



IN THE COURT OF CHANCERY OF THE STATE OF DELAWARE

OSIOS LLC (F/K/A ANDOVER LLC),

Plaintiff,

-against-

TIPTREE, INC., TIPTREE MARINE
LLC, NEIL RIFKIND, SIEW KWOK,
RANDY MAULTSBY, and SANDRA
BELL,

Defendants.

C.A. No. _____

VERIFIED COMPLAINT

Plaintiff Osios LLC (f/k/a Andover LLC) (“Plaintiff” or “Osios” or “Andover”) brings this action against Defendants Tiptree, Inc. (“Tiptree”) and Tiptree Marine LLC (“Tiptree Marine”) (collectively, the “Tiptree Entities”) and alleges as follows:

NATURE OF ACTION

1. Stefanos Theodoros Kasselakis was the founder and Chief Executive Officer (“CEO”) of a series of successful maritime businesses embedded within Defendant Tiptree, Inc. (“Tiptree”) and operated as Tiptree subsidiaries under the umbrella of Defendant Tiptree Marine LLC (“Tiptree Marine”).

2. Tiptree Marine had two Members: Tiptree and Plaintiff Andover LLC, a company controlled by Mr. Kasselakis. Tiptree fully controlled all aspects of

Tiptree Marine, including its Board of Managers, corporate counsel, and transfers of equity.

3. The Limited Liability Company (“LLC”) Agreement for Tiptree Marine conferred upon Andover, to the benefit of Mr. Kasselakis, the option to purchase up to \$2 million of certain equity in Tiptree Marine, at any point, at the initial valuation, and without precondition.

4. Andover exercised the full option on September 22, 2022.

5. Defendant Tiptree Marine refused to honor the option. By the terms of the LLC Agreement, Andover’s exercise of the option means that Tiptree Marine must enter into agreements it deemed necessary to effectuate Andover’s purchase of additional units in Tiptree Marine. In the past, Tiptree Marine had entered into these agreements when the other investor, Tiptree, had exercised its rights under the very same provision. But when Andover attempted to exercise the same right, it was rebuffed.

6. Tiptree Marine blocked Andover from acquiring the shares at Tiptree’s direction and to further Tiptree’s interests in retaining a greater percentage of Tiptree Marine and its profits.

7. Tiptree’s breach of fiduciary duty was aided and abetted by Defendants Neil Rifkind (General Counsel for both Tiptree and Tiptree Marine), Siew Kwok (Deputy General Counsel for Tiptree and Tiptree Marine),

Randy Maultsby (President of Tiptree and Board Chairman of Tiptree Marine), and Sandra Bell (Chief Financial Officer of Tiptree and Board Member of Tiptree Marine), who implemented Tiptree's "business decision" to refuse to recognize Andover's exercise of its option, and thereby preserve Tiptree's ownership interest in Tiptree Marine and Tiptree Marine's distributions based on that equity.

8. Upon information and belief, Andover seeks damages of at least \$2,500,000 in the form of missing equity in Tiptree Marine and missed shareholder distributions by Tiptree Marine based on that equity.

Parties

9. Plaintiff Andover is a Limited Liability Company ("LLC") organized under the laws of New York and controlled by Stefanos Theodoros Kasselakis, a Greek-American businessman. It is now known as Osios.

10. Defendant Tiptree is a publicly traded company organized under the laws of Maryland. At all relevant times, Tiptree's senior executives included Michael G. Barnes, Executive Chairman; Jonathan Ilany, CEO; Randy Maultsby, President; Sandra Bell, CFO; Neil Rifkind, Vice President, General Counsel, and Secretary; and Siew Kwok, Deputy General Counsel.

11. Defendant Tiptree Marine is an LLC organized under the laws of Delaware. It is a subsidiary of Defendant Tiptree. Mr. Kasselakis served as

CEO of Tiptree Marine from January 18, 2018 through March 13, 2023.

Plaintiff Andover and Defendant Tiptree are Members and shareholders of Defendant Tiptree Marine.

12. At all relevant times, Defendant Neil Rifkind served as General Counsel to both Tiptree and Tiptree Marine; Siew Kwok served as Deputy General Counsel for Tiptree and Tiptree Marine; Randy Maulsby was President of Tiptree and Board Chairman of Tiptree Marine; and Sandra Bell was Chief Financial Officer of Tiptree and Board Member of Tiptree Marine (collectively, the “Individual Defendants”). At all relevant times, all of the Individual Defendants were employed by Tiptree.

Jurisdiction

13. Tiptree Marine is subject to personal jurisdiction in Delaware because it is a Delaware LLC.

14. Tiptree is subject to personal jurisdiction in Delaware. Tiptree is the successor to Tiptree Operating, LLC, and is therefore a party to the LLC Agreement. The LLC Agreement contains a forum selection provision naming Delaware the exclusive forum for these claims. Tiptree is further subject to personal jurisdiction in Delaware because its designees comprise a majority of the board of Managers of Tiptree Marine and its agents control Tiptree Marine’s operations. Tiptree impliedly consented to personal jurisdiction in

Delaware for these claims by executing the LLC Agreement and using its designees and agents to control Tiptree Marine.

15. Ms. Bell and Mr. Maultsby are subject to personal jurisdiction in Delaware. They are on the Board of Tiptree Marine. The LLC Agreement requires this litigation to proceed exclusively in Delaware.

16. Mr. Rifkind, Mr. Kwok, Mr. Bell, and Mr. Maultsby are subject to personal jurisdiction in Delaware. They functioned as managers of Tiptree Marine. They also acted intentionally to prevent the exercise of rights contained in the LLC Agreement. The LLC Agreement requires this litigation to proceed exclusively in Delaware.

Statement of Facts

A. Mr. Kasselakis' Maritime Shipping Business.

17. Mr. Kasselakis, 35 years old, is a Greek-American businessman with expertise in maritime shipping. He received degrees in international business from The Wharton School and the College of Arts & Sciences at the University of Pennsylvania, which he attended on scholarship, spent 5 years working at Goldman Sachs in New York and London, the United Kingdom, and years supporting his father's marine paint business. He has an extensive, global network of relationships in the maritime shipping industry. He speaks five languages: English, Greek, French, German, and Spanish.

18. In 2016, Mr. Kasselakis identified that rates in the maritime dry bulk shipping market—meaning, the value of the dry bulk shipping vessels and freight—were at 40-year lows and bottoming out. He predicted a stronger market over a five-year horizon.

19. After conducting extensive market research, analysis, and modeling, he developed a business plan to acquire dry bulk shipping vessels, manage them, and then sell when their market valuations improved.

B. Mr. Kasselakis Goes Into Business with Tiptree.

20. Mr. Kasselakis assembled a small group of advisors and began meeting with potential investors around November 2016.

21. On or about December 2016, Mr. Kasselakis met Bradley E. Smith, Michael G. Barnes, and Jonathan Ilany who were Tiptree’s Board Member, Executive Chairman, and CEO, respectively.

22. At the time and still today, Tiptree was a publicly traded insurance holding company with a private investments arm.

23. Tiptree had no prior experience or established network in maritime shipping.

24. On or about January 2017, Tiptree sent Mr. Kasselakis a letter of intent to invest in Mr. Kasselakis’ business.

25. On March 22, 2017, Tiptree and Mr. Kasselakis agreed to the term

sheet in the letter of intent. Tiptree would provide most of the initial capital investment and Mr. Kasselakis would serve as the CEO of Tiptree Marine. Mr. Kasselakis would contribute his business plan, expertise, time, labor, leadership, and relationships.

26. Tiptree and Mr. Kasselakis decided that they would create a new subsidiary of Tiptree, Tiptree Marine, to house Mr. Kasselakis' dry bulk shipping business, and later, the other of Mr. Kasselakis' and Tiptree's maritime shipping-related businesses conceived of and led by Mr. Kasselakis.

27. On or about January 18, 2018, Tiptree (then named Tiptree Operating Company, LLC) and Mr. Kasselakis executed several agreements to formalize their relationship, including an Executive Employment Agreement for Mr. Kasselakis and an LLC agreement establishing Tiptree Marine, which was amended on June 1, 2019 (together, the "LLC Agreement"). The Amended LLC Agreement is appended hereto as Exhibit 1.

28. Ultimately, Tiptree made an initial investment of \$35 million in Tiptree Marine, and Mr. Kasselakis made an initial investment of \$200,000 via Andover, an LLC he controlled.

C. Tiptree Fully Controlled Tiptree Marine.

29. Tiptree had total control over Tiptree Marine.

30. Tiptree, the "Majority Holder" of Tiptree Marine, owned more than

99% of Tiptree Marine, and Mr. Kasselakis, the “Minority Holder,” owned less than 1%.

31. Tiptree Marine had a three-Member Board of Managers whereby Tiptree controlled two of the Board seats, one of which was the Board Chairman position.

32. From on or about January 2018 through October 2018, the Tiptree-designated Board seats were held by Michael G. Barnes, Tiptree’s Executive Chairman, and Jonathan Ilany, Tiptree’s CEO.

33. From on or about October 2018 through at least March 13, 2023, Tiptree Marine’s Board seats were held by Randy Maulsby, Tiptree’s President, and Sandra Bell, Tiptree’s CFO, at the direction of Mr. Barnes and Mr. Ilany.

34. Mr. Kasselakis held the remaining seat for the duration of his employment.

35. The Tiptree Marine LLC Agreement conferred a number of veto and approval rights to Tiptree that were not available to any other member.

36. For example, the LLC Agreement stated that Tiptree Marine could not take any of the following actions without Tiptree’s consent: amend any of the organizational documents; sell or acquire equity or assets; change the compensation of officers or employees, including any option grants or equity

awards; or approve the annual budget.

37. At all relevant times, Tiptree Marine did not possess its own corporate counsel, human resources, treasury, or information technology department.

38. At all relevant times, Tiptree's corporate counsel, human resources, treasury, and information technology department performed these functions for Tiptree Marine.

39. At all relevant times, Tiptree's corporate counsel managed and performed all legal functions for Tiptree Marine.

40. At all relevant times, Tiptree's corporate counsel managed and performed all legal functions for Andover and Mr. Kasselakis in their capacities as Member/shareholder and CEO of Tiptree Marine (and all of its subsidiaries), respectively.

41. At all relevant times, Tiptree's corporate counsel prepared and managed documentation for the acquisition of shares of Tiptree Marine, transfer of Tiptree Marine's assets, submission of Tiptree Marine's regulatory filings, among other things.

42. At all relevant times, Tiptree's corporate counsel prepared and managed all agreements necessary for Tiptree Marine's Members to exercise their rights under the LLC Agreement, such as opportunities to acquire units/shares in Tiptree Marine.

43. At all relevant times, Tiptree’s corporate counsel provided Tiptree Marine’s members with notice of all changes in their ownership interests in Tiptree Marine.

44. At all relevant times, Tiptree Marine’s members sought, received, and relied upon advice from Tiptree Marine’s corporate counsel—who was also Tiptree’s corporate counsel—concerning their rights under the LLC Agreement.

D. Tiptree’s Conflicts of Interest.

45. Since Tiptree Marine’s inception, there were times when Tiptree’s interests and Andover’s interests with respect to Tiptree Marine were different and in conflict.

46. For example, when one of these Member’s ownership or profit interest in Tiptree Marine increased, the other’s necessarily decreased.

47. Since Tiptree Marine’s inception, there were times when Tiptree’s senior officers and director’s personal financial interests and Andover’s interests with respect to Tiptree Marine were different and in conflict.

i. Corporate Counsel’s Conflict

48. At all relevant times, Neil Rifkind was Vice President, Secretary, and General Counsel of Tiptree.

49. At all relevant times, Mr. Rifkind was employed by Tiptree.

50. At all relevant times, Mr. Rifkind was corporate counsel for Tiptree.

51. At all relevant times, Mr. Rifkind was corporate counsel for Tiptree Marine.

52. At all relevant times, Mr. Rifkind advised and managed the legal affairs for Tiptree and Tiptree Marine.

53. Based on public records, Mr. Rifkind's compensation was tied, at least in part, to Tiptree's profits.

54. Upon information and belief, Mr. Rifkind owned equity in Tiptree.

55. Upon information and belief, Mr. Rifkind did not own any equity in Tiptree Marine.

56. Mr. Rifkind had a conflict of interest when he advantaged Tiptree's interests over Andover's interests with respect to Tiptree Marine.

57. At all relevant times, Siew Kwok was Deputy General Counsel of Tiptree.

58. At all relevant times, Mr. Kwok was employed by Tiptree.

59. At all relevant times, Mr. Kwok was corporate counsel for Tiptree Marine.

60. At all relevant times, Mr. Kwok advised and managed the legal affairs for Tiptree and Tiptree Marine.

61. Upon information and belief, Mr. Kwok's compensation was tied, at least in part, to Tiptree's profits.

62. Upon information and belief, Mr. Kwok owned equity in Tiptree.

63. Upon information and belief, Mr. Kwok did not own any equity in Tiptree Marine.

64. Mr. Kwok had a conflict of interest when he advantaged Tiptree's interests over Andover's interests with respect to Tiptree Marine.

ii. Board Members' Conflicts

65. At all relevant times, Michael G. Barnes, Jonathan Ilany, Randy Maulsby, and Sandra Bell were Executive Chairman, CEO, President (and later, Managing Director), and CFO of Tiptree, respectively.

66. At all relevant times, Mr. Barnes, Mr. Ilany, Mr. Maulsby, and Ms. Bell were employed by Tiptree.

67. From on or about January 2018 to October 2018, Mr. Barnes and Mr. Ilany served as Members of the Board of Managers of Tiptree Marine.

68. From on or about October 2018 through at least to March 13, 2023, Mr. Maulsby and Ms. Bell took over the Board of Managers seats held by Mr. Barnes and Mr. Ilany.

69. Per Tiptree's public filings, their compensation was tied, at least in part, to Tiptree's profits.

70. Upon information and belief, they owned equity in Tiptree.

71. Upon information and belief, they did not own any equity in Tiptree

Marine.

72. They had a conflict of interest when they advantaged Tiptree’s interests over Andover’s interests with respect to Tiptree Marine.

E. The Option: Andover’s Opportunity to Participate in the Upside.

73. Recognizing Tiptree’s lopsided and overwhelming control of Tiptree Marine, Mr. Kasselakis bargained for terms in the LLC Agreement that would allow him, via Andover, to increase his stake in Tiptree Marine, and therefore, his share of any upside from the business that he led as CEO and the sole executive—once Mr. Kasselakis had more money to invest.

74. The primary mechanism in the LLC Agreement available to Andover and Mr. Kasselakis to increase their exposure to Tiptree Marine’s upside was set forth in Paragraph 3.12 of the LLC Agreement, entitled “Additional Funding Options” (the “Option”) which stated as follows:

3.12. Additional Funding Options. Each of the Majority Holder and Andover shall have the right, but not the obligation, at any time, to purchase and acquire up to that number of Common Units, in one or more transactions, that, in the aggregate, equals the aggregate purchase price set forth opposite such Committed Investor’s Name on Exhibit B, calculated at a purchase price per Common Unit equal to the price at which the Company sold Common Units to the Majority Holder and Andover pursuant to the Tiptree Marine Purchase Agreement (such option, the “Additional Investment Option”). Concurrently with the exercise of the Additional Investment Option by a Committed Investor, such Committed Investor and the Company will enter into such agreements as are reasonably necessary to effect the purchase and sale of the Common Units pursuant to the Additional Investment Option and notice thereof will be given to the other Committed Investor. Any Common Units issued to a Committed Investor pursuant to the Additional Investment Option will be subject to the terms and conditions of this Agreement and have the rights and benefits provided for herein.

75. Paragraph 3.12 created an Option for Andover and Tiptree Operating Company, LLC (which now exists as Tiptree and will be named hereafter as

such), defined as “Committed Investors,” to buy shares of Tiptree Marine known as “Common Units” at the price that Tiptree Marine initially sold them to Tiptree and Andover in the Tiptree Marine Purchase Agreement.

76. Per Exhibit B to the LLC Agreement, Tiptree’s Option was to buy up to \$15 million in Common Units and Andover’s Option was to buy up to \$2 million in Common Units.

77. The Option in Paragraph 3.12 allowed Mr. Kasselakis and to increase his investment in Tiptree Marine beyond his \$200,000 initial investment in 2018.

78. The Option for Andover’s \$2 million investment in Tiptree Marine represented a tiny fraction of Tiptree Marine’s total capital investment since its inception.

79. The Committed Investors could exercise the Option at any time.

80. The Committed Investors had no obligation to ever exercise the Option.

81. The Committed Investors could exercise the Option in one or more transactions.

82. There were no preconditions, approvals, or permissions required for a Committed Investor to exercise the Option.

83. Paragraph 3.12 stated that “concurrently” with the exercise of the

Option, two things should happen.

84. First, the Committed Investor and “the Company”—Tiptree Marine—
“will enter into such agreements as are reasonably necessary to effect the
purchase and sale of the Common Units.”

85. This meant that Tiptree Marine shall enter into agreements with a
Committed Investor necessary to effectuate the purchase and sale of Common
Units at the same time that the Committed Investor exercised the Option.

86. Second, “notice thereof shall be given to the other Committed
Investor.”

87. The “notice” clause is written in passive voice.

88. The subjects of the sentence with the notice clause are the
“Committed Investor” and “the Company,” Tiptree Marine.

F. Mr. Kasselakis, as CEO of Tiptree Marine, Generated Extraordinary Profit.

89. While Mr. Kasselakis was employed by Tiptree, he was Tiptree
Marine’s sole executive driving its operations and effectively the sole driver of
Tiptree Marine’s economic value.¹

¹ A more fulsome description of Mr. Kasselakis’ contributions to Tiptree Marine and Tiptree are set forth in a complaint he filed against Tiptree and its subsidiaries in the Southern District of New York on April 3, 2023. *See Kasselakis v. Tiptree, Inc. et al.*, 23-cv-2756, Dkt. 1. Mr. Kasselakis sued Tiptree and its subsidiaries in the Southern District of New York for denying and withholding various forms of compensation he was owed pursuant to his Executive Employment Agreement,

90. According to Tiptree’s public financials, for 2018, Tiptree Marine contributed to Tiptree revenues of \$3.8 million and pretax net income of negative \$2.9 million (due to startup expenses); for 2019, it contributed revenues of \$16.6 million and pretax net income of \$1.6 million; for 2020, it contributed revenues of \$22.7 million and pretax net income of \$1.5 million; for 2021, it contributed revenues of \$35.6 million and pretax net income of \$11.6 million; and for 2022, it contributed revenues of \$65 million and pretax net income of \$49.8 million.

91. Mr. Kasselakis’ success in this real asset business stood in marked contrast to Tiptree’s other real asset businesses during this period, which, based on Tiptree’s public financial statements, suffered losses exceeding \$100 million.

92. Over these years, Tiptree’s senior executives described Mr. Kasselakis in emails, meetings, company dinners, and other occasions as a “true leader” who did a “masterful job.” They told him that the area of the business they were most excited about “is yours,” and that the business plan he established was “getting executed well.” On or about September 2022, they wrote to him, “Shipping opportunity fund given your track record = attractive.”

which sets New York as the choice of forum and law. *See Kasselakis v. Tiptree, Inc. et al.*, 23-cv-2756, Dkt. 1. The LLC Agreement, at issue in this lawsuit, sets Delaware as the choice of forum and law.

93. An analyst for the publication “SeekingAlpha” described transactions that Mr. Kasselakis arranged as follows: “As much as I malign the ship business, [Tiptree Marine] had near perfect timing selling the ships at the top of the market.”²

94. The leading trade newspaper described Mr. Kasselakis’ performance as CEO of Tiptree Marine as “disproportionately significant on [Tiptree’s] bottom line.”³

G. Tiptree Claims Mr. Kasselakis’ Share of Tiptree Marine’s Extraordinary Returns.

95. Once it became clear that Mr. Kasselakis would be entitled to significant earnings and benefits under the LLC Agreement and his other agreements with Tiptree on account of his extraordinary successes leading Tiptree Marine, Tiptree began to slow-walk or straight up prevent Mr. Kasselakis from reaping the benefits of his bargain.

96. As explained below, Tiptree, acting on its own accord and via its fully controlled subsidiary, Tiptree Marine, adopted new, tortured interpretations of

² CashFlow Hunter, Tiptree: Worth Cutting Through the Noise, SEEKING ALPHA (Mar. 17, 2023), *available at* <https://seekingalpha.com/article/4588157-tiptree-financial-worth-cutting-through-the-noise>.

³ Bob Rust, SwiftBulk pockets winnings on supramax in first ship sale, TRADE WINDS (May 27, 2022), *available at* <https://www.tradewindsnews.com/bulkers/swiftbulk-pockets-winnings-on-supramax-in-first-ship-sale/2-1-1225617>.

their agreements with Mr. Kasselakis.

97. In doing so, Tiptree exploited the dual loyalties of its senior officers and directors—to Tiptree and Tiptree Marine—to deprive Andover, and thereby Mr. Kasselakis, of its rights to Tiptree Marine’s profits.

H. Tiptree, the Individual Defendants, and Tiptree Marine Prevent Andover from Exercising the Option.

i. Tiptree Exercises its Option Without Issue.

98. Since the inception of Tiptree Marine, Tiptree exercised its Option pursuant to Paragraph 3.12 of the LLC Agreement three times, reaching its cap of \$15 million.

99. Upon information and belief, Tiptree exercised its Option via informal communication to corporate counsel that served both Tiptree and Tiptree Marine.

100. Each time Tiptree exercised its Option, Andover and Mr. Kasselakis learned it had done so via formal notice from corporate counsel that served Tiptree and Tiptree Marine.

101. Each time Tiptree exercised its Option, corporate counsel immediately generated the agreements they deemed necessary for Tiptree to acquire the Common Units from Tiptree Marine.

102. Each time Tiptree exercised its Option, all relevant parties executed the agreements generated by corporate counsel before Tiptree wired any funds

to Tiptree Marine in exchange for the units.

ii. Tiptree, the Individual Defendants, and Tiptree Marine Blocked Andover from Exercising its Option.

103. On September 22, 2022, Siew Kwok, Tiptree’s Deputy General Counsel, and Ian Jones, Tiptree’s Director of Tax, called Mr. Kasselakis to inform him that Tiptree Marine was going to make a distribution to its shareholders at the end of the Fiscal Quarter ending in September 2022.

104. This call was the first time that Mr. Kasselakis—the CEO and Board of Managers Member of Tiptree Marine—learned of Tiptree Marine’s plans to take capital out of the business, let alone just a few days later.

105. On this call, Mr. Kasselakis informed Mr. Kwok and Mr. Jones that he wanted to immediately exercise Andover’s Option to purchase \$2 million worth of Tiptree Marine’s Common Units in advance of the distribution, which would have entitled him to greater participation in it.

106. On this call, Mr. Kasselakis and Andover exercised the Option set forth in Paragraph 3.12 of the LLC Agreement.

107. Mr. Kasselakis then asked Mr. Kwok to send him the agreements necessary to effectuate Andover’s acquisition of Tiptree Marine’s Common Units.

108. Mr. Kwok said that he would get back to Mr. Kasselakis.

109. He never did.

110. No one sent Mr. Kasselakis any such agreements in response to Mr. Kasselakis' and Andover's September 22, 2022 exercise of the Option.

111. Upon information and belief, shortly after this call, all of the Individual Defendants, Tiptree, and Tiptree Marine knew that Mr. Kasselakis had exercised the Option on Andover's behalf.

112. Two days later, on or about September 24, 2022, Mr. Kasselakis asked Mr. Kwok, again, this time over Tiptree's corporate Microsoft Teams chat, which Tiptree Marine also used, for the agreements necessary to effectuate his exercise of Andover's Option.

113. Mr. Kwok replied that he would not provide such agreements.

114. He stated that Mr. Kasselakis would have to speak with Mr. Rifkind about this matter.

115. In the following days, Mr. Kasselakis met with Mr. Rifkind multiple times, both via Tiptree's corporate Microsoft Teams platform and in Tiptree's offices.

116. Mr. Kasselakis notified Mr. Rifkind that he had exercised the Andover Option in his prior discussion with Mr. Kwok, and that he required the agreements necessary to effectuate it. Mr. Kasselakis pointed Mr. Rifkind to the section of the LLC Agreement that provided for the Andover Option exercise.

117. Mr. Rifkind responded to Mr. Kasselakis with words to the effect of “I will look into this and get back to you.”

118. Mr. Rifkind never got back to Mr. Kasselakis.

119. Instead, Mr. Rifkind and Mr. Kwok kept asking Mr. Kasselakis to sign the Tiptree Marine Board consent on the upcoming distribution, which they had prepared ostensibly in their capacity as Tiptree Marine corporate counsel, but, in reality, to further Tiptree’s interests.

120. On September 26, 2022, Mr. Kasselakis emailed Jonathan Ilany, CEO of Tiptree and former member of Tiptree Marine’s Board of Managers, informing him that he wanted to exercise the Andover Option, and requesting that Mr. Ilany direct Mr. Rifkind to send him the necessary agreements, which he had not yet received.

121. Mr. Kasselakis’ email asked for Mr. Ilany’s support in helping him exercise Andover’s \$2 million Option.

122. Mr. Ilany responded to Mr. Kasselakis’ email with words to the effect of “I will look into it.”

123. At this point, with a significant shareholder distribution looming, Mr. Kasselakis had exercised the Option at least four times, in both written and oral communications to Tiptree’s and Tiptree Marine’s corporate counsel and Tiptree’s CEO.

124. On September 27, 2022, Mr. Kasselakis again spoke with Mr. Rifkind in the Tiptree offices to, once again, request the agreements necessary to effectuate his exercise of the Option.

125. Mr. Rifkind replied with words to the effect of “You should talk to Jonathan [Ilany] and Randy [Maultsby] about that.”

126. On September 28, 2022, Mr. Kasselakis met with Mr. Ilany and Mr. Maultsby, to, yet again, exercise Andover’s Option and request the agreements necessary to effectuate this exercise.

127. This meeting was at least the sixth time that Mr. Kasselakis requested the agreements to effectuate his exercise of the Option—agreements that Tiptree Marine was bound to provide to him pursuant to Paragraph 3.12 of the LLC Agreement.

128. In this September 28, 2022 meeting, Mr. Ilany and Mr. Maultsby told Mr. Kasselakis that he could not exercise Andover’s Option.

129. They told him that his exercise of Andover’s Option was “not in the spirit of the agreement,” that “the money would just sit there,” and that “this was meant more as a capital call if Tiptree Marine needed more capital.”

130. At no point in this meeting did Mr. Kasselakis withdraw his exercise of the Option.

131. The meeting ended without resolution.

132. On or about October 11, 2022, in a meeting with Mr. Kasselakis and Mr. Kwok, Mr. Kasselakis pressed Mr. Kwok on why he had never sent him the agreements necessary to effectuate his exercise of the Option.

133. Mr. Kwok replied with words to the effect of “I told others, internally, right away, that you had sought to exercise the option,” and that he was not sure why Mr. Kasselakis never received the agreements.

134. Mr. Kwok also said that he had escalated this issue to Tiptree’s Management to make “a business decision” on the matter.

135. On Friday, October 28, 2022, Mr. Kasselakis met with Mr. Ilany via Tiptree’s corporate Microsoft Teams platform to discuss Defendants Tiptree’s and Tiptree Marine’s failure to honor various aspects of their agreements entitling Mr. Kasselakis to a greater share of Tiptree Marine’s upside, including their preventing him from exercising Andover’s Option.

136. Mr. Ilany promised to get back to Mr. Kasselakis with a substantive response by Monday, October 31, 2022.

137. He never did.

138. On or about November 5, 2022, Mr. Kasselakis spoke via telephone with Mr. Smith, Board Director of Tiptree, about his concerns that Tiptree was not living up to its contractual obligations to him and Andover and refusing Andover the ability to exercise the Option.

139. Mr. Smith said that he would speak with Mr. Barnes and get back to Mr. Kasselakis about Andover's Option.

140. On or about November 12, 2022, Mr. Smith called Mr. Kasselakis and told him that Mr. Barnes was not expecting Andover to exercise the Option at this time and conveyed that Mr. Barnes would follow up with Mr. Kasselakis about Andover's Option.

141. Mr. Barnes never followed up with Mr. Kasselakis.

142. On December 20, 2022, Mr. Kasselakis raised a formal complaint with Mr. Maultsby, President of Tiptree and Board Chairman of Tiptree Marine, concerning Tiptree and Tiptree Marine's preventing him from exercising Andover's Option back in September, among other issues.

143. Again, Mr. Kasselakis asked that Tiptree Marine send him the agreements necessary to reflect the September 2022 exercise of Andover's Option.

144. Mr. Maultsby confirmed receipt of the email and promised a response.

145. Neither he nor anyone else at Tiptree or Tiptree Marine provided any further response.

146. At no point did Tiptree Marine send Mr. Kasselakis the agreements required by Paragraph 3.12 of the LLC Agreement.

147. From the end of December 2022 through March 13, 2023, Defendant

Tiptree and Defendant Tiptree Marine remained steadfast in their commitment to denying Mr. Kasselakis and Andover their rights under Paragraph 3.12 of the LLC Agreement, denying him the benefits of his bargain and much of Tiptree Marine's upside.

148. Instead of honoring their agreements, Tiptree sought to engage Mr. Kasselakis in a new business venture following his marked success leading Tiptree Marine. Mr. Kasselakis refused to consider new business ventures with Tiptree before resolving his outstanding compensation and September 2022 exercise of the Andover Option.

149. On March 13, 2023, six days after Mr. Kasselakis refused to partner with Tiptree in this new business venture, Tiptree Marine (via its and Tiptree's corporate counsel, Mr. Rifkind) terminated Mr. Kasselakis' employment "without Cause."

First Cause of Action
Breach of LLC Agreement against Defendants Tiptree and Tiptree Marine

150. Andover repeats and realleges the above paragraphs as if fully set forth herein.

151. Defendant Tiptree, Defendant Tiptree Marine, and Plaintiff Andover entered into the Tiptree Marine LLC Agreement on January 18, 2018, amended on June 2019.

152. Paragraph 3.12 of the LLC Agreement conferred on Andover the right

to exercise an Option to purchase up to \$2 million of Tiptree Marine's Common Units at a predetermined price.

153. This provision required Tiptree Marine to—at the same time as Andover or Tiptree exercised the Option—enter into agreements necessary to effectuate purchase and sale of the Common Units.

154. Andover exercised the Option on September 22, 2023.

155. Andover, via Mr. Kasselakis, repeatedly communicated to Tiptree Marine and Tiptree that it had exercised the Option as of that date.

156. Defendants Tiptree and Tiptree Marine breached the LLC Agreement when they refused to accept Andover's exercise of the Option, blocking him from doing so, and when Tiptree Marine withheld the agreements necessary for Andover to effectuate the Option.

157. Upon information and belief, Andover has suffered damages of at least \$2,500,000 in the form of missing equity in Tiptree Marine and missed shareholder distributions by Tiptree Marine based on that equity.

Second Cause of Action
Unjust Enrichment against Defendants Tiptree and Tiptree Marine

158. Andover repeats and realleges the above paragraphs as if fully set forth herein.

159. Defendants Tiptree and Tiptree Marine prevented Andover from exercising its Option to acquire up to \$2 million of Tiptree Marine's Common

Units.

160. By preventing Andover from exercising its Option, Tiptree, Tiptree Marine's Majority Holder, retained a greater share of Tiptree Marine's equity, and a greater share of the significant distributions that Tiptree Marine made shortly after Andover exercised the Option.

161. There was no justification for Tiptree or Tiptree Marine to block Andover from exercising the Option, and it is against equity and good conscience to deny Andover the benefits of its bargain.

162. Upon information and belief, Andover has suffered damages of at least \$2,500,000 in the form of missing equity in Tiptree Marine and missed shareholder distributions by Tiptree Marine based on that equity.

Third Cause of Action
Breach of the Implied Covenant of Good Faith and Fair Dealing against
Defendants Tiptree and Tiptree Marine

163. Andover repeats and realleges the above paragraphs as if fully set forth herein.

164. Under Delaware law, the implied covenant of good faith and fair dealing attaches to every contract by operation of law.

165. It requires the parties to an agreement to be honest and fair with each other when addressing any gaps in an agreement.

166. Andover, via Mr. Kasselakis, communicated its exercise of the Option

to Tiptree's and Tiptree Marine's corporation counsel on September 22, 2022 and reiterated its intent to do so numerous times thereafter.

167. To the extent that Paragraph 3.12 of the LLC Agreement is ambiguous as to the manner in which Andover or Tiptree exercised the Option and/or Defendants Tiptree and Tiptree Marine prevented Andover from exercising the Option on that basis, Defendants Tiptree and Tiptree Marine violated the implied covenant of good faith and fair dealing.

168. Upon information and belief, Andover has suffered damages of at least \$2,500,000 in the form of missing equity in Tiptree Marine and missed shareholder distributions by Tiptree Marine based on that equity.

Fourth Cause of Action
Breach of Fiduciary Duty Against Defendant Tiptree

169. Andover repeats and realleges the above paragraphs as if fully set forth herein.

170. Defendant Tiptree, the Majority Holder and parent corporation for Tiptree Marine, exercises control over Tiptree Marine by virtue of its appointing a majority of Tiptree Marine's Board, Tiptree's officers overseeing Tiptree Marine, and the terms of the LLC Agreement, which affords Tiptree alone approval and veto rights over Tiptree Marine decisions.

171. Tiptree has a fiduciary duty to Andover, a Member of Tiptree Marine and signatory to the LLC Agreement.

172. The more equity that Andover acquired in Tiptree Marine, a highly successful maritime shipping venture, the less equity that was available for Tiptree.

173. Defendant Tiptree intentionally breached its fiduciary duties to Andover when it denied Andover's attempt to exercise the Option under the LLC Agreement.

174. This breach of fiduciary duties was intended to preserve Tiptree's ownership percentage in Tiptree Marine and preserve a percentage of Tiptree Marine distributions for Tiptree at Andover's expense.

175. The LLC Agreement purports to cabin the scope of potential breach of fiduciary duty claims via Paragraph 12.8, which states, in part, as follows:

12.8. Fiduciary and Other Duties.

(a) To the fullest extent permitted by law, including Section 18-1101(c) of the Act, and notwithstanding any other provision of this Agreement or applicable provisions of law or equity or otherwise, the parties hereto hereby agree that each Indemnified Person shall not owe any fiduciary duties to the Company, any Member or any other person or entity party to or otherwise bound by this Agreement; provided, however, that the foregoing shall not eliminate the implied contractual covenant of good faith and fair dealing.

176. But in Section 12.2, the LLC Agreement acknowledges that fiduciaries may bear liability for breach of contractual obligations that are the equivalent of fiduciary duties.

177. Tiptree has breached these obligations because it and its agents acted to make a business decision to preserve Tiptree's percentage ownership of

Tiptree Marine by wrongfully refusing to allow the exercise of Andover's Option.

178. Paragraph 12.8 and Delaware law preserve Andover's ability to seek redress against Tiptree for its breach of its fiduciary duty to Andover to act consistently with the covenant of good faith and fair dealing.

179. Upon information and belief, Andover has suffered damages of at least \$2,500,000 in the form of missing equity in Tiptree Marine and missed shareholder distributions by Tiptree Marine based on that equity.

Fifth Cause of Action
Aiding and Abetting Breach of Fiduciary Duty Against the Individual Defendants

180. Andover repeats and realleges the above paragraphs as if fully set forth herein.

181. Tiptree had a fiduciary duty to Andover to act consistently with the covenant of good faith and fair dealing.

182. Tiptree breached its fiduciary duty to Andover by preventing it from exercising the Option and denying it the agreements to effectuate the acquisition and sale of Tiptree Marine's Common Units.

183. The Individual Defendants knowingly participated in that breach.

184. Andover suffered damages resulting from their concerted action.

185. Upon information and belief, Andover has suffered damages of at

least \$2,500,000 in the form of missing equity in Tiptree Marine and missed shareholder distributions by Tiptree Marine based on that equity.

Sixth Cause of Action

Tortious Interference with Contractual Relations Against Tiptree

186. Andover repeats and realleges the above paragraphs as if fully set forth herein.

187. Andover was a signatory to the Tiptree Marine LLC Agreement.

188. Tiptree knowingly and intentionally abused its position as the Majority Holder and parent of Tiptree Marine to deprive Andover of its rights under the LLC Agreement when Tiptree prevented Andover from exercising the Andover Option to acquire shares in Tiptree Marine.

189. There was no justification for Tiptree to prevent Andover from exercising the Option.

190. Tiptree's actions caused injury to Andover.

191. Upon information and belief, Andover has suffered damages of at least \$2,500,000 in the form of missing equity in Tiptree Marine and missed shareholder distributions by Tiptree Marine based on that equity.

PRAYERS FOR RELIEF

WHEREFORE, Plaintiff respectfully requests judgment against Defendant the Tiptree Entities as follows:

1. Awarding equity in Tiptree Marine.

2. Awarding compensatory damages in an amount to be determined at trial.
3. Awarding pre- and post-judgment interest in an amount to be determined at trial.
4. Directing such other and further relief as the Court may deem just and proper.

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Dated: June 2, 2023

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