Murray, (V I) Inc was incorporated on April 2, 2001 and was authorized to issue 10,000 shares of common stock, no par value, all of which are issued and outstanding as of December 31, 2015 and 2014

7. Guarantee of debt:

In connection with its accounts held at ABN AMRO Bank N V , the Company is acting as a guarantor of various third parties' debts, totaling \$21,600 and \$57,173 at December 31, 2015 and 2014, respectively. An example of an event that would require the Company to provide cash payment pursuant to the guarantee is a loan default, which would result from the third party's failure to service its obligations. Significant losses are not anticipated and there is currently no recorded liability for potential losses under this guarantee, nor is there any liability for the Company's obligation to "stand ready" to fund such guarantee

Nausch, Hogan & Murray, Inc.
NHM International, Inc.
Nausch, Hogan & Murray, (V.I.) Inc.

NOTES TO FINANCIAL STATEMENTS

8. Foreign operations:

Operations outside the United States include branch and subsidiary offices in England, Brazil, the Netherlands and Singapore, effective in 2013. Foreign operations are subject to risks inherent in operating under different legal systems and various political and economic environments. Among the risks are changes in existing tax laws, possible limitations on foreign investment and income repatriation, government price or foreign exchange controls and restrictions on currency exchange.

Results of operations for the Company's foreign branch and subsidiary offices are translated from the local (functional) currency to the U.S. dollar using average exchange rates during the period, while assets and liabilities are translated at the exchange rate in effect at the reporting date. Unrealized gains and losses on foreign currency at the Combined Balance Sheets date are included in accumulated other comprehensive income in the equity section of the Combined Balance Sheets. At December 31, 2015 and 2014, the unrealized gains (losses) on foreign currency were \$(415,084) and \$59,770, respectively. Gains and losses on transactions denominated and settled in foreign currency were immaterial for the years ended December 31, 2015 and 2014, respectively.

9. Retirement plan:

The Company maintains a discretionary defined contribution profit sharing and 401(k) plan covering all of its eligible employees. An employee must have been employed with the Company for at least one year in order to participate, as defined by the plan document. Profit sharing contributions are funded by periodic, discretionary Company contributions to the plan as well as voluntary payroll deductions from employees. The Company did not contribute to the plan for the years ending December 31, 2015 and 2014.

10. Income taxes:

The Company's provision for income taxes at December 31, 2015 and 2014 consists of the following:

	<u>2015</u>	<u>2014</u>
State	\$ 9,651	\$ 9,418
City	11,427	339,237
Foreign	<u>119,608</u>	<u>(5,907)</u>
Total	<u>\$140,686</u>	<u>\$342,748</u>

Nausch, Hogan & Murray, Inc.
NHM International, Inc.
Nausch, Hogan & Murray, (V.I.) Inc.

NOTES TO FINANCIAL STATEMENTS

11. Contingencies:

Current litigation: In 2010, an employee of the Nausch, Hogan & Murray Brasil Corretora de Resseguros Ltda (Resseguros) attempted to steal a majority of its shares. Attorneys were successful in obtaining a restraining order against the now ex-employee, forcing her to return the shares and control of the corporation. In late 2011, Resseguros also discovered the ex-employee had misappropriated an insurance company client's (Mapfre) payment to Resseguros. It was further determined that Mapfre's employee was also responsible and personally benefited from the theft. Despite the involvement of its own employee in the theft, in September 2012, Mapfre commenced a civil action against Resseguros alleging damages arising from the misappropriated funds.

The litigation is ongoing and Resseguros has asserted numerous defenses. Local counsel has advised that an expert has been appointed to compute Mapfre's alleged damages. The Company maintains a level of crime insurance to cover a portion of any loss Resseguros may incur. Exposure to loss is believed to be limited due to the insurance coverage, as well as the defenses to the claims, including but not limited to, the significant role played by Mapfre's employee in enabling the theft of funds. Since the amount of settlement, if any, cannot be reasonably estimated, no accrual has been provided in the combined financial statements as of December 31, 2015 and 2014.

General litigation: The Company is involved in various routine legal proceedings incidental to the operation of its business. The Company does not believe that it is reasonably possible that any ongoing litigation will have a material effect on the future financial position, net income or cash flows of the Company as these amounts, including legal fees, are covered by the Company's E&O Insurance. Notwithstanding the foregoing, legal proceedings involve an element of uncertainty. Future developments could cause these legal proceedings to have a material adverse effect on the Company's future financial statements.