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AEQUITAS MANAGEMENT, LLC; AEQUITAS HOLDINGS,
LLC; AEQUITAS COMMERCIAL FINANCE, LLC; AEQUITAS
CAPITAL MANAGEMENT, INC.; AEQUITAS INVESTMENT
MANAGEMENT, LLC

IN THE UNITED STATES DISTRICT COURT

FOR THE DISTRICT OF OREGON

PORTLAND DIVISION

SECURITIES AND EXCHANGE
COMMISSION,

Plaintiff,

v.

AEQUITAS MANAGEMENT, LLC;
AEQUITAS HOLDINGS, LLC;

No. 3:16-cv-00438-PK

DECLARATION OF BRAD FOSTER IN
SUPPORT OF RECEIVER'S MOTION TO SELL
COMMON STOCK IN CERTIFIED SECURITY
SOLUTIONS, INC.



AEQUITAS COMMERCIAL FINANCE,
LLC; AEQUITAS CAPITAL
MANAGEMENT, INC.; AEQUITAS
INVESTMENT MANAGEMENT, LLC;
ROBERT J. JESENİK, BRIAN A. OLIVER;
and N. SCOTT GILLIS,

Defendants.

I, Brad Foster, declare as follows:

1. I am a Managing Director, Corporate Finance, at FTI Consulting, Inc. (“FTI”).

FTI was retained by Ronald Greenspan, the duly appointed receiver (“Receiver”) for the Receivership Entity.¹ Pursuant to the Order Authorizing Brad Foster and Larissa Gotguelf to Act on Behalf of the Receiver [Dkt. 245], I make this declaration in support of the Receiver’s Motion for an Order Authorizing Aequitas Partner Fund, LLC, to Sell Common Stock in Certified Security Solutions, Inc., Free and Clear of Liens, Claims, Encumbrances, and Interests (the “Motion”).

2. On March 16, 2016, pursuant to the Stipulated Interim Order Appointing Receiver, Ronald Greenspan was appointed as Receiver for the Receivership Entity on an interim basis (“Interim Receivership Order”). [Dkt. 30]. On April 14, 2016, pursuant to the Order Appointing Receiver, Mr. Greenspan was appointed as Receiver for the Receivership Entity on a final basis (the “Final Receivership Order”) [Dkt. 156].

3. Pursuant to the Interim Receivership Order and the Final Receivership Order the Receiver has, among other things, undertaken to determine the nature, location and value of all Receivership Property. Receivership Property includes Aequitas Partner Fund, LLC’s (“APF”) ownership of 1,596,643 shares of the common stock of Certified Security Solutions, Inc. (the “Common Stock”).

¹ Capitalized terms not otherwise defined in this declaration shall have the meanings ascribed to them in the Motion.

4. Receivership records show that Certified Security Solutions, Inc. ("CSS") has between 82-85 million shares of common stock outstanding. Since the time of APF's investment, CSS has raised four additional rounds of preferred, participating stock with a 1X liquidation preference. The total capital raise is between \$14-15 million, which would be paid prior to common shareholders such as APF receiving anything.

5. CSS recently completed a valuation of the fair market value of the company consistent with the provisions of Internal Revenue Code 409A. That valuation established the value for common shares, such as the Common Stock owned by APF, on a minority, nonmarketable basis, at \$.05/share.

6. CSS is pursuing additional financing that will further dilute the Common Stock. Under the Common Stock Repurchase Agreement (the "Agreement") between APF and CSS, a true copy of which is attached as Exhibit 1, the purchase price for the Common Stock is \$.03/share, for a total purchase price of \$47,899.29 (the "Purchase Price").² Because of the limited market for shares of common stock of CSS, and the ongoing dilution of those shares, in the Receiver's opinion the Purchase Price is a reasonable value to recover for the Common Stock held by APF.

7. The Agreement was negotiated in a fair and reasonable manner under the circumstances and at arm's-length. There is no evidence that the Receivership Entity, Receiver, or CSS engaged in any conduct (including but not limited to collusion or fraud of any kind) that would cause or permit the Agreement or the sale of the Common Stock to be avoided. CSS has at all times acted in good faith in connection with the negotiation of the Agreement and therefore is entitled to all the protections afforded good faith purchasers under applicable law.

8. To the best of the Receiver's knowledge, after diligent investigation, there are no Liens against the Common Stock.

² Agreement, at p. 1.

9. There is substantial business justification for the Agreement. First, the Receiver does not believe there is a meaningful market for equity in CSS, so a repurchase by CSS under the terms of the Agreement provides an opportunity for the Receivership Estate to liquidate one of its smaller assets.

10. Second, the Purchase Price is reasonable under the circumstances given the minority position held by APF and the probable further dilution of the value of the Common Stock as a result of CSS's ongoing financing efforts. For these reasons, the Receiver believes, in the exercise of his reasonable business judgment, that the Agreement and sale of the Common Stock is in the best interests of the Receivership Entity, its creditors, and the Aequitas investors.

11. Closing the Agreement is conditioned on this Court entering an order approving the Agreement and authorizing the Receiver to perform his obligations on behalf of APF.

I declare under penalty of perjury under the laws of the state of Oregon that the foregoing statements and those contained in the attached exhibits, are true and correct to the best of my knowledge, information and belief.

Dated this 28th day of December, 2017.



Brad Foster, Managing Director, Corporate Finance
FTI Consulting, Inc.
On behalf of the Receiver Ronald F. Greenspan

COMMON STOCK REPURCHASE AGREEMENT

THIS COMMON STOCK REPURCHASE AGREEMENT (this “**Agreement**”) is entered into by and between Certified Security Solutions, Inc., an Oregon corporation (the “**Purchaser**”), and the party identified on the signature page hereto as “**Seller**”. Purchaser and Seller are sometimes collectively referred to in this Agreement as the “**Parties**” and each individually as a “**Party**”.

WHEREAS, on March 10, 2016, the Securities and Exchange Commission filed an action captioned *SEC v. Aequitas Management, LLC et al.* (Case No. 3:16-cv-00438-PK) alleging defendants violated the federal securities laws (the “**Action**”);

WHEREAS, on April 14, 2016, the United States District Court for the District of Oregon (the “**Oregon Court**”) entered a Final Order Appointing Receiver (the “**Final Receiver Order**”), appointing Ronald Greenspan as receiver (the “**Receiver**”) for the entity defendants named in the Action, and certain of their subsidiaries, and/or majority-owned affiliates;

WHEREAS, Seller is subject to the powers of the Receiver as set forth in the Final Receiver Order;

WHEREAS, Seller desires to sell to Purchaser, and Purchaser desires to repurchase from Seller, 1,596,643 shares of the Common Stock, par value \$0.001 per share, in Purchaser (each such share, a “**Share**”) at the price per Share of \$0.03 and an aggregate amount of \$47,899.29 (the “**Purchase Price**”);

WHEREAS, the Parties desire to memorialize in this Agreement the terms pursuant to, and conditions upon, which Seller shall sell, and Purchaser shall repurchase, the Shares.

NOW, THEREFORE, in consideration of the terms and conditions set forth herein and for other good and valuable consideration, the adequacy and sufficiency of which are hereby acknowledged, the Parties agree as follows:

1. Sale and Purchase. Subject to the terms and conditions of this Agreement, Purchaser shall repurchase from Seller, and Seller shall sell to Purchaser, the Shares in exchange for an amount equal to the Purchase Price.
2. Closing. The consummation of Purchaser’s purchase, and Seller’s sale, of the Shares (the “**Closing**”) shall be effective on the date that the closing conditions set forth in Section 3 below have been satisfied (the “**Closing Date**”).
3. Court Approval; Closing Conditions.

(a) This Agreement is subject to the approval of the Oregon Court. Following execution of this Agreement, Receiver will file with the Oregon Court a sale motion seeking entry of sale

order authorizing Receiver to perform its obligations under this Agreement on behalf of Seller (the "Sale Order").

(b) Within three business days following approval and entry of the Sale Order, Seller shall deliver (i) the Shares to Purchaser and (ii) all other documents necessary to consummate Seller's sale and transfer of the Shares as described in this Agreement and

(c) Within three business days following approval and entry of the Sale Order, Purchaser shall deliver (i) an amount equal to the Purchase Price to Seller and (ii) all other documents necessary to consummate Purchaser's purchase and receipt of the Shares as described in this Agreement.

4. Representations and Warranties of Seller. Seller hereby represents and warrants to Purchaser that (a) Seller has all requisite power, authority and capacity to execute and deliver this Agreement and any other documents necessary to consummate Seller's sale and transfer of the Shares, to carry out its obligations hereunder and to consummate the transactions contemplated hereby, (b) this Agreement has been duly executed and delivered by Seller and shall constitute Seller's legal, valid and binding obligation, enforceable against it in accordance with its terms, (c) Seller has valid, good and marketable title to all of the Shares and the Shares are free and clear of all liens and encumbrances, (d) upon approval and entry of the Sale Order, Seller has the unrestricted right to transfer, sell, contribute, assign, convey and deliver to Purchaser all right, title and interest in and to the Shares without penalty or other adverse consequence and (e) the transactions contemplated hereby do not constitute a violation of or default under or conflict with or result in a breach of, any applicable law or agreement to which Seller is a party.

5. Representations and Warranties of Purchaser. Purchaser hereby represents and warrants to Seller that (a) Purchaser has all requisite power, authority and capacity to execute and deliver this Agreement and any other documents necessary to consummate Purchaser's purchase and receipt of the Shares, to carry out its obligations hereunder and to consummate the transactions contemplated hereby (including, without limitation, the Adoption Agreement) and (b) this Agreement has been duly executed and delivered by Purchaser and shall constitute Purchaser's legal, valid and binding obligation, enforceable against it in accordance with its terms.

6. Miscellaneous.

(a) Amendment; Waiver. This Agreement may not be amended, modified or supplemented orally, but only by an agreement in writing signed by the Parties. No waiver by either Party of any of the provisions hereof shall be effective unless explicitly set forth in writing and signed by the Party so waiving.

(b) Incorporation of Recitals. By this reference, the preamble and the recitals first set forth above are hereby incorporated into this Agreement and shall be considered as if fully set forth in the body of this Agreement where such appear or are referenced.

(c) Entire Agreement. This Agreement constitutes the sole and entire agreement of the Parties with respect to the subject matter contained herein, and supersedes all prior and

contemporaneous understandings, representations, warranties and agreements, both written and oral, with respect to such subject matter.

(d) Successors and Assigns. This Agreement shall be binding upon, and inure to the benefit of, the Parties and their respective successors and assigns.

(e) Further Assurances. The Parties covenant to execute any and all documents and instruments of sale, transfer, assignment, assumption or novation and to perform such other acts as may be reasonably necessary or expedient to further the purposes of this Agreement and the transactions contemplated by this Agreement.

(f) No Third-Party Beneficiaries. Except as otherwise provided in this Section 6(f), this Agreement is for the sole benefit of the Parties and their respective successors and assigns and nothing herein, express or implied, is intended to or shall confer upon any other person any legal or equitable right, benefit or remedy of any nature whatsoever, under or by reason of this Agreement.

(g) Governing Law and Venue. This Agreement shall be governed by the laws of the State of Oregon without regard to any choice of law or conflict of law rule or provision. Each of the Parties submits to the exclusive jurisdiction of the Oregon Court in any action or proceeding arising out of or relating to this Agreement.

(h) Counterparts. This Agreement may be executed in multiple counterparts, each of which shall be deemed an original and all of which, when taken together, shall constitute a fully executed copy of this Agreement. A signed copy of this Agreement delivered by e-mail or other means of electronic transmission shall be deemed to have the same legal effect as delivery of an original signed copy of this Agreement.

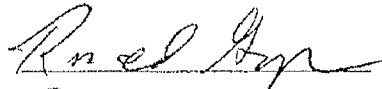
(signature page follows)

IN WITNESS WHEREOF, each of the Parties has executed and delivered this Agreement as of the latest date set forth below.

"SELLER"

Ronald F. Greenspan as Receiver for Aequitas
Partner Fund, LLC (an Oregon Limited Liability
Company)

Signature:



Name:

Ronald Greenspan

Date:

12-7-2017

"PURCHASER"

Certified Security Solutions, Inc.

Signature:



Name:

Kevin von Keyserling

Title:

President & CEO

Date:

December 5, 2017