

NEXSEN|PRUET

James G. Long III
Member
Admitted in SC

October 24, 2019

VIA ELECTRONIC FILING

The Honorable Joseph F. Anderson, Jr.
Senior U.S. District Judge
U.S. District Court
901 Richland Street
Columbia, SC 29201

Re: Tower Street Capital Management Inc. v. KnightBrook Insurance Company
Case No.: 3:17-CV-01781-JFA
Appellate Case No.: 2019-001373

Dear Judge Anderson:

Charleston
Charlotte
Columbia
Greensboro
Greenville
Hilton Head
Myrtle Beach
Raleigh

I am in receipt of Jim Griffin’s letter requesting that your Honor supplement the record accompanying the certified questions to the South Carolina Supreme Court. KnightBrook Insurance Company (“KnightBrook”) agrees that some items should be included in the Record to the Supreme Court; however, Defendant objects to the inclusion of the agency agreements and deposition testimony.

In accordance with South Carolina Appellate Court Rule 244(b), Defendant KnightBrook Insurance Company hereby requests this Court supplement the record accompanying the questions that were certified to the South Carolina Supreme Court in the above-referenced matter. Specifically, Defendant requests that the following documents be included in the record:

1. Finder’s Fee Agreement (ECF No. 1)
 - Defendant believes that the Supreme Court should have access to the entire document at the center of this dispute.
2. Letter of Intent (ECF No. 48-9, 50-20)
 - Defendant believes the Letter of Intent will provide necessary context to the creation of Newco.

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3. December 1, 2011 email from Cone to Jarvis (ECF No. 48-11)
4. December 14, 2011 email from Jarvis to Cone (ECF No. 48-12)
 - These two emails reflect the parties' negotiation of the terms of the Finder's Fee Agreement and provide context and support of the intent of the parties. Defendant believes the emails are relevant and the Supreme Court should have access to the emails.
5. July 17, 2017 Tower Street Termination Letter (ECF No. 48-13)
 - The termination letter will confirm to the Supreme Court the timing of when KnightBrook formally terminated the Finder's Fee Agreement.
6. October 17, 2017 DGU Termination Letter (ECF No. 48-14)
 - KnightBrook objects to the inclusion of all four of the agency agreements. Plaintiff specifically requested that Your Honor include a question about the agency agreements and it was rejected by the Court. Obviously, including the agreements when none of the questions are even remotely related to the agreements and there is no discussion of the agreements in the Order will be confusing to the Supreme Court. In addition, the Court specifically rejected including the implied duration term argument in Footnote 7. If the Court does include the agency agreements in the record, Defendant would request that the DGU termination letter likewise be included in the record.
7. Selected deposition testimony of Madison Cone, Eric Jarvis, Curtis Stewart and the KnightBrook 30(b)(6) deposition.
 - KnightBrook objects to the inclusion of deposition testimony in the record. Defendant believes that including deposition testimony is irrelevant to the narrow questions before the Supreme Court and will make a voluminous and unnecessary record. If Your Honor includes deposition testimony in the record; however, Defendant would request the opportunity to add deposition testimony from all four witnesses deposed in the case.

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To clarify its position, Defendant requests that the items 1-5 identified above be included in the record. Defendant objects to the following requests made by Plaintiff, and respectfully asks the Court to exclude the following from the record:

- Managing General Agency Agreement dated March 1, 2012 between DGU Insurance Associates, LLC and Knight Management Insurance Services, LLC
- General Agency Agreement between NFP Property and Casualty Services, Inc. and Knight Management Insurance Services, LLC dated September 1, 2017
- Quota Share Reinsurance Agreement with State National Insurance Company, dated December 1, 2003
- General Agency Agreement between and among State National Insurance Company, Inc., Knight Insurance Company, Ltd, and Knight Management Insurance Services, LLC, dated December 1, 2003
- Deposition Testimony of Curtis Stewart, Madison Cone, and KnightBrook's 30(b)(6) witness

If the Court includes any of the agency agreements or deposition testimony requested by Plaintiff over the Defendant's objection, Defendant requests that items 6-7 identified above be included in the record.

Very truly yours,

s/James G. Long, III

James G. Long III, SC Bar No. 5877

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