

UNITED STATES BANKRUPTCY COURT
DISTRICT OF DELAWARE

In re:

VESTTOO LTD., *et al.*,

Debtors.¹

Chapter 11

Case No. 23-11160 (MFW)

Jointly Administered

LAWRENCE HIRSH, in his capacity as Liquidating
Trustee of the Vesttoo Creditors Liquidating Trust,

Plaintiff,

Adversary Proceeding

No. _____

v.

AON PLC, AON RISK SERVICES, INC. OF
MARYLAND, AON RISK SERVICES CENTRAL,
INC., AON UK LIMITED, AON (BERMUDA)
LIMITED, AON REED STENHOUSE, INC., AON RE,
INC., AON INSURANCE MANAGERS (BERMUDA)
LTD., AON INSURANCE MANAGERS (DUBLIN)
LIMITED, AON INSURANCE MANAGERS (ISLE
OF MAN) LIMITED, WHITE ROCK INSURANCE
(SAC) LTD., CHINA CONSTRUCTION BANK
CORPORATION, CHINA CONSTRUCTION BANK
(ASIA) CORPORATION, EHUD GINATI, LAM
CHUN-YIN, CHENG WAI, ALAN WANG (A/K/A
DAVID FU), and YU PO HOLDINGS LTD.,

Defendants.

¹ Due to the large number of debtor entities in the chapter 11 cases, a complete list of the Debtors is not provided herein. A full list of the Debtors (collectively “Vesttoo”) in these proceedings is available at Annex A of the Chapter 11 Voluntary Petition of Vesttoo Ltd., filed at Dkt. 1 in Case No. 23-11160.

COMPLAINT

Plaintiff Lawrence Hirsh, in his capacity as Liquidating Trustee of the Vesttoo Creditors Liquidating Trust (the “Trustee”), by and through his undersigned attorneys, submits the following as his Complaint against defendants Aon plc; Aon Risk Services, Inc. of Maryland (“ARS Maryland”); Aon Risk Services Central, Inc. (“ARS Central” and, together with ARS Maryland, “Aon Risk Services”); Aon UK Limited (“Aon UK”); Aon (Bermuda) Limited (“Aon Bermuda”); Aon Reed Stenhouse Incorporated (“Aon Reed”); Aon Re Incorporated (“Aon Re”); Aon Insurance Managers (Bermuda) Ltd. (“AIM Bermuda”); Aon Insurance Managers (Dublin) Limited (“AIM Dublin”); Aon Insurance Managers (Isle of Man) Limited (“AIM Isle of Man”); White Rock Insurance (SAC) Ltd. (“White Rock” and together with Aon plc, Aon Risk Services, Aon UK, Aon Bermuda, Aon Reed, Aon Re, AIM Bermuda, AIM Dublin, and AIM Isle of Man, collectively, “Aon”); China Construction Bank Corporation (“CCB Corp.”); China Construction Bank (Asia) Corporation (“CCB Asia,” and, together with CCB Corp., “CCB”); Ehud Ginati; Lam Chun-Yin; Cheng Wai; Alan Wang (a/k/a David Fu, “Wang/Fu”); and Yu Po Holdings, Ltd. (“Yu Po”):

INTRODUCTION

1. In 2020 Aon announced to the market that it was launching a new insurance product that would revolutionize lending to companies whose assets consisted primarily of intangible intellectual property (“IP”). This new product, which Aon called Collateral Protection Insurance (“CPI”), was designed to facilitate lending to these companies, most of which were startups, by providing lenders with peace of mind that upon a loan default there would be insurance available if liquidation of the borrower’s assets was insufficient to repay the loan. The lynchpin of the entire CPI product was the ability to accurately value the borrower’s IP. While doing so was long viewed to be challenging, Aon touted to the world that it had solved the problem, purportedly assembling

a world class valuations team and using proprietary technology to deliver accurate valuations. Based on these and other representations, Aon convinced insurance companies to underwrite more than \$2.5 billion in loans, collateralized with over \$2 billion in CPI insurance. But the entire product was a sham: at the same time it was promoting CPI to unwitting market participants—including to Vesttoo, whom Aon manipulated and used in order to close tricky CPI deals and thus scale the CPI product with other, traditional insurance players—Aon knew that its valuations were bunk and that the entire CPI process was riddled with conflicts of interest that, among other things, incentivized Aon to provide overinflated valuations to drive its fees higher and higher. Now, just a few years after launching the CPI product, the house of cards that Aon built has started to collapse, with CPI insurers finding that the insured loans were collateralized by wildly overvalued assets, leaving insurers holding the bag for what already is estimated to be hundreds of millions or even billions of dollars in claims.

2. Aon developed its CPI product in response to a perceived declining relevance of insurance to the globalized information economy of the 21st century. As the world modernized, the share of enterprise value attributable to physical capital—the traditional form of insured business assets—decreased and the share attributable to intangible assets like IP skyrocketed. The insurance industry initially responded to this change by developing products that insured against the *risks to* intangible assets—such as coverage for the defense and prosecution of IP infringement claims. But the industry had not developed products that insured the *value* of intangible assets—with good reason, given the inherent challenge of such valuations. Aon sought to take advantage of this void by making itself a one-stop shop facilitating IP-backed loans insured by so-called CPI policies, reaping profits for itself but in most cases bearing none of the credit or insurance risk.

3. The premise of the CPI product was a simple and attractive one for Aon. Aon devised the product to allow early-stage startup companies to obtain debt financing from lenders who ordinarily would not lend to such risky borrowers. Using its CPI product as a way for these lenders to avoid losses upon default, Aon arranged lending and insurance transactions from start to finish: it sourced lenders, valued the borrower's IP, and connected the lenders with insurance and reinsurance coverage, purportedly to protect the lender in case the borrower defaulted and the IP collateral was insufficient to cover the outstanding loan balance—with Aon collecting fees at each link in the transaction chain. Aon not only created the CPI product, it also created a market for the product by finding lenders and convincing them to extend loans to risky startups as part of CPI deals—eventually even setting up an in-house Aon fund to serve as the lender in certain deals. Such market-creation was easy when the lenders supposedly would be completely protected by the CPI insurance policy—Aon was selling lenders all reward and no risk.

4. Aon knew that its CPI product fundamentally depended on sound valuations of the IP collateral that secured the loans and thus determined the risk of the insurance and reinsurance policies. Indeed, Aon's senior executives publicly acknowledged that the key to the success of its CPI product was to convince Aon's insurance partners "to trust the valuation process." To do so, Aon engaged in a campaign of representations to insurers and reinsurers regarding the strength of its valuation capabilities, trumpeting that Aon had "the Largest & Most Specialized Team of IP Experts in the World" producing reliable valuations for CPI transactions. On the basis of those representations, Aon convinced insurers and reinsurers to take on billions of dollars of risk for its CPI deals. But Aon's representations were false.

5. In March 2022, in the early days of its CPI transactions with Vesttoo, Aon already was running into problems with its valuation team on which it was building this product. At the

very same time that Aon was touting its valuation capabilities in the marketplace, its employees were sounding alarms internally regarding the creation of “potentially catastrophic” liability for Aon and “persistent and significant cultural issue[s] ... deeply embedded within the valuation team,” including “insane” conflicts of interest, that made it “amazing [Aon] [was] able to get a single transaction done.”

6. These “deeply embedded” “cultural issue[s]” were reflected in the quality of the valuations as well. On the rare occasions when counterparties got a look under the hood of Aon’s valuations, they found that they were based on “voodoo math,” in the words of one key lender in the CPI program. Indeed, Aon knew that contrary to what it was saying to the market, its valuations were built on practically nothing. As one Aon executive put it, the valuation “issues will undermine any attempt to scale this business.” But instead of addressing those issues, Aon continued to push the CPI product based on false representations.

7. As early as March 2022, Aon admitted internally that its valuation failures were creating liability “for [Aon] and the parties to [CPI] transaction[s] [that] is *potentially catastrophic*.” Now, the catastrophic impact of Aon’s wrongdoing has been realized: as Aon internally predicted, the CPI deals have “go[ne] bust” and Aon’s counterparties—including Vesttoo and some of the industry’s leading insurance and reinsurance companies—have suffered massive losses on the deals that Aon fraudulently induced them to join.

8. Beyond valuation, another key component of the CPI product was finding reinsurance capacity providers who would bear the ultimate insurance risk on the deals. For its riskiest transactions—deals that established reinsurance providers would not underwrite—Aon relied heavily on Vesttoo to provide reinsurance capacity through Vesttoo’s capital markets investors.

9. Vesttoo was founded in 2018 with the goal of increasing capital markets investor participation in insurance markets. In a typical Vesttoo transaction, an insurer or reinsurer would cede risk to an entity known as a “transformer” that would convert the reinsurance risk into an investible form of security. Vesttoo’s clients would invest in those securities by agreeing to assume the risk of loss and pay any reinsurance claims—thus providing reinsurance capacity for the transactions—in exchange for premium payments from the cedents. In non-CPI transactions, the cedent would fund premiums from its customers into a trust account established by a segregated-account company (or “segregated cell”) organized under Bermuda law to be held in trust to satisfy the reinsurance obligation. Vesttoo’s investor clients would typically be required to post backstop collateral in the form of a letter of credit (“LOC”) drawn on a bank or other financial institution, which would be available to cover any reinsurance claims that exceeded the premiums held in trust at the segregated cell. Because Vesttoo’s non-CPI transactions were in traditional reinsurance lines—like auto, homeowner, or worker compensation insurance—with long loss histories and predictable claims, cedents’ premiums were set at an amount sufficient to cover expected reinsurance claims, such that the LOC collateral backstop would rarely, if ever, need to be tapped.

10. In Vesttoo, Aon saw a golden opportunity for growing Aon’s CPI business. Vesttoo was a well-funded startup looking to build itself into a major player in the reinsurance industry but was led by an inexperienced team eager to work with a blue-chip company like Aon. The lenders and insurers that Aon pulled into CPI transactions were less impressed with Vesttoo, which they recognized lacked a track record in the close-knit reinsurance market. But as Aon looked to “make IP lending massive,” it recognized internally that “Vesttoo is an important market to [Aon] for IP deals,” because Vesttoo was “the only market interested” in Aon’s riskiest deals for which it was

“unlikely that the more traditional shops will have much of an appetite.” And so, when Aon became aware of significant red flags concerning the LOC capacity from Vesttoo’s investors, Aon not only looked the other way, but also concealed its concerns from counterparties to convince them to participate in Vesttoo-backed CPI deals.

11. Aon’s counterparties were right to be concerned by the red flags that Aon consciously ignored to preserve its CPI business. By late 2021, a group of co-conspirators including Vesttoo employee Ehud “Udi” Ginati and CCB employee Lam Chun Yin was working to loot Vesttoo for the conspirators’ own benefit through a scheme to forge LOCs for Vesttoo’s transactions.²

12. Ginati and Lam, along with purported employees of Vesttoo’s largest reinsurance investor, Yu Po, worked together to create fake LOCs ostensibly issued by Lam’s employer, CCB, which Yu Po would then post as supposed collateral support for its investments in Vesttoo’s reinsurance transactions. Through this scheme, the conspirators, enabled at every step by CCB, were able to collect reinsurance premiums from cedents without actually covering any of the associated reinsurance risk. As a result, the liability for reinsurance losses that should have been covered entirely by legitimate LOCs instead rested solely with Vesttoo subsidiaries. And instead of going to investors providing legitimate reinsurance capacity for Vesttoo’s transactions, the premium payments made in exchange for investors’ purported assumption of the reinsurance risk were instead diverted to line the pockets of Ginati and his co-conspirators. Together, Ginati and his CCB-enabled co-conspirators forged documentation falsely stating that CCB had posted over

² The allegations herein are not intended to prejudice or impair the ability of any holder or beneficiary of an LOC from seeking to enforce the LOCs.

\$2.81 billion in LOC collateral, allowing them to collect millions of dollars in reinsurance premiums before the fraud finally came to light in summer 2023.

13. Ginati and his co-conspirators also engaged in a concerted effort to quash concerns within Vesttoo and ordinary-course audits from Vesttoo's counterparties. When other Vesttoo employees sought to verify the LOCs, Ginati used his position within the company to stymie their efforts. And when Vesttoo asked questions of Lam directly, Lam forwarded those questions to Ginati, who ghostwrote his responses.

14. During the course of its dealings with Vesttoo, Aon uniquely was positioned to see—and did in fact see—a stream of red flags related to the fraudulent LOC scheme. For example, when Vesttoo inexplicably was unable to provide a proof of funds statement from the bank (Santander) that supposedly was issuing a \$50 million LOC for a CPI transaction, Aon did not investigate why Vesttoo's investor was unable to obtain such routine documentation. **Instead, an Aon employee simply typed out language for such a statement on behalf of “Santander & Vesttoo,” and sent it back to Vesttoo to use instead of documentation drafted by Santander itself.**

15. When counterparties complained to Aon about “very real concerns” regarding Vesttoo's ability to provide LOCs, Aon admitted that Vesttoo's delays in producing LOCs “left a very sour taste for several parties,” and that Aon “need[ed] to fully understand the mechanics of [LOC] approval and issuance for future transactions.” But Aon never did so. To the contrary, when another counterparty raised serious concerns to Aon regarding CCB's ability to purportedly issue a massive \$228 million LOC for a transaction, Aon internally remarked it was “not getting involved. It's not our issue.”

16. Aon not only ignored red flags and counterparties' concerns regarding the LOCs; it also made affirmative misrepresentations to counterparties about Vesttoo's capabilities. While complaining internally that Vesttoo was "the most unprofessional organization," Aon pushed its counterparties to work with Vesttoo and claimed Vesttoo was "more similar to a bank, both culturally and operationally, than a traditional insurer." Aon also told counterparties that Vesttoo "ha[d] sophisticated credit and structuring expertise," assuring reluctant counterparties that "certainty of [reinsurance] capacity will be significantly improved by the inclusion of Vesttoo." Meanwhile, Aon internally was grouching that Vesttoo **"simply does not have the required experience or expertise to structure these deals correctly,"** and lamenting that **if Vesttoo "was less strategically important" to Aon, it "would have to consider resigning and not working with [Vesttoo] further."**

17. Contrary to its internal belief that these LOC concerns were "not [Aon's] issue," Aon had contractual obligations to Vesttoo that required Aon to respond to the red flags of which it was aware. But Aon did not do so. And at the same time Aon was ignoring Vesttoo's red flags, Aon's internal audits were revealing that the division responsible for its transactions with Vesttoo was continuing to "significantly[] underperform" in Know Your Customer ("KYC") and Customer Due Diligence ("CDD") functions.

18. The reality is that Aon had every incentive to ignore the red flags and keep utilizing Vesttoo to scale its CPI product. Aon charged forward, knowing that its valuations were virtually baseless and ignoring flashing warning signs about one of its most critical partners, Vesttoo. All the while, Ginati and his co-conspirators, enabled by CCB, looted Vesttoo for their own enrichment.

19. Aon's CPI product wreaked havoc on Vesttoo and the reinsurance industry. Because Aon's CPI borrowers **overwhelmingly** defaulted on the Aon-brokered CPI loans, lenders turned to the IP collateral to try to cover their losses. But Aon's abysmal valuation capabilities (contrary to Aon's false representations to its counterparties) resulted in vastly inflated IP valuations, with the liquidation value of the IP proving to cover just a small fraction (if any) of the debt it was meant to secure—in one instance, **one one-hundredth of Aon's valuation**. And while Aon touted default rates of between just 3% and 6% when marketing the CPI product, the actual default rates ended up being exponentially higher. Because Aon was intimately and uniquely aware of the flimsiness of its IP valuations, it was entirely foreseeable to Aon that these borrowers would default, leaving Vesttoo vulnerable.

20. Aon pushed CPI loans based on highly speculative IP valuations for borrowers that had yet to generate any revenue even while admitting internally that “pre-revenue borrowers are not well suited to CPI loans” because “[p]re-revenue opportunities make it incredibly difficult to project the value of the IP.” The entire value proposition of CPI—that Aon and Aon alone could credibly value the IP of early-stage companies to facilitate secure loans—was a sham. IP unaccompanied by an established market value for the business that holds it was always poorly suited to the massive deals that Aon pushed. But businesses with extremely valuable IP had market-driven valuations and were able to raise money with no need for Aon. And so, Aon created a product built on faulty valuations.

21. As a result, the insurers and reinsurers that insured the IP's value ultimately were called upon to make hundreds of millions of dollars in claims payments and began demanding “post-mortem” explanations from Aon “to fully explain what happened” in failed CPI deals and “why the original financial forecasts and IP valuation were so far off the mark.”

22. Aon's wrongdoing foreseeably and gravely endangered, and ultimately led to the destruction of, Vesttoo's business. Aon knew or should have known that by luring Vesttoo into fraudulently misvalued deals that ended up comprising a majority of Vesttoo's business, it was setting Vesttoo up for failure if those deals ever fell through. Unlike Vesttoo's non-CPI transactions, Aon's design for the CPI deals meant the only backstop for the ultimate reinsurance risk in Aon's CPI transactions with Vesttoo was the purported LOCs; no cash premiums were held in trust to cover claims. But for Aon's fraudulent inducement of Vesttoo to enter the CPI deals and its willful blindness to serious red flags regarding Vesttoo's LOCs, Vesttoo could have declined to enter the doomed CPI deals entirely and/or taken steps to rectify the issues with Vesttoo's LOCs, including seeking legitimate reinsurance capacity rather than falling victim to the LOC conspiracy. Instead, when CPI deal after CPI deal collapsed in mid-2023, Vesttoo's investors lacked valid LOCs to satisfy the claims and Vesttoo collapsed along with those deals. Aon walked away with its profits—leaving the insurers Aon convinced to work with Vesttoo holding the bag. And even as Vesttoo was on the brink of bankruptcy, Aon shamelessly pressured Vesttoo's executives to make a \$16.25 million *ex gratia* payment to Aon, despite having no obligation to do so, to help bail Aon out of the liability it retained on one of its failed CPI deals.

23. When Aon's fraud was revealed and billions of dollars in CPI policies came due, Vesttoo's cedents called on the fraudulent CCB LOCs that Ginati and his co-conspirators, enabled by CCB, had posted. This CCB LOC scheme created the illusion of collateral where there in fact was none. For each such deal, Vesttoo thought it, its subsidiaries, and its counterparties were protected by collateral posted by CCB, one of the world's largest banks. Instead, this illusory collateral structure collapsed when Aon's misconduct caused cedents to attempt to draw on the

LOCs, leaving Vesttoo’s subsidiaries with billions of dollars in reinsurance liabilities and causing Vesttoo’s demise.

24. The Trustee brings this action to hold accountable those who carried out fraud against Vesttoo. This includes holding Aon accountable for its wrongdoing that caused significant harm to Vesttoo, and to Aon’s insurance partners and the reinsurance market as a whole. Aon used Vesttoo to facilitate more than half a billion dollars in CPI-backed loans. In the process, Aon reaped tens of millions of dollars in fees. It also includes holding CCB and the CCB-enabled fraudsters accountable for forging over \$2.8 billion in collateral that, when called upon, proved entirely illusory. In the end, Aon and the CCB-enabled fraudsters destroyed Vesttoo’s business—a business the market valued at more than one billion dollars.

THE PARTIES

25. The Trustee, Lawrence Hirsh, is the duly appointed Liquidating Trustee in the above-captioned Chapter 11 bankruptcy proceeding of *In re: Vesttoo Ltd., et al.*, Bankruptcy Case No. 23-11160 (MFW) (the “Bankruptcy Case”), and is empowered under the Plan “to commence, prosecute, and resolve any Liquidating Trust claims,” Dkt. 763-1 at 69-70.

I. Aon Defendants

26. Defendant Aon plc is an Ireland company with global headquarters in London and North American headquarters in Chicago, Illinois. Aon plc is a publicly traded global professional services firm focused primarily on commercial risk and reinsurance. It operates in more than 120 countries with a global workforce of approximately 50,000 employees. It touts itself as a leader in its field and points to its “experience, global reach, and comprehensive analytics” that “help clients meet rapidly changing, increasingly complex, and interconnected challenges related to risk and people.”

27. Defendant Aon Risk Services, Inc. of Maryland is a corporation organized under the laws of the state of Maryland with its principal place of business in Chicago, Illinois.

28. Defendant Aon Risk Services Central, Inc. is a corporation organized under the laws of the state of Illinois with its principal place of business in Chicago, Illinois.

29. Defendant Aon UK Limited is a private limited company organized under the laws of the United Kingdom with its principal place of business in London, United Kingdom.

30. Defendant Aon (Bermuda) Limited is an exempted company limited by shares organized under the laws of Bermuda with its principal place of business in Hamilton, Bermuda.

31. Defendant Aon Reed Stenhouse Incorporated is a federal corporation organized under the laws of Canada with its principal place of business in Toronto, Canada.

32. Defendant Aon Re Incorporated is a corporation organized under the laws of the state of Illinois with its principal place of business in Chicago, Illinois.

33. Defendant Aon Insurance Managers (Bermuda) Ltd. is a Bermuda company and a wholly owned subsidiary of Aon plc.

34. Defendant Aon Insurance Managers (Dublin) Limited is a private company limited by shares organized under the laws of Ireland with its principal place of business in Dublin, Ireland.

35. Defendant Aon Insurance Managers (Isle of Man) Limited is a private company limited by shares organized under the laws of the Isle of Man with its principal place of business in Douglas, Isle of Man.

36. Defendant White Rock Insurance (SAC) Ltd. is a Bermuda company and a wholly owned subsidiary of Aon plc. For each of Vesttoo's reinsurance transactions involving Aon, White Rock utilized a "Segregated Account" under the terms of a Participating Shareholder Agreement ("PSA") by virtue of White Rock's status as a Bermuda exempted segregated accounts company

registered under the Segregated Accounts Company Act 2000 (“SAC Act”) to which insurance risk was ceded. Vesttoo’s investors joined together with the Vesttoo subsidiary Vesttoo Holdings Ltd. to form a limited partnership that purchased shares of that Segregated Account under the PSA. White Rock then designated AIM Bermuda as the manager of each Segregated Account via a separate Cell Management Agreement (“CMA”) entered into between itself, AIM Bermuda, and the limited partnership.

II. CCB Defendants

37. China Construction Bank Corporation is a corporation organized under the laws of the People’s Republic of China with its principal place of business at No. 25, Financial Street, Xincheng District, Beijing. All of CCB Corp.’s U.S. operations take place through its registration as a foreign branch operating in New York with the New York State Department of Financial Services. For purposes of these U.S. operations, CCB Corp. lists its address as 1095 Avenue of the Americas, New York, New York. CCB Corp. refers to these U.S. operations as “CCBNY” or “CCB New York” but “CCBNY is not a separately incorporated entity from [CCB Corp.].” Decl. of Mildred Harper in Support of Defendants China Construction Bank Corp. and China Construction Bank, New York Branch’s Motion to Dismiss at 1, *In re China Construction Bank Corp.*, No. 24-cv-3591 (S.D.N.Y. Jan. 14, 2025).

38. Defendant China Construction Bank (Asia) Corporation is a corporation organized under the laws of the Hong Kong Special Administrative Region of the People’s Republic of China with its principal place of business at 28/F CCB Tower, 3 Connaught Road Central, Central, Hong Kong. CCB Asia is a wholly owned subsidiary of CCB Corp.

39. Defendant Lam Chun-Yin resides in Hong Kong. From at least August 24, 2021 through July 26, 2023, Lam was employed by CCB Asia in the position of Relationship Manager. At all times during that employment Lam was licensed by the Hong Kong Monetary Authority

(“HKMA”) to engage in regulated financial activity, such as advising on and dealing in financial instruments, on behalf of CCB.

III. Other Defendants

40. Defendant Yu Po Holdings, Limited is a corporation organized under the laws of the Hong Kong Special Administrative Region of the People’s Republic of China with its principal place of business at 8/F Excelsior Building, 68-76, Unit J57 Rm A Sha Tsui Road Tsuen Wan, Hong Kong.

41. Defendant Cheng Wai resides in Hong Kong. From at least April 13, 2021, Wai served as Director of defendant Yu Po.

42. On information and belief, defendant Alan Wang (a/k/a David Fu) resides in Hong Kong. At all relevant times, Wang/Fu was an employee of defendant Yu Po.

43. Defendant Udi Ginati is a citizen of the state of Israel residing in Ra’anana, Israel.

JURISDICTION AND VENUE

44. The Court has jurisdiction over this adversary proceeding pursuant to 28 U.S.C. § 1334. This adversary proceeding arises in or is related to the Bankruptcy Case, which is a case under title 11.

45. This is a core proceeding under 28 U.S.C. § 157(b)(2), including to the extent that the causes of action herein are, in whole or in part, counterclaims to proofs of claim filed in the Bankruptcy Case. To the extent these proceedings are not core under 28 U.S.C. § 157(b), they are non-core proceedings this court may hear pursuant to 28 U.S.C. § 157(c)(1).

46. This adversary proceeding is commenced pursuant to Rule 7001 of the Federal Rules of Bankruptcy Procedure because, at a minimum, it seeks, among other things, to recover money or property belonging to the Debtors’ chapter 11 estates. Fed. R. Bankr. P. 7001(a).

47. Pursuant to Federal Rule of Bankruptcy Procedure 7008 and Local Bankruptcy Rule 7008-1, the Trustee consents to this Court's entry of final orders with regard to any claim in this action.

48. Venue is proper in this district under 28 U.S.C. § 1409 and is consistent with the interests of justice, judicial economy, and fairness.

49. Aon plc has filed several motions in the Bankruptcy Case and therefore has submitted to the jurisdiction of this Court. In addition, Aon plc maintains continuous and systematic contacts with the United States, including through its North American headquarters in Chicago. Aon plc is therefore at home in the United States.

50. Each of ARS Maryland, ARS Central, Aon UK, Aon Bermuda, Aon Reed, Aon Re, AIM Bermuda, AIM Isle of Man, AIM Dublin, and White Rock has appeared in the Bankruptcy Case and thus has consented to the jurisdiction of this Court by filing numerous proofs of claim. And each of them expressly admitted, as part of each respective proof of claim, that they participated in Aon's actions involving Vesttoo that form the basis of the claims here, including the CPI transactions forming the basis for the Trustee's fraud claims.

51. Each of Aon plc, Aon Risk Services, Aon UK, Aon Bermuda, Aon Reed, Aon Re, AIM Bermuda, AIM Isle of Man, AIM Dublin, and White Rock (collectively, as defined above, "Aon") participated in Aon's transactions with Vesttoo, including its U.S.-organized CPI transactions.

52. At all relevant times, Aon's IP Solutions group was a business unit composed of individuals employed by various Aon Risk Services regional subsidiaries. Employees in the Aon IP Solutions Group developed and sold Aon's CPI product. The IP Solutions Group operated out of the United States, including out of Aon's significant business presence at its Chicago

headquarters and at Aon's offices in New York City. The misrepresentations, negotiations, transactions, and interactions that form the basis for the claims herein originated from individuals who held themselves out as representatives simply of "Aon"; were located in the United States; and, on information and belief, were formally employed by one of more of the various Aon Risk Services regional entities. Personal jurisdiction over the various Aon entities for claims arising out of those activities is therefore appropriate and comports with traditional notions of fair play and substantial justice.

53. CCB's purposeful availment of the privilege of doing business in the United States through its New York branch—which CCB refers to as "CCB New York" or "CCBNY," but which is not a separate legal entity from CCB Corp.—was central to the events giving rise to the Trustee's claims against CCB. CCB New York is registered with and authorized to conduct business by the New York State Department of Financial Services.

54. Vesttoo generally undertook to procure LOCs from bank branches approved by the Missouri-based National Association of Insurance Commissioners ("NAIC"). CCB operated only one such branch: CCB New York. CCB New York was a NAIC-approved branch because CCB Corp. pursued and obtained that approval for CCB New York and for no other CCB branch.

55. CCB employee Lam and his co-conspirators used these U.S. operations and Lam's connections with CCB to deceive Vesttoo into believing that its transactions were collateralized by LOCs drawn on the NAIC-approved New York branch of CCB. The fraudulent scheme was made possible because—and only because—CCB purposefully availed itself of the laws of the United States by establishing and operating this branch in New York. As set forth in detail below, CCB is liable for this fraud that arose directly out of its purposeful availment of the privilege of conducting business in the United States. According to CCB's own public reports and filings,

CCB New York conducts all of CCB's U.S. business on behalf of all CCB subsidiaries, including CCB Asia, and CCB Corp. regularly acts together with CCB Asia as a single unit. It is consistent with traditional notions of fair play and substantial justice for CCB to answer in the United States for its role in the fraudulent LOC scheme arising out of those U.S. operations.

56. Moreover, CCB Corp. in fact authorized CCB Asia employees, like Lam, to procure letters of credit issued by or drawn on CCB New York as part of CCB's general authorization for CCB New York to conduct all U.S. business on behalf of all CCB subsidiaries, including CCB Asia. On April 6, 2022, CCB New York employee Yuyan (Kelly) Li, based in the New York offices of CCB New York, reviewed four of the fraudulent LOCs at issue here, confirmed that the four LOCs "were issued by another China Construction Bank branch," and directed the inquiry to CCB Asia. Given the requirement that these LOCs be issued by NAIC-approved branches and the fact that CCB New York was CCB's only such branch, Li could only have reached this conclusion if CCB Corp., Li's employer, had authorized CCB Asia employees, like Lam, to procure LOCs from CCB New York on behalf of its customers.

57. In fact, CCB Asia advertises this ability to secure and transact with letters of credit issued by CCB Corp., touting its ability to provide "Cross Border Services without boundaries" between Hong Kong and the regions CCB Corp. serves (like Mainland China and New York). These self-described services include coordinating LOCs issued by CCB Corp. branches to secure CCB Asia lending or offshore guarantees. And they include "fully integrate[d] ... internal resources and platforms for ... cross-border settlement and trade finance services"—that is, full integration between the financial services (like LOC procurement) provided by CCB Corp. and CCB Asia to ensure that customers of each entity have access to the full range of services CCB as a whole can offer.

58. Thus, the Trustee's claims against CCB Corp. arise out of its U.S.-based failure to identify these four LOCs as fraudulent, CCB Corp.'s authorization of CCB Asia employees to engage in those LOC procurement activities, and CCB Asia's purposeful availment of the privilege of conducting business in the United States by engaging in those authorized activities. It is therefore consistent with traditional notions of fair play and substantial justice for CCB to answer in the United States for this failure.

59. Defendants Ginati, Lam, Wang/Fu, Wai, and Yu Po orchestrated the fraudulent LOC scheme giving rise to the Trustee's claims against them. In perpetrating that scheme, each of Ginati, Lam, Wang/Fu, Wai, and Yu Po created fraudulent LOCs that expressly represented that they were issued from and payable by CCB New York. These defendants did so, in part, because they knew that Vesttoo would only accept the LOCs if it appeared the LOCs were issued from and payable by a NAIC-approved bank, and CCB New York was the only such branch operated by co-conspirator Lam's employer, CCB. In issuing their fraudulent LOCs, these defendants thus relied on the appearance of contacts with the United States and the state of New York, purposefully availing themselves of the laws of each. Defendants Ginati, Lam, Wang/Fu, Wai, and Yu Po also directed payments into the United States as part of their scheme. Ginati and Yu Po instructed Vesttoo to remit payments meant for Yu Po to non-parties Prime Trust LLC and JC Technologies FL LLC, ostensibly for further credit to Yu Po. Those funds were paid to a Signature Bank account in New York and a Santander Bank account in Pennsylvania, respectively. It is thus consistent with traditional notions of fair play and substantial justice for them to answer for this misconduct in the United States.

FACTUAL ALLEGATIONS

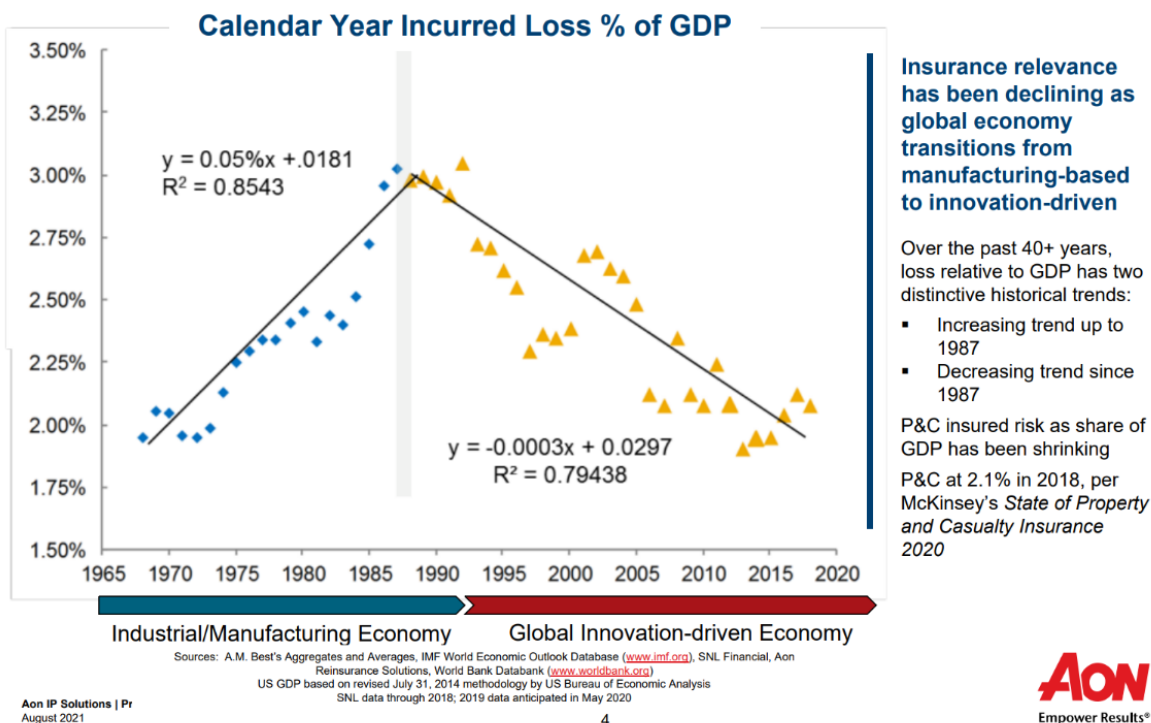
I. Aon Devises A New Product: Collateral Protection Insurance For Intellectual Property

60. In recent decades, the global economy has shifted from one centered on industry to one centered on information and innovation.

61. Intangible assets have increased drastically as a percentage of corporate enterprise value. Whereas in 1975 intellectual property represented only 17% of the value on the balance sheets of the S&P 500, by 2018 that number had grown to a staggering 84%. Aon knew and appreciated the impact of this dramatic shift: in a presentation that Aon's IP Solutions Group sent to Vesttoo in 2021, Aon noted the profound impact this shift had on the relevance of insurance, recognizing that insured risks as a percentage of GDP had declined steadily since 1987 alongside the global economy's transition from manufacturing-based to innovation-driven.

Insurance Industry Relevance

The World Economy has been Decreasing Since the Late 1980's...



62. To remain a leader in this changed world and to fuel growth in its business, Aon designed a way to connect the insurance market to information-based assets. In May 2018, Aon launched its IP Solutions group, with the goal of allowing Aon to capitalize on the growing importance of IP through what would become its new CPI product. Aon's IP Solutions Group and its new CPI product were priorities for Aon.

63. Aon sought to differentiate itself with this product, which it specifically developed to tap into a market that, up to that point, had not been a major insurance client: cash-strapped startup companies. With Aon's CPI product, these companies—many of them IP-based businesses—would be able to mortgage their IP in exchange for debt financing from lenders. To protect itself in case the borrower defaulted and liquidation of the IP collateral was insufficient to cover the loan balance, the lender could take out a CPI policy on the IP collateral underwritten by an insurer; the insurer would, in turn, cede some of the insurance risk to reinsurers and/or capital markets investors.

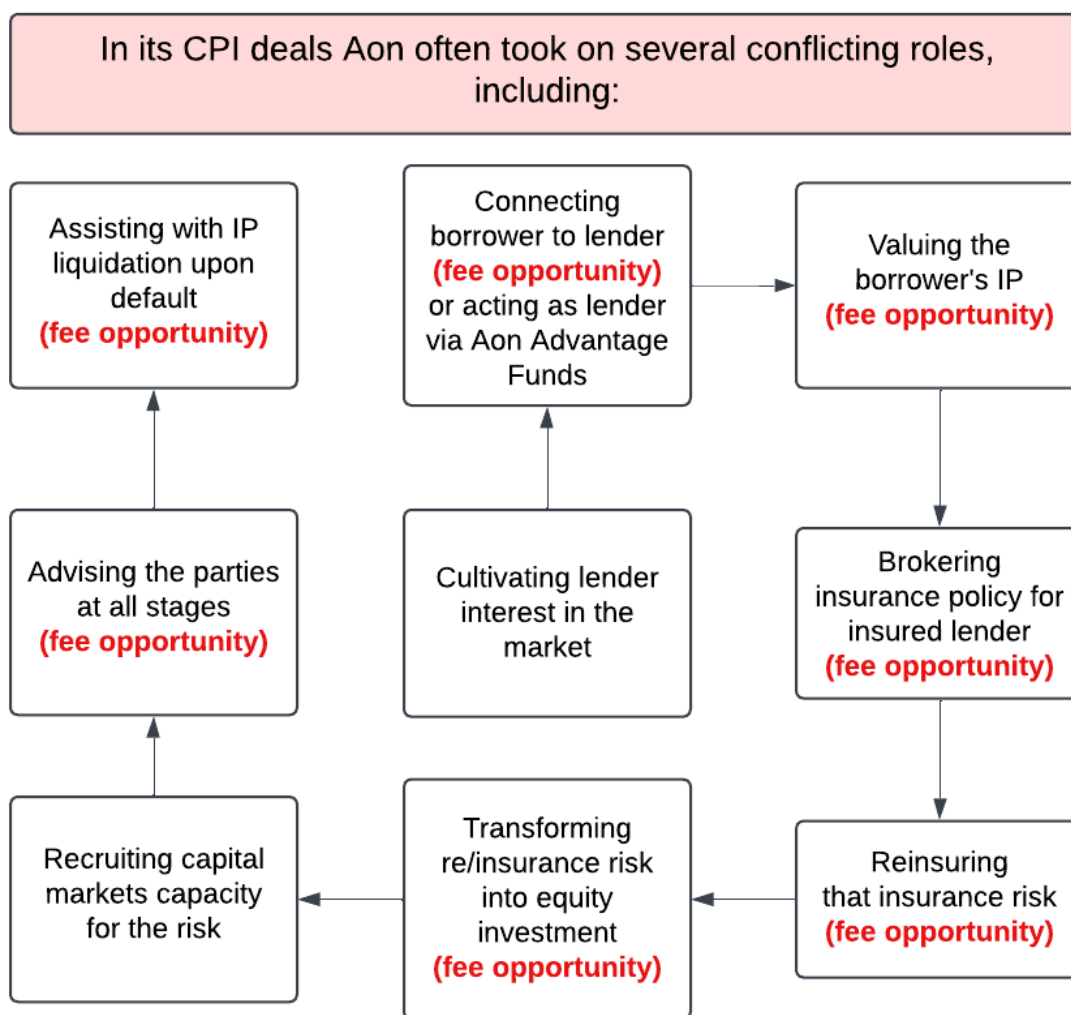
64. Aon believed its new product would be particularly compelling for these risky startup borrowers and lenders in the startup space. Startups that struggle to obtain loans from lenders unwilling to lend to unproven concepts or that are unable or unwilling to raise further equity through traditional startup fundraising rounds, Aon believed, would be drawn to CPI for an injection of financing without diluting their equity. And Aon could bring otherwise-reluctant lenders to the table by stamping the trusted Aon brand on the diligence and valuations supporting the deal, bridging the gap between risky startups and risk-averse lenders by invoking its gold standard reputation as a manager and assessor of risk.

65. Lenders, insurers, and reinsurers all would profit, Aon assured them—no matter how risky the underlying startup—so long as the loans' interest rates and the insurance premiums

were priced appropriately based on the risk that the IP collateral would be insufficient to cover any defaulted loan balances—and, implicitly, because Aon would not be participating in the deal otherwise. Premised on the foundation that Aon’s valuation was accurate, everyone would make money.

66. So, Aon touted itself as a “trusted global leader” in the field of CPI for IP, and openly shared its high ambitions for the product, with its president in 2022 declaring that “the possibilities for the insurance industry via IP are endless.” With CPI, Aon had found a way to tap into new markets for insurance.

67. Aon designed the CPI product to ensure Aon enjoyed a central—and profitable—role at each point in the transaction process, without bearing many of the endeavor’s significant risks. Aon first connected the borrower with the lender. Aon valued the borrower’s IP collateral for the loan, boasting that it had assembled “the Largest & Most Specialized Team of IP Experts in the World.” Aon also connected the lender with an insurance company, which would issue an insurance policy on the borrower’s IP collateral brokered by Aon. If the borrower defaulted, and the lender could not recover the outstanding loan balance through liquidation of the IP (with the assistance of Aon’s collateral disposition team), the insurer would make the lender whole. Finally, after connecting the lender with an insurer, Aon worked as broker with the insurer to reinsure some or all of the risk or to transform the insurance risk into a security through a transformer (typically its subsidiary White Rock) and cede that risk to reinsurance companies or capital markets investors. Aon took a generous slice of fees at nearly every step along this circuitous path. Eventually, Aon even formed its own lender entity, Aon Advantage Funds, to participate in certain transactions, allowing Aon to earn additional revenue and increase CPI deal flow while pushing risk off on insurers and reinsurers.



68. Aon thus played a critical role in *every single step* of a CPI transaction. As an industry publication would later note, Aon “owned every bit on the [product] line.” And Aon charged handsome fees for these roles: Aon typically received a 25% commission on the insurance premiums for each CPI deal, and Aon earned additional fees and commissions through reinsurance and related services. From Vesttoo-facilitated deals alone, Aon earned tens of millions of dollars in revenue in 2022 and 2023. It earned millions more in 2021. In each year, Vesttoo-facilitated deals accounted for more than 20% of Aon’s total CPI commissions.

69. Aon had incentives to engage in misconduct as a result of the many roles it played in the CPI transaction structure. Because Aon, and its transformer White Rock, earned fee revenues equal to a percentage of the premium on the CPI policy, they were incentivized to provide sky-high valuations of the underlying IP, which valuations could both increase the size of the underlying loan (and thus the size of the CPI policy and associated premium) and help ensure that the transaction closed by lowering the perceived risk of loss for other transaction parties.

70. As one industry insider would later observe of Aon in an industry publication: “They were just so conflicted it was out of control.”

71. The entire CPI product’s success was dependent on the underlying valuation of the IP. In the words of Eric Andersen, Aon’s CEO of Risk Solutions Americas, in order to make CPI transactions work:

[Y]ou need a couple of things, right, which is what we’ve been building over the last period of time. You need the valuation, right? How do you actually value IP, both in an upmarket and a stressed market. How do you liquidate it? How do you get insurer partners to devote capital to it to understand the risk themselves, to trust the valuation process, to understand how you would liquidate [it]. ... So, there’s a whole ecosystem that we’ve been building that we are very optimistic about.

72. To convince its insurance partners to trust Aon’s IP valuations, Aon, through its IP Solutions Group, represented that it had “assembled the largest & most specialized team of IP experts in the world.” It further touted a proprietary platform maintaining “global IP data on over one million companies representing forty million patents, and utiliz[ing] Artificial Intelligence to more accurately analyze IP.” Aon represented that “[b]ig data, machine learning, and natural language processing are key to the strategy,” and that it had a team of “140+ IP Professionals.”

73. The viability of the CPI product also fundamentally depended on finding reinsurance companies or capital markets investors who would agree to bear the ultimate risk in CPI transactions. For that role, Aon viewed Vesttoo as a perfect target.

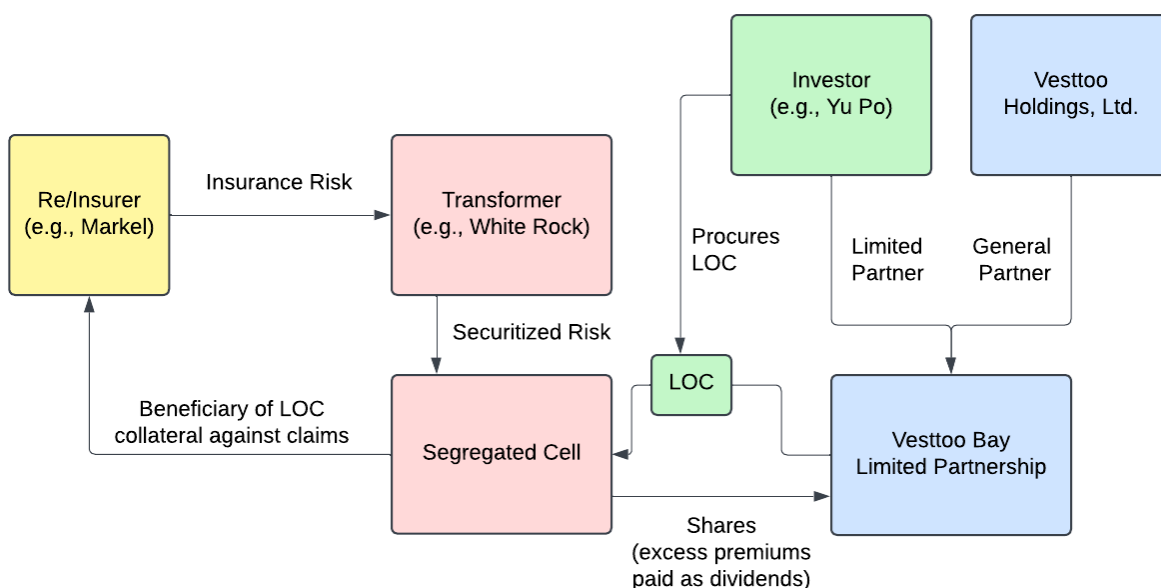
II. Vesttoo Develops An Innovative Model For Increasing Capital Markets Investors' Access To Insurance Products

74. Vesttoo was launched on December 5, 2018, by Yaniv Bertele, Alon Lifshitz, and Ben Zickel, three Israeli entrepreneurs. Bertele, Lifshitz, and Zickel sought to develop Vesttoo as “a platform marketplace where both insurance brokers and reinsurance companies could connect with investors to trade insurance risks (ILS) and other insurance related securities.” The idea was to allow reinsurance to be traded as securities, thus “enabling any insurance company to offload their risks to the capital markets through unique and proprietary digital securities.”

75. Vesttoo intended to use “advanced proprietary technologies” to streamline the process and provide accurate data to investors and a simple platform for reinsurers.

76. A typical Vesttoo transaction was designed to proceed as follows:

- a. An insurer or reinsurer (the “cedent”) cedes its insurance risk to a transformer entity, such as White Rock, pursuant to a Reinsurance Agreement.
- b. The transformer entity converts the reinsurance risk into a security.
- c. A Vesttoo subsidiary invests in the security on behalf of an investor pursuant to a limited partnership arrangement between the subsidiary and the investor (with the Vesttoo subsidiary serving as the general partner). An LOC is posted on behalf of the investor as collateral for the reinsurance risk, with the cedent as the collateral beneficiary.
- d. Vesttoo earns a one-time setup fee and a share of the premiums earned in exchange for the investor’s assumption of the reinsurance risk (which premiums are paid out as distributions from the investment security).



77. Vesttoo quickly developed into a global player in the capital markets and insurance field. At its height in 2023, Vesttoo operated in Tel Aviv, New York, London, Hong Kong, Seoul, Tokyo, and Dubai. Its board included the general partners of respected venture capital firms like Mouro Capital and Hanaco Ventures, and its advisory board included Hedwige Nuyens, Managing Director of the International Banking Federation.

78. Venture capital markets were recognizing Vesttoo's growth and success. By late 2021, Hanaco and Mouro each had purchased interests in Vesttoo. And by mid-2023, Goldman Sachs valued Vesttoo at up to \$2.5 billion.

79. Outside of the CPI transactions into which Aon induced Vesttoo to enter, Vesttoo's transactions were largely in traditional reinsurance lines with long loss histories and predictable risks, such as commercial auto liability insurance and property insurance. In such deals, cedents' premium payments were held in trust accounts during the coverage period as cash collateral available to cover reinsurance claims. The premiums for such transactions were set at an amount

sufficient to cover expected claims, meaning that the LOCs posted by Vesttoo's investors as backstop collateral were rarely, if ever, called upon.

80. But Aon's CPI deals fundamentally were different. Aon's design for those deals meant no cash premiums were held in trust accounts, so there was no cash collateral available to cover claims and the cedent was reliant on the LOC alone to cover any potential losses.

III. Ginati Organizes A Fraudulent LOC Conspiracy To Loot Vesttoo

81. The vast majority of Vesttoo's employees were working diligently since its inception in 2018 to develop Vesttoo's business and source legitimate reinsurance capacity for Vesttoo's transactions. By late 2021, however, a group of co-conspirators including Ginati, Lam, and others had begun a large-scale scheme to loot Vesttoo by forging documents to make it appear as though Vesttoo investors had secured billions of dollars in LOCs from CCB to collateralize Vesttoo transactions, when in reality no such LOCs had been issued.

82. Ginati organized this scheme along with defendant Lam Chun-Yin, a Hong Kong-based CCB employee, and defendants Cheng Wai and Alan Wang (a/k/a David Fu), two employees of Vesttoo's largest investor, defendant Yu Po. Through this scheme, Ginati and his co-conspirators deceived Vesttoo into believing that capital markets investors had posted legitimate collateral drawn on CCB's NAIC-approved New York branch, allowing the co-conspirators to loot premiums intended for legitimate reinsurance capacity providers without taking on any reinsurance risk.

83. This fraud should have been quickly and easily detected by a sophisticated party like Aon. But as discussed further below, Aon chose to ignore the red flags because it needed Vesttoo to further its CPI business.

A. Ginati Meets Wang/Fu, Wai, And Lam, And Together They Craft A Scheme To Loot Vesttoo

84. In January 2021, Ginati reconnected with an old friend, Tal Ezer, via Facebook. Ezer was a former executive of the successful Israeli company SodaStream who had worked for the company in Asia and claimed to have good connections in the region.

85. A few months later, Danny Saar, a minority investor in Vesttoo and Ginati's childhood friend, introduced Ginati to Bertele.

86. Because Vesttoo did not have a sales team at that time, Bertele agreed to engage Ginati as a "finder." In this role, Ginati was to seek out and secure capital markets investors to invest in reinsurance securitized through Vesttoo. In return, Ginati received "options" "from the collateral he secure[d] for [Vesttoo]" as well as a share of the company's revenues.

87. Soon after Ginati began his work for Vesttoo, he mentioned Vesttoo's business to Ezer. Ezer told Ginati he knew an ex-banker in Hong Kong named Alan Wang (also known as David Fu) who was well connected with investors in Asia.

88. Ezer introduced Ginati to Wang/Fu, and Wang/Fu connected Ginati with Wai. According to Ginati, Wang/Fu and Wai were both high-level employees within a well-capitalized investment firm called Yu Po. Also according to Ginati, Lam was Yu Po's relationship banker with CCB. According to Ginati, Wang/Fu told him that Yu Po was a large company with operations in various sectors, including crypto, and wanted to invest in new business opportunities.

89. Initially, Ginati was not a Vesttoo employee and instead worked as a freelancer while simultaneously working for investment banking companies, including one called Invest Nest Fund Management, Ltd. where he served as both a director and shareholder. By late 2021, Ginati became a full employee and had stepped back from the Invest Nest Limited Partnership. On information and belief, by mid-2022, Ginati had ceased his other freelance investment banking

activities and worked solely for Vesttoo. Ginati also maintained a stake in other businesses, including a group of cryptocurrency and payments companies known as the Vixi Group.

90. In mid-2021, Wang/Fu and Ezer both took on freelance roles with Vesttoo as well, each working under Ginati.

91. On information and belief, during these initial interactions, Ginati, Wang/Fu, Wai, and Lam developed a plan to deceive Vesttoo by forging LOCs that appeared to be drawn on the New York branch of Lam's employer, CCB, as collateral for their own benefit.

92. By October 2021, Yu Po already had committed (via Ginati's and his co-conspirators' scheme) to participate in its first Vesttoo deal—and Vesttoo's just second-ever transaction—in which Yu Po would post two fraudulent LOCs purportedly drawn on CCB New York with a total face value of over \$72 million.

93. Soon after, Yu Po became Vesttoo's single largest investor in reinsurance transactions. In total, Yu Po engaged in 71 total transactions with Vesttoo, including 57 transactions involving LOCs purportedly drawn on CCB New York with a face value of over \$2.8 billion dollars. On information and belief, CCB has refused to honor any of those LOCs, asserting that they are fraudulent.

B. CCB's New York Operations And Lam's Apparent Authority On Behalf Of CCB Are Critical To The Success Of The Scheme

94. For each of the CCB LOCs, Lam, Ginati, and Wang/Fu typically followed a four-step process:

- a. First, Ginati would send Wang/Fu a draft LOC naming CCB New York as the issuer. Ginati would ask Wang/Fu to have "CCB" execute that document.
- b. Second, Wang/Fu would send back to Ginati a copy of the LOC "signed" by the fictitious individual Xu Yingde, purportedly a Senior Vice President at CCB based in Shanghai.

- c. Third, Ginati would direct Lam (or would instruct Wang/Fu to direct Lam) to email the executed LOC directly to specific Vesttoo employees. Ginati made this request despite the fact that he already had the “signed” LOC in his possession.
- d. Fourth, Lam would send the executed LOC to the Vesttoo employees Ginati identified using his CCB email address per Ginati’s instructions. This step was critical to the success of the scheme because the signed LOCs were thus delivered to Vesttoo via Lam’s bona fide CCB email address.

95. Lam was indeed a CCB employee and, at all times relevant to this action, was in fact authorized by CCB Corp. to procure LOCs drawn on its New York branch. CCB New York confirmed as much on April 6, 2022, when its New York-based employee Yiyun (Kelly) Li told cedent Old American that four of the fraudulent LOCs at issue here “were issued by another China Construction Bank branch” and referred Old American’s questions to CCB Asia. This could only have been the case if Li understood that her employer—CCB Corp.—had authorized CCB Asia employees to procure LOCs from CCB New York on behalf of its customers. Old American then forwarded this email chain to Vesttoo employee Lior Alkalay on April 12.

96. CCB also took actions that cloaked Lam with apparent authority to procure LOCs from CCB Corp. branches. From August 24, 2021, to July 26, 2023, CCB facilitated Lam’s public registration with the Hong Kong Monetary Authority (“HKMA”) as a member of its staff authorized to deal on its behalf. This registration permitted Lam to carry an active HKMA license permitting him to engage in HKMA-regulated financial activity—including dealing in and advising on securities—on behalf of CCB and no other entity. Lam carried this license during this period because—and only because—CCB made it so.

97. Lam also used the authority CCB conferred upon him as a CCB employee to lend legitimacy to the scheme and deceive Vesttoo’s employees. On at least two occasions—once in January 2023 and again in May 2023—Vesttoo employees attended in-person meetings with Lam at CCB’s offices in Hong Kong as part of Lam’s efforts—in concert with his co-conspirators

Ginati, Wang/Fu, and Wai—to deceive Vesttoo. Lam communicated with his co-conspirators and with Vesttoo using his CCB email address.

98. CCB’s presence in New York was also critical to the scheme’s success. The beneficiaries of the LOCs were generally required by industry regulations to accept LOCs only from banks vetted and approved by the Missouri-based NAIC. CCB’s New York branch was the only arm of CCB anywhere in the world with NAIC approval to issue LOCs backing insurance transactions. The scheme was possible only because CCB maintained this NAIC-approved branch in the United States.

99. As a result of Lam’s apparent authority, CCB’s presence in New York, and the schemers’ four-step process, Vesttoo employees received signed LOCs purportedly identifying CCB’s New York branch as the issuing branch and branch for payment from a CCB employee using a legitimate CCB email address.

100. In such transactions, Vesttoo thought it and its clients were protected from liability by collateral in the form of an LOC issued by CCB’s NAIC-certified New York branch when, in fact, there was no collateral at all.

C. CCB Benefits From The Scheme

101. CCB benefited from a perceived expansion of its New York-based reinsurance LOC business line as a result of the fraud. By purportedly providing the LOC backstop for dozens of Vesttoo deals that involved high-profile insurance and reinsurance companies—not to mention high-profile lenders in Aon’s CPI deals—CCB’s profile grew dramatically in the insular reinsurance industry that places a premium on repeat-player status.

102. As just one concrete reflection of this increased profile among reinsurance industry players, insurance industry reporting from the 2021 and 2022 calendar years based on data as reported by cedents—who would have reported that CCB New York stood behind the fraudulent

LOCs—shows that CCB’s U.S.-facing LOCs outstanding jumped from \$80 million on December 31, 2021, to \$1.28 billion on December 31, 2022, a year-over-year increase of over 1,500%. As a result, CCB entered AM Best’s top-fifteen list of reinsurance LOC issuers in the United States in the 2022 year.

103. The fraudulent scheme thus made CCB appear to be an LOC issuer that leading insurers and reinsurers trusted and relied upon to provide collateral support for their transactions. CCB thus benefitted from an image as a reliable and trusted collateral provider in the reinsurance industry.

D. When Questions Arise, Lam, Ginati, And Wang/Fu Coordinate To Stymie Efforts To Verify The LOCs

104. The scheme Ginati developed alongside Lam, Wang/Fu, and Wai also involved sophisticated efforts to identify and quash any attempts by well-intentioned employees within Vesttoo to vet the LOCs or audit Vesttoo’s exposure.

105. Ginati used his relationships with Bertele and Lifshitz to install himself at a central position within Vesttoo from which he was able to spot any attempts by Vesttoo employees to uncover his scheme. Ginati then used this position within Vesttoo to quash dissent and stymie efforts to diligence Yu Po.

106. In June 2022, for example, Vesttoo employees Gaurav Wadhwa and David Schonbrun discussed concerns about “the substance of [Vesttoo’s] major investor Yu Po” including lack of “substantive KYC [know your customer] or AML [anti-money laundering] checks.” The two discussed how best to raise the issue with Bertele. When they did, however, they were met with intense opposition, presumably brought to bear by Ginati using his strong relationship with Bertele. In an email directly to both concerned employees, Bertele insisted that “anything we do[] should be very respectful of our team members [*i.e.*, Ginati]. ... Conducting

[due diligence] on a client and deliberately looping out the sales person [*i.e.*, Ginati] is not only commercially unacceptable but also totally disregarding the person's feelings and humiliating.”

107. Similarly, when Lam or Wang/Fu received requests for information from Vesttoo employees or from auditors on behalf of counterparties, they would forward those requests to Ginati so that Ginati could stymie further investigation, including by drafting false and evasive responses for Lam or Wang/Fu to send to the requester.

108. For example, in March 2023, Lam received a routine, automated document request from Deloitte in the course of an audit on behalf of Old American Indemnity Company. Lam forwarded this request to Ginati, who provided copies of eighteen fraudulent CCB LOCs—LOCs that Lam purportedly had secured on Yu Po's behalf from CCB—to submit in response. When Deloitte sent a follow-up question in response, Lam forwarded that question to Ginati. Ginati then drafted a response for Lam to send.

109. And shortly after meeting with Lam in CCB's Hong Kong offices in January 2023, James Wheeler, a member of Vesttoo's Capital Markets team for the Asia-Pacific region, emailed Lam a probing series of follow-up questions, copying Ginati.

110. Wheeler, like many other Vesttoo employees, understood that CCB's LOCs needed to be issued out of CCB's New York branch to satisfy NAIC requirements for insurance LOCs. Wheeler sought additional information about the apparent ability of Lam to procure LOCs drawn on CCB's New York branch. These questions sought information uniquely within the expertise of a CCB employee like Lam, including questions as to “the nature of any explicit support between [CCB New York] and the broader CCB organization,” the current level and target level of capitalization of the US branch,” and how “the broader CCB organization view[s] the importance

of the US branch relative to the global CCB organization in terms of either contribution to profits, key relationships, strategic importance, etc.”

111. Ginati composed responses which Lam sent with only minor edits just a few days later.

E. Ginati Diverts Premium Payments To His Own Businesses

112. On information and belief, Ginati was redirecting the proceeds from his fraudulent LOC scheme for further distribution among himself and his co-conspirators.

1. Companies With Suspicious Connections To Ginati Receive Roughly \$3.7 Million In Payments Owed To Yu Po

113. Throughout his time at Vesttoo, Ginati maintained business relationships and, on information and belief, ownership interests in the Vixi Group of companies. The Vixi Group, in turn, claims to have an “affiliation” with Prime Trust LLC and JC Technologies LLC, two cryptocurrency companies.

114. From Yu Po’s first Vesttoo transaction in or around November 2021 through May 2022, \$3.7 million in premium payments related to Yu Po’s investments in reinsurance transactions were paid into accounts in the name of non–Yu Po entities. These payments were made to U.S. bank accounts held by non-parties Prime Trust LLC and JC Technologies FL, LLC, pursuant to invoices sent by Yu Po.

115. On information and belief, Ginati redirected these payments to himself and/or his companies, potentially for further distribution among himself and his co-conspirators, by use of the “affiliation” between Prime Trust LLC, JC Technologies FL LLC, and the Vixi Group.

2. When These Entities Stop Accepting The Payments In May Of 2022, Ginati Attempts To Direct The Payments To Other Ginati-Affiliated Entities

116. In May 2022, a payment Vesttoo made to Prime Trust LLC's account supposedly for further credit to Yu Po was rejected.

117. In response, Ginati engaged in a course of frantic conduct in an attempt to have further payments supposedly meant for Yu Po made directly to Vixi Group companies (companies in which, on information and belief, Ginati had an ownership interest at that time). For example, around this time, Ginati:

- a. sent himself documents from a legal@vixigroup.com email address which he then sent to Yu Po for completion;
- b. on information and belief, falsely executed a Vixi Group subsidiary's Customer Agreement form in Wai's name, which he then scanned to himself using a WeWork scanner;
- c. sent himself ZIP folders of KYC documentation related to various Vixi Group companies, which he then shared with Vesttoo's finance department in an attempt to encourage them to make payments due to Yu Po into a Vixi Group subsidiary's account; and
- d. sent Wai a draft form letter requesting that Yu Po's payments be made to the Vixi Group companies, which Wai then sent to Vesttoo in substantial part.

118. Vesttoo instead insisted on making further payments to Yu Po to an account held in Yu Po's actual name and thus made the remaining payments due to Yu Po (totaling ~\$4.2 million) to accounts held in Yu Po's own name at HSBC bank in Hong Kong.

119. On information and belief, Ginati, Lam, Wang/Fu, and Wai then further distributed these funds among themselves.

120. Consistent with this redirection scheme using Ginati's cryptocurrency business connections, Lam received approximately \$470,000 worth of cryptocurrency from Ginati in exchange for his participation in the scheme. On information and belief, these payments

represented the diverted proceeds from the scheme, and the other co-conspirators received similar payments.

IV. In Vesttoo, Aon Sees A Critical CPI Business Partner

121. Aon's first contact with Vesttoo came in November 2018, when Vesttoo co-founder Lifshitz sent a form email to Charles Scherer at Aon. Though Aon immediately agreed to meet, the companies' relationship did not develop further at that time. In the years that followed, Aon repeatedly showed scant interest in Vesttoo.

122. That changed in fall 2021 when Aon was attempting to close CPI transactions involving two little-known startups: Shavelogic and SuperPedestrian. Shavelogic, founded in 2009, sold high-end men's razors through its website, in addition to a small offering of men's skincare products. SuperPedestrian, which Aon hailed as "a world-leader in cost effective transportation robotics and human-scale mobility," provided shared electric scooters that could be booked via smartphone app—a space which, by 2021, already included ride-hailing giants Uber and Lyft. Both companies epitomized the type of borrower for whom Aon had devised the CPI product: cash-strapped startup companies with unproven businesses that struggled before conventional lenders and whose founders were seeking to avoid diluting their equity in traditional startup fundraising rounds.

123. Aon's valuation team produced a sky-high valuation of the IP held by Shavelogic and SuperPedestrian that would collateralize loans from Jefferies. Aon valued Shavelogic's IP—primarily patents related to the manner in which Shavelogic's razor cartridge attached to the handle and associated trademarks—at \$468 million. Aon valued SuperPedestrian's IP, which included patents and trademarks for electric scooters and bikes, at \$439 million. Both valuations were supposedly premised on a liquidation basis and both valuations would prove to be dramatically wrong.

124. Ceding risk to capital markets investors or other reinsurance capacity providers was a fundamental requirement of the CPI transaction structure. In Vesttoo, Aon saw a great opportunity: it was a well-funded startup, looking to build itself into a major player in the reinsurance industry, led by an inexperienced team eager to work with an established giant like Aon. And so, after years of brushing Vesttoo away, Aon suddenly pounced.

125. Daniel Strohl, the Senior Vice President of Aon's IP Solutions Group, emailed Bertele on September 20, 2021, writing: "Aon needs capacity for its collateral protection/IP lending deals. ... I think Vesttoo may be a good fit."

From: Daniel Strohl <daniel.strohl@aon.com>
Sent: Mon 9/20/2021 3:37:01 PM (UTC)
To: "yaniv@vesttoo.com" <yaniv@vesttoo.com>
Subject: Collateral Protection Capacity

Yaniv,

I am following up on last week's email. Aon needs capacity for its collateral protection/IP lending deals. These are large, repeatable transactions with significant premium dollars attached. I think Vesttoo may be a good fit based on what I know but I wanted to talk and give you an overview to see whether it's something Vesttoo wants to pursue.

Best,

Daniel Strohl | Senior Vice President
 Intellectual Property Solutions
 Aon

126. That same day, Strohl sent Vesttoo a PowerPoint slide deck touting the Aon IP Solutions team and its CPI product. The deck boasted that Aon had assembled "140+ IP Professionals with leadership experience across IP, Finance, Insurance, M&A, and Technology." It declared that Aon utilized an "[i]ndustry-defining IP data & analytics platform that leverages AI [artificial intelligence], NLP [natural language processing], and ML [machine learning]

technologies to provide high fidelity assessment and valuation at speed.” It promised to open “a multi billion [dollar] area of collateral.”

127. Aon quickly moved to deepen its relationship with Vesttoo. By the end of the week, Strohl was pitching proposed CPI deals to the Vesttoo team. Aon’s William Kier, Head of IP Risk & Structure Solutions for Europe, Middle East, and Africa, was soon in regular contact with Vesttoo’s leadership, and in November 2021 he introduced Vesttoo to William Luu, head of Aon’s affiliated transformer White Rock Bermuda, who would become Vesttoo’s primary point of contact there. Vesttoo would ultimately use White Rock as the transformer for nearly 50 transactions representing over \$2.7 billion in insurance risk in which Vesttoo’s investors agreed to provide reinsurance capacity, including all of Vesttoo’s CPI deals.

128. By February 2022, Aon’s IP Solutions Group had closed both the Shavelogic and SuperPedestrian deals, with Shavelogic receiving a \$100 million loan and SuperPedestrian receiving a \$131.5 million loan. Vesttoo investors signed on to provide reinsurance capacity—\$16.25 million for Shavelogic and \$50 million for SuperPedestrian. After closing these deals, Aon gleefully told Vesttoo that together they would “make IP lending massive!” The same month, Lifshitz flew to London and attended a meeting at Aon’s headquarters where Aon pitched him on deepening the Vesttoo-Aon CPI relationship. Aon would go on to broker more than a dozen CPI deals with Vesttoo in the coming years, providing reinsurance capacity of more than half a billion dollars.

129. Aon became heavily reliant on Vesttoo to take on CPI transactions that no other reinsurer would consider. Taking advantage of what he viewed as Vesttoo’s relative inexperience, Nicholas Chmielewski, Aon’s Chief Broking Officer for its IP Solutions Group, explained that Aon understood Vesttoo was “the only market interested” in certain CPI transactions.

From: Nicholas Chmielewski <nicholas.chmielewski@aon.com>

Sent: Monday, April 4, 2022 9:47:53 PM

To: Harrison Epstein <harrison.epstein@aon.com>; Brian Cochrane <brian.cochrane@aon.com>; Matthew Farrar <matthew.farrar@aon.com>

Subject: RE: Catapult Stack; Gallatin follow-ups, and Pref Equity update

FWIW, I wouldn't push too hard on the insurance here. Vesttoo would be the only market interested in something like this.

Best,

Nick Chmielewski | Chief Broking Officer
Intellectual Property Solutions
Aon

130. Similarly, Aon's Strohl (an SVP in the IP Solutions Group) remarked internally that Vesttoo was the "logical landing spot" for prospective deals where "it seems unlikely that the more traditional shops will have much of an appetite." According to Brian Cochrane, the Chief Commercial Officer of Aon's New Ventures Group, Vesttoo's willingness to transact made it an "important market [to Aon] for IP deals."

A. Aon Fails To Investigate Or Disclose Serious Red Flags Regarding LOCs, And Instead Convinces Other Parties To Work With Vesttoo

131. Vesttoo, an untested and inexperienced start-up, inevitably got sucked into the orbit of an industry giant like Aon. But other parties to Aon's deals were not always eager to work with Vesttoo. And so just as Aon had lured Vesttoo into CPI, Aon lured other counterparties into CPI deals involving Vesttoo.

132. Aon's Kier (head of the IP Solutions Group for Europe, Middle East, and Africa), despite having just begun to work with Vesttoo, was quick to vouch for it to one of Aon's most prominent insurance partners, Markel. After Kier assured Markel in a November 2021 email that Vesttoo's "board has some heavy hitters," Markel pressed for more information: "[H]as Aon traded with them in the past and has Aon done any diligence on who they are and their capabilities previously?"

We are continuing to do our diligence on Vesttoo but so far are not finding anyone within the company that has traded with them before. We have a few other feelers out, but nothing substantive back yet. Again I would ask, has Aon traded with them in the past and has Aon done any diligence on who they are and their capabilities previously? It would help our review if Aon has.

133. In response to Markel's questions, Kier continued to sing Vesttoo's praises to convince Markel to join the SuperPedestrian deal, replying: "Vesttoo has recently emerged over the last 12 months"—Vesttoo had in fact been around for three years by this point—"and has made impressive strides[.]" Aon also assured Markel that the SuperPedestrian deal was backed by an LOC from Santander:

Message

From: Giles Harlow [giles.harlow@aon.com]
Sent: 18/12/2021 21:04:25
To: Jansma, Chris [chris.jansma@markel.com]; Morris, Jamie [Jamie.Morris@markel.com]
CC: Alexandra Towers [alexandra.towers@aon.co.uk]; Will Kier [will.kier@aon.co.uk]
BCC: Andy Marcell [andy.marcell@aon.com]
Subject: RE: Clear Blue - fronting opp
Attachments: Credit Opinion - Banco-Santander-SA-Spain - 14Dec21.pdf

Additional info for you both:

1. As of now "Santander Holdings USA, Inc." is the signatory of the proposed SBLC. There are two other US entities in the attached report which we can be added to say the SBLC is made with their knowledge. We can likely also change the SBLC to be issued by one of those other two, with the two others as knowledge. That will just need a couple of hours Monday following direction from Markel.
 2. We can confirm that Vesttoo is 100% collateralized behind Clear Blue
- Will K is going to speak to their GC tomorrow to nail down remaining language on the docs.

134. In reality, Santander had nothing to do with the deal, the Santander LOC was fake, and Aon was aware of glaring red flags regarding Vesttoo's LOCs that demanded additional diligence—which Aon did not conduct.

135. For example, just a month after Kier's reassurances to Markel, Vesttoo was unable to provide a proof of funds statement for the supposed \$50 million LOC from Santander for the SuperPedestrian transaction. Instead of investigating why Vesttoo's investors were unable to

secure routine documentation from one of the world's largest banks, Kier simply typed out language for such a statement on behalf of "Santander & Vesttoo," and sent it back to Vesttoo to use instead of documentation drafted by Santander itself:

From: Will Kier
Sent: 19 January 2022 11:46
To: Alon Lifshitz <alon@vesttoo.com>
Cc: Giles Harlow <giles.harlow@aon.com>; Nicholas Chmielewski <nicholas.chmielewski@aon.com>; Nicholas Surges <nicholas.j.surges@aon.com>
Subject: SuperPed - Junior - Santander Proof of Funds Statement

Alon,

Per our text exchange, I think you can keep this simple.

Something along the lines of:

To Whom it May Concern

We hereby confirm our intention and ability to issue an SBLC (per the agreed Markel-Vesttoo language) for USD50,000,000 in respect of White Rock Insurance (SAC) Ltd, acting in respect of its segregated account designated as T93 – Vesttoo participation on the SuperPedestrian/Jefferies transaction.

Regards,

Santander & Vesttoo

136. Aon's decision to ignore clear red flags regarding Vesttoo's LOCs—which Aon should have realized were fraudulent—in order to close CPI deals would become a continuing pattern. As early as January 2022, Kier admitted that Vesttoo's delays in producing LOCs "left a very sour taste for several parties," and that Aon "need[ed] to fully understand the mechanics of [LOC] approval and issuance for future transactions." But Aon never did so.

137. Similarly, in June 2022 Kier reviewed a draft LOC from Vesttoo ostensibly drafted by Santander that stated funds drawn on the LOC would be payable within 10 days. This payment term was so far outside industry standard—"absurd," in the view of Aon's counterparty Jefferies—that Kier at first assumed it was a typo. It was not. But instead of investigating why the supposed LOCs provided by Vesttoo's investors reflected commercially "absurd" terms, Kier did not pursue

the matter further. Unsurprisingly, Aon's failure to investigate Vesttoo red flags coincided with internal Aon audits determining that Aon was continuing to "significantly[] underperform" in Know Your Customer and Customer Due Diligence functions.

138. By summer 2022, Aon's internal communications reflected its clear understanding of serious red flags regarding Vesttoo, including regarding Vesttoo's ability to structure transactions in the way it was purporting to. As expressed by Aon's Ciaran McCabe, Director and Underwriting Leader at Aon Commercial Risk Solutions, in a July 15, 2022 email to Aon's William Luu (of White Rock) and Will Kier (of the IP Solutions Group), Aon's concerns with Vesttoo's conduct were "getting ridiculous," and "if it was another client and **less strategically important**, we would have to consider **resigning and not working with them further**."

This is getting ridiculous – we have bent over backwards to support these guys with some of the structures they have put together and which they are selling as Collateralized Reinsurance, when it is not. Their team simply does not have the required experience or expertise to structure these deals correctly, and they refuse to listen to advice and guidance – from us and their external counsel. To have to continue explaining the same things to them over and over again only for them to throw it back at us when they structure a deal incorrectly is just not acceptable.

United Auto is one example – but Wellington is another. With this they sold a product to their client using White Rocks name (without consulting with us) and a structure that we cannot possibly support. To facilitate this we are going to run that account at significantly below cost, because we have to give them 7 cells to structure the deal correctly, but only charge for 1 (as Alon said the economics would not work otherwise). We would not run any other account at a loss, but are doing this to facilitate the wider relationship. To be honest, if it was another client and less strategically important, we would have to consider resigning and not working with them further.

139. But when it came to investigating or acting on these Vesttoo red flags, Aon tried to wash its hands of any responsibility. For example, Aon's counterparty Gallagher Re raised concerns in a December 2021 exchange with McCabe about Vesttoo's relationship with CCB and CCB's ability to issue and satisfy a massive \$228 million LOC for an upcoming transaction. McCabe remarked internally that Aon should not "get[] involved" because, in his view, concerns about Vesttoo's LOCs were "not [Aon's] issue."

From: Ciaran McCabe <Ciaran.McCabe@aon.com>

Sent: December 31, 2021 4:31 PM

To: William Luu <william.luu@aon.com>

Subject: FW: HOA/Vesttoo final docs

Suggest asking Vesttoo to respond on this – not getting involved. **Its not our issue**

140. Aon’s omnibus role in CPI transactions gave it a front-row view of red flags concerning Vesttoo’s LOCs. Based on what Aon saw, it had serious concerns about Vesttoo, but did not share them with counterparties, raise them with Vesttoo, or investigate them further. Instead, Aon considered Vesttoo too “strategically important” to take action, as noted by McCabe. Moreover, Kier acknowledged that Aon was “a little too reliant on Vesttoo.”

141. In light of Aon’s overreliance on Vesttoo for the CPI platform, Aon continued to tout Vesttoo to its counterparties. At the same time Aon internally was describing Vesttoo as “the most unprofessional organization,” Daniel Strohl, Aon’s Senior Vice President for the IP Solutions Group, was telling its counterparty Citi that Vesttoo was “culturally and operationally” “similar to a bank,” with “sophisticated credit and structuring expertise.”

I just spoke to Geoff regarding the NDA re Vesttoo and Virgin, he mentioned you were speaking with Virgin later today or early tomorrow on the matter? Regardless, I just wanted to add some additional context to the situation with Vesttoo that may be helpful. **Vesttoo is more similar to a bank, both culturally and operationally, than a traditional insurer. They move fast, have sophisticated credit and structuring expertise, and can turn around a term sheet quickly.** However, in order to do this they usually ask for a bit more info upfront on financials/credit/etc. than other insurers. The quicker we can get them access to the full data room the better. I hope this is helpful.

142. By the fall of 2022, Aon was advising partners to use Vesttoo even when they objected, as Kier did in a November 2022 exchange with a CPI lender, Atlas Credit Partners. Remarkably, despite Aon’s awareness of clear red flags regarding the purported LOCs used by Vesttoo’s investors to provide reinsurance capacity, Aon assured its reluctant counterparty that **“certainty of capacity will be significantly improved by the inclusion of Vesttoo.”**

With respect to Vesttoo, we understand that ACP prefers not to utilize Vesttoo. However, we believe that both timing to close and certainty of capacity will be significantly improved by the inclusion of Vesttoo*. Therefore, we would recommend addressing Vesttoo's follow-up questions (see below) in parallel with our approaching other markets. We spoke with Vesttoo yesterday, and they have reiterated the desire for an in-person visit prior to closing. We know that is not preferred, and so we would like to brainstorm with you how best to facilitate that.

143. At the same time Aon was aggressively pursuing these deals, it was put on notice regarding diligence issues at its Bermuda-based transformer, White Rock. In October 2022, after conducting an on-site visit at White Rock, the Bermuda Monetary Authority sent a letter and draft report stating it had “uncovered” a troubling discovery: “Internal Audit is considered as an integral control function providing assurance on the adequacy of Company’s internal controls, **thus it is a concern for the Authority that such a review has not taken place at the Company since 2017.**”

B. Aon’s Failure To Investigate Red Flags Breached Its Obligations To Vesttoo

144. By failing to respond to the serious red flags regarding Vesttoo LOCs, defendant AIM Bermuda breached sections 2.1 and 18.2 of the CMAs it entered into with Vesttoo.

145. Section 2.1 of the CMAs required AIM Bermuda, as manager of the cells, to “[m]onitor compliance with the Cell’s business plan.” CMA § 2.1 (cross-referencing Schedule 1).

146. That business plan was contained in the Participating Shareholders Agreement and the Insurance Agreement incorporated into the CMAs. Those documents stated the Cell required collateral in the form of an LOC “to or for the benefit of the [Cell] ... to enable the Segregated Account to meet any and all liabilities and any and all collateral requirements arising pursuant to the terms of the Insurance Agreement.” PSA ¶ 5.

147. To monitor compliance with this business plan under section 2.1 of the CMAs, AIM Bermuda had a duty to examine the collateral that was posted to the Cell and determine it was sufficient to “meet any and all liabilities” that the Cell could be responsible for “and any and all collateral requirements” that applied to the Cell. *Id.* ¶ 5. By failing to ensure that each such Cell

benefited from legitimate LOCs to serve as this collateral, AIM Bermuda failed to “monitor compliance with the Cell’s business plan.” CMA § 2.1 (cross-referencing Schedule 1).

148. Had AIM Bermuda monitored compliance with this aspect of the Cells’ business plans pursuant to section 2.1 as it agreed to do, it would have identified that the posted LOCs were illegitimate and Vesttoo would have rectified the collateral issue before the deals collapsed.

149. Section 18.2 states “in the performance of its duties and exercise of its powers [as Manager of the Cell] [AIM Bermuda would] at all times observe the provisions of the applicable Bermuda Laws.” *Id.* § 18.2. AIM Bermuda’s actions breached at least two such laws: the Proceeds of Crime (Anti-Money Laundering and Anti-Terrorist Financing Supervision and Enforcement) Act of 2008 and associated regulations (the “AML Regulations”) and the Insurance Manager Code of Conduct (“IMCC”), thereby breaching section 18.2 of the CMAs.

150. First, under the AML Regulations, AIM Bermuda had a duty to conduct “enhanced” customer diligence on and ongoing monitoring of Vesttoo and other Vesttoo clients including Yu Po. AML Regulations §§ 6, 7, 11. As part of this ongoing monitoring, AIM Bermuda was required to “investigat[e] ... transactions throughout the course of the relationship (including, where necessary, the source of funds or digital assets).” *Id.* § 7.

151. By failing to investigate and verify that the LOCs the Shareholder posted were legitimate, AIM Bermuda breached this obligation and thus the CMAs. Had AIM Bermuda performed its required duties, Vesttoo would have rectified the collateral issue before the deals collapsed.

152. Second, the IMCC “establishes duties, requirements and standards to be complied with by Insurance Managers”—such as AIM Bermuda—“registered under Section 10 of the Insurance Act 1978.” Bermuda Monetary Authority, IMCC 1 (August 2016). The core principle

of the IMCC is that Insurance Managers like AIM Bermuda must “conduct business in a sound and prudent manner,” including operating with a risk management system proportional to the complexity and risk profile of the business in which they engage. IMCC § 1. Indeed, per the IMCC, Insurance Managers “with higher risk profiles require a more comprehensive governance and risk management framework.” *Id.*

153. Further, the IMCC required AIM Bermuda “[b]oard members and senior management [to] identify and document the fundamental risks in their business and establish an appropriate operational and control environment. More specifically, the [insurance manager]’s board must be able to demonstrate that their controls and operational model [are] appropriate for the nature, scale and complexity of its business[.]” IMCC § 14.

154. AIM Bermuda conducted virtually no due diligence on Vesttoo despite Vesttoo’s status as a relative newcomer to the insurance market and its reliance on atypical LOCs. As such, AIM Bermuda failed to conduct its business in a sound and prudent fashion, amounting to a violation of the IMCC and, in turn, a breach of section 18.2 of the CMA. Had AIM Bermuda conducted such diligence, it would have identified the LOC fraud taking place within Vesttoo, and Vesttoo would have had an opportunity to rectify the collateral issues for these investments before the deals collapsed.

155. Indeed, White Rock’s failure to fulfill its duties to conduct basic diligence on Vesttoo and the collateral posted for the Cells despite numerous red flags potentially exposes it to liability pursuant to SAC Act § 18(7), under which a segregated accounts company can be sued for debts and liabilities “resulting from the negligence of the company acting in the performance of duties with respect to that account.”

V. Aon Fraudulently Misrepresents Its Valuations Capabilities

156. At the same time that it was touting its IP valuation capabilities to Vesttoo and other potential CPI counterparties, Aon knew the reality: that its valuations team and processes were deeply flawed. Indeed, the serious problems with Aon’s valuations team began before Aon and Vesttoo closed a single CPI deal. Yet Aon repeatedly made false representations to Vesttoo and other counterparties regarding its valuation capabilities in order to convince them to participate in Aon’s doomed CPI deals. These issues were systemic, leading to numerous valuation failures.

157. Aon’s IP Solutions Group told Vesttoo in late September 2021 that it had “Assembled the Largest & Most Specialized Team of IP Experts in the World,” and that its team employed “8 of the top 300 IP strategists globally.” This team, according to Aon, was supported by “140+ IP professionals,” including “5 PhDs, 7 data scientists, 9 software architects, & 41 engineering/comp[uter] sci[ence]/ math degrees.” Aon claimed to use a proprietary platform based on “[b]ig data, machine learning, and natural language processing” to analyze “global IP data on over one million companies representing forty million patents.” Using those representations about its valuation expertise and capabilities as a foundation, Aon provided highly optimistic projections regarding the CPI product, declaring that the CPI product would not lose money *even at 100% default rates and recovery rates lower than those for unsecured debt*. Aon even projected that at a 50% default rate, the deals would still produce “significant ... profit.”

158. But as Aon worked to lure Vesttoo into the SuperPedestrian deal in fall 2021, it already was aware that its valuations team was woefully incapable of performing the work that it was tasked with—let alone providing the world-class valuations that Aon represented it would. For example, after receiving pushback from SuperPedestrian regarding aspects of the transaction process, the valuation team performed like a “train wreck,” turning a meeting into a “nightmare”

and an “unmitigated disaster.” The valuations team was unable to answer basic questions from SuperPedestrian.

From: Nicholas Surges <nicholas.j.surges@aon.com>
Sent: Tuesday, November 23, 2021 12:57:39 PM
To: Giles Harlow <giles.harlow@aon.com>; Nicholas Chmielewski <nicholas.chmielewski@aon.com>
Cc: Alexandra Towers <alexandra.towers@aon.co.uk>
Subject: RE: Superped - Track wreck call

Just some more context – This was a nightmare. Adding alex who was on as well, who I’m sure will agree? Our valuation team did not really have any answers they were looking for other than “we did this on another deal” and Superped talked about how they are a completely different business than that company. Superped has agreed that if this is important they will find a way to do this post close, but this won’t be a quick process for them. There is tons of embedded software, they need to speak with counsel to understand the pros/cons of this, they want to run a real process. The key engineers for Superped will be in France next week with an OEM, and they just kept talking about the timing of hearing this. I think we need to push for this as a condition that is met post close.

Nick Surges | Assistant Vice President
 Intellectual Property Solutions
 Aon

159. Despite this recognition from Nicholas Surges, Assistant Vice President in the IP Solutions Group, of the valuation team’s failures, the IP Solutions Group did not hesitate to close both the SuperPedestrian and Shavelogic deals with purported IP valuations approaching half a billion dollars each.

160. Nor did these concerns stop Aon from reiterating its false representations regarding its valuation capabilities to Vesttoo at a February 2022 meeting, at which time Aon sought to expand its relationship with Vesttoo and convinced Vesttoo to participate in more CPI deals. In addition, in a February 2022 version of the written CPI marketing materials Aon initially provided to Vesttoo in September 2021, Aon’s IP Solutions Group repeated its false representations about its valuation capabilities, as well as its highly optimistic projections regarding its CPI product.

161. But at virtually the same time Aon was reiterating its misrepresentations about its supposedly world-class valuation team, it was sounding alarms internally regarding serious problems in the valuation team that were never disclosed externally. In March 2022, Aon’s Strohl

(an SVP in the IP Solutions Group) sent a lengthy internal email highlighting just how rampant the IP valuation problems were. Strohl recounted that the valuation team failed to attend a highly important diligence meeting with a borrower and lender, resulting in the valuation team missing out on “a lot of critical information” relevant to its work—and leading the borrower to derisively ask whether the valuation team was merely “conducting an ‘academic exercise.’” Strohl decried the “persistent and significant cultural issue[s] ... deeply embedded within the valuation team,” including “insane” conflicts of interest. And he complained that the valuation team “apparently believe[d] [Aon was] running an IP law firm,” advising borrowers on how to address potential legal issues while also advising insurers regarding the risks posed by those issues—a practice that, according to Strohl, could create “potentially catastrophic” liability for Aon. He wrote: “**In all the deals I have been exposed to so far**, valuation has created delays and problems,” and described “valuation’s inability to provide certainty, a coherent timeline, process or articulate an end point to their diligence,” making it “amazing [Aon was] able to get a single transaction done.” Strohl admitted he did not “have any solutions to offer,” but concluded that the serious problems in the valuation team “will undermine any attempts to scale [Aon’s CPI] business.”

162. When Vesttoo pushed back on certain CPI deals that Aon was pitching, Aon was quick to argue that Vesttoo’s concerns were misplaced. Aon’s pushback reflected further misrepresentations regarding the CPI transactions it was inducing Vesttoo to join. For example, in April 2023, Vesttoo financial engineer Shay Shvartz told Aon that Vesttoo would not participate in a deal with the company Astro because it had not generated revenue. Aon pleaded with Vesttoo to “remain open-minded” and assured Vesttoo that the borrower “will be revenue generating.”

163. Just four days earlier, Aon itself had acknowledged internally that “*pre-revenue borrowers are not well suited for CPI loans*” because it is “incredibly difficult to project the value

of the IP”—the very value on which the CPI loan and insurance policies were premised. In acknowledging this, Aon was calling into question the entire value proposition of the CPI product; after all, enterprises with more established market values will be able to raise funding in traditional markets. Without these “pre-revenue,” more difficult to value borrowers, CPI loses its supposed purpose.

Message

From: Richard Denenny [richard.denenny@aon.com]
Sent: 13/04/2023 04:19:30
To: Nicholas Chmielewski [nicholas.chmielewski@aon.com]
CC: Lewis Lee [lewis.c.lee@aon.com]
Subject: RE: IP deals info.

Hi Nick,

Thanks again for the call. As a follow-up, below are the valuation lessons that I can think of from ShaveLogic. Lewis and I talked through these and I think we are aligned, but he hasn't seen my revised language. Feel free to edit as you see fit and thanks for being on point with this!

- **Pre-revenue opportunities make it incredibly difficult to project the value of the IP.** Absent exceptional circumstances (e.g., a pre-revenue publicly-traded company with a strong balance sheet and good equity profile, including a clear ability to access the public equity market), **pre-revenue borrowers are not well suited for CPI loans.**

164. Unsurprisingly, in light of Aon's undisclosed inability to produce sound valuations of IP assets, when Jefferies (the lender in the ShaveLogic and SuperPedestrian deals) received a rare peek under the hood of one of Aon's valuations, it immediately raised concerns to Aon regarding the valuation team's “voodoo math.” As Eric Geller of Jefferies commented, “[t]he valuation team didn't even value the business.”

165. Aon internally recognized similar problems with the output of its failed valuations team, expressing reluctance to sharing its valuation methodology externally and recognizing, as noted by Chris Rafferty in Aon's IP Solutions Group, that independent valuations by third parties might reach conclusions that “were materially different (lower).” Aon suggested that a third party analysis “wouldn't have any of the qualitative analysis that we do”—in other words, Aon's numbers might not be able to withstand a purely quantitative analysis.

VI. The CPI Deals Implode And Vesttoo's Business Is Destroyed

A. The Shavelogic Deal Implodes In Early 2023

166. The Shavelogic deal, discussed above, was a \$100 million CPI transaction organized by Aon in late 2021. Aon valued Shavelogic's IP, which secured this \$100 million loan, at \$468 million. This deal typified the systemic issues in Aon's IP valuations.

167. As part of that transaction, White Rock issued a \$16.25 million reinsurance policy guaranteed by Aon plc to Markel Bermuda Ltd., which had provided the underlying insurance for the IP that collateralized the loan. That White Rock policy was in turn retroceded—that is, the reinsurance risk was ceded again—through Clear Blue Insurance Group and a different White Rock transformer and ultimately was backed by a purported \$16.25 million LOC from CCB New York provided pursuant to the fraudulent scheme run by Ginati, Lam, Wang/Fu, and Wai.

168. In early 2023, Shavelogic defaulted on its loan obligations under this transaction. The entirety of Shavelogic's business was ultimately sold for just \$70 million. Justin Willmott of Sirius Point, an investor in Aon CPI deals, soon demanded a “post-mortem” to “explain what happened and also why the original financial forecasts and IP valuation were so far off the mark.”

169. By this time, Aon recognized internally that Shavelogic was never a good candidate for a CPI loan in the first place, noting that it “failed 2 of our 8 broking screens,” because it lacked a “strong equity basis” in that it was “primarily financed through small family offices and ‘friends and family’” and because it was “pre-revenue.” Of twenty buyers approached, only *one* was interested in purchasing the IP alone, and Aon projected that the insurers faced a “47% - 85% loss.” This first loss on a CPI policy would prove to be a harbinger of far greater losses across Aon's CPI program.

170. In April 2023, Nicole Quilichini of Clear Blue contacted Lam requesting “to fully draw down the [LOC] for the AON SHAVELOGIC IP transactions with a size of \$16.25M on

behalf of White Rock.” Lam coordinated with Ginati, Wang/Fu, and Wai to delay the discovery that the LOC was fraudulent for as long as possible. The delay dragged on for several months.

B. Aon Pressures Vesttoo To Make An *Ex Gratia* Payment So It Can Meet Earnings Projections

171. As the delay in payment from CCB on the LOC mounted, Markel informed Aon that it would draw on Aon plc’s guarantee of the reinsurance policy that White Rock had issued to Markel. As expressed by Brian Cochrane, Aon feared that such a draw would “create[] a real risk of Aon missing its [second quarter 2023] earnings.” According to Aon, recording a loss on this guarantee would also be contrary to Aon’s representation to its investors that Aon was not leveraging its own balance sheet for CPI transactions. Aon was desperate to avoid payment on its guarantee obligation.

172. Vesttoo Ltd. had no legal obligation to make a payment or otherwise bridge the timing between Markel’s reinsurance claim and CCB’s payment on the (fictitious) LOC. But to avoid a demand on its guarantee and the corresponding threat to its second quarter earnings, Aon commenced a pressure campaign to convince Vesttoo to make the payment from the balance sheet of the Vesttoo parent company, Vesttoo Ltd., instead.

173. On June 11, 2023, Will Kier, Aon’s Head of IP Solutions for Europe, Middle East, and Africa, emailed Lifshitz to say “[Vesttoo’s] willingness to seek board approval for an *ex gratia* payment has not gone unnoticed within Aon. ... Once the claim is successfully resolved ... we will ensure that all key Aon stakeholders that interact with Vesttoo are made aware of the significant partnership you have demonstrated here.”

174. In that same email, Kier also dangled the prospect of an Aon investment in Vesttoo’s Series D funding round—even though Aon by this point had profound concerns about Vesttoo. According to Kier, Aon “would be keen to understand what process [it] would have to

go through to be considered a potential investor in [Vesttoo's] forthcoming Series D. ... [I]t would make sense to further deepen our relationship.” *Id.*

175. On June 14, 2023, Brian Cochrane, the Chief Commercial Officer of Aon's New Ventures Group, sent Lifshitz a set of talking points for selling the *ex gratia* payment to the Vesttoo board. Cochrane suggested that Lifshitz present the payment to the Vesttoo board as an opportunity for Vesttoo to demonstrate its conviction in its own business model by, in Cochrane's words, “eat[ing] its own cooking.”

176. Vesttoo ultimately yielded to pressure from Aon and agreed to front the CCB LOC money on June 15, 2023.

177. In exchange, Aon gave Vesttoo just \$100.

178. Vesttoo never received payment reimbursing it for this payment it made to front the CCB LOC.

C. Another CPI Deal Fails And Vesttoo Collapses

179. Meanwhile, the SuperPedestrian deal also was floundering. In 2021 Aon had pegged SuperPedestrian's liquidation value at \$439 million. By April 2023, Aon projected the potential liquidation of patents to be just \$4.5 million—approximately 1% of the valuation it issued to support the deal. The ramifications of the “nightmare” valuations process were coming to fruition. Despite basing its valuation, in part, on the premise that its IP could be valuable in various industries, including delivery, automotive electronic manufacturing, and automotive suppliers, by March 2023 Aon was forced to admit internally that it was “not seeing anything that suggests there is current market value of the IP outside the Scooter Market.”

180. In or around July 2023, Vesttoo, White Rock, and Markel began considering restructuring the SuperPedestrian deal. During the ensuing focused review of several LOCs, Vesttoo learned they were not legitimate. Because the fraudulent LOC scheme had been carried

out by a small group, including Ginati, almost everyone within Vesttoo was caught by complete surprise by the news. As a result of the revelation of the fraud, Vesttoo's LOC portfolio came under intense scrutiny.

181. In early August, the Wall Street Journal published a piece describing the "alleged multibillion-dollar fraud involving fake letters of credit." The piece noted that the FBI, several state insurance commissioners, and the Bermuda Monetary Authority were investigating. In this atmosphere, it was impossible for Vesttoo to move forward.

182. At the same time, attention already was turning to Aon. The same article noted that "Aon was one of a chain of firms involved in the allegedly fraudulent deal," and Aon recognized it was "facing potential legal action from clients and counterparties over its role in certain Vesttoo deals." Aon released a statement denying that, through White Rock, it had any responsibility to verify the collateral posted in the deals.

183. Scrambling to shift the blame and frame itself as a victim, on August 10, 2023, Aon, through White Rock, filed an action in the United States District Court for the Southern District of New York seeking a preliminary injunction freezing all Vesttoo funds.

184. On August 14 and 15, 2023, roughly two months after it bowed to Aon's pressure and made the *ex gratia* payment to cover the CCB LOC liability on the Shavelogic deal, Vesttoo and its affiliates initiated the Bankruptcy Case by filing voluntary chapter 11 petitions.

D. Aon Cleanses All Public Evidence Of Its Connection To Vesttoo

185. Aon immediately moved to reposition itself as a victim of the fraudulent LOCs and to conceal its own role in Vesttoo's collapse.

186. Numerous Aon entities, including AIM Bermuda and White Rock, filed hundreds of different claims against Vesttoo in the bankruptcy proceedings.

187. Aon cleansed its websites and public-facing materials of any mention of Vesttoo even while admitting it faced potential legal action from clients and counterparties “over its role in certain Vesttoo deals.” Despite this, Aon has issued public statements on earnings calls and in regulatory filings claiming it expects to make substantial recoveries in the Bankruptcy Case.

188. Even as Vesttoo collapsed, however, Aon continued to push its flawed CPI product.

189. Indeed, as the Shavelogic and SuperPedestrian deals were imploding, Aon was in the market pitching further CPI deals on the basis of knowingly false representations about its valuation capabilities.

190. In fact, on April 5, 2023, in the middle of that implosion and just six days before Sirius Point demanded a “post-mortem” to explain the utter failure of Aon’s valuation system, Aon closed a \$117 million CPI deal with Locus Fermentation Solutions in which the borrower specifically touted Aon’s “industry-leading valuation capabilities.”

191. And Aon still was promoting its “proprietary ... valuation approach” and status as a “leader in the IP-backed lending space” by citing to that transaction in a press release on June 27, 2023, two weeks after the *ex gratia* payment—the need for which only arose because of Aon’s disastrous CPI valuations.

192. Aon has since recognized that its CPI business was irrevocably flawed.

193. Since Vesttoo’s collapse, Aon has quietly reoriented its CPI business away from startup companies and towards much more modest deal sizes.

194. In August 2023, at the same time Vesttoo was filing for bankruptcy, Aon’s IP Solutions group quietly laid off a third of its staff.

195. In March 2024 Aon announced that the IP Solutions group was breaking up.

196. As part of that breakup, Aon spun off the IP valuations group—the IP Solutions team that Aon employees had referred to as an “unmitigated disaster”—into Moat Metrics, Inc., an independent startup. The IP Solutions teams dedicated to IP insurance broking and merger and acquisition IP assessment were then folded into Aon plc. In just four years, this business line that Aon had sold to the world as the revolutionary future of IP lending had collapsed.

VII. Aon And The Fraudsters Walk Away With The Profits; CCB Denies Responsibility; Vesttoo Is Destroyed; Vesttoo’s Creditors Are Left Holding The Bag

197. Aon’s CPI product caused Vesttoo to participate in reinsurance transactions that were premised on an unsound valuation process, which Aon fraudulently misrepresented to Vesttoo. Aon’s fraud in selling the CPI product to Vesttoo and others in the industry was unconnected to the fraudulent LOC scheme and directly led to the destruction of Vesttoo’s business.

198. Aon’s fraud in selling the CPI product caused Vesttoo subsidiaries to take on, under false pretenses, hundreds of millions of dollars in insurance risk that was almost certain to result in losses (a reality Aon hid from Vesttoo through its fraud). Under the terms of each CPI deal Vesttoo participated in, a Vesttoo subsidiary was ultimately responsible for any losses. Specifically, the PSAs provided that the Shareholder (defined as one of several limited partnerships between Debtor Vesttoo Holdings Ltd. and Vesttoo’s investors) would “indemnify [White Rock] to the extent the balance of the profits and losses allocated to the [shares in the segregated cell] are less than zero at any point.” PSA ¶ 4. Vesttoo participated in the CPI deals on the basis of Aon’s representations about its valuation team’s capabilities and that its valuation team had valued the underlying IP assets—representations that formed the basis of the structure, pricing, and purported risk of each deal. In reality, Aon had not and was not capable of performing the sound valuations that it represented it had done, and the deals were far riskier than Aon claimed.

When the CPI deals failed, cedents attempted to draw on the LOCs. But many of them were fraudulent LOCs that CCB enabled Lam, Ginati, and their co-conspirators to post, and CCB refused to honor them. As a result, the relevant Vesttoo subsidiaries (each of which is a Debtor in the Bankruptcy Case) were on the hook to cedent insurance companies for losses totaling hundreds of millions of dollars on the CPI deals. Moreover, because of the CCB-enabled LOC scheme, Vesttoo's subsidiaries were on the hook for billions of dollars in reinsurance liabilities for Vesttoo's overall portfolio without valid LOCs to secure those liabilities.

199. Aon's fraud resulted in the destruction of Vesttoo's business. For Vesttoo's non-CPI transactions, there was typically no need or attempt to draw upon the fraudulent LOCs to cover claims because the premium funds held in trust accounts—which served as the first-resort source of collateral for those deals—were sufficient to cover all claims. Vesttoo's business model was legitimate and viable (notwithstanding the self-interested bad acts of a small group of insiders working against the interests of the company) and would have continued as a going concern had Aon's wrongdoing not led Vesttoo into disaster. Indeed, Aon's fraud would have caused the destruction of Vesttoo's business even if the LOCs backing the transactions had been legitimate. Vesttoo brought its investors into CPI investments that were premised on Aon's fraud and were predicted to have very low loss rates based on the purported valuation work that Aon falsely claimed it had performed. Instead, loss rates proved to be enormous. If Vesttoo's investors had been forced to cover massive reinsurance losses on a product pitched as having low risk, they would not have continued participating in Vesttoo transactions, and Vesttoo's reputation and the viability of its business would have been broken beyond repair.

200. In addition, Aon's wrongful failure to respond to red flags regarding Vesttoo's LOCs, and CCB's enabling of the LOC fraud, caused Vesttoo substantial harm. The vast majority

of Vesttoo's employees were working to secure legitimate investment capacity for Vesttoo's transactions and verify the legitimacy of Yu Po's investments. These internal Vesttoo efforts were repeatedly stymied by Ginati and his co-conspirators. If Aon had fulfilled its basic duty to diligence and respond to red flags, and if CCB had not enabled the LOC scheme, the honest members of the Board and employees of Vesttoo would have learned of the fraud and taken steps to correct it, including by seeking legitimate reinsurance collateral, before it was too late to save Vesttoo's business.

201. Before the CPI transactions took off in 2022, internal valuations by Vesttoo and external valuations by potential investors in fundraising rounds valued Vesttoo at roughly \$1 billion. For example, Vesttoo's internal valuation for its Series B financing round showed roughly \$1.3 billion in value. Reputable venture capital investors such as Hanaco Venture Capital Ltd. and Mouro Capital participated in Vesttoo's Series C fundraising round at a post-money valuation of \$1 billion.

202. Aon's misconduct and the CCB-enabled LOC scheme destroyed at a minimum this \$1 billion of pre-CPI enterprise value. Furthermore, Aon orchestrated a \$16.25 million fraudulent transfer from Vesttoo in the so-called *ex gratia* payment and additionally made off with tens of millions of dollars in professional fees Aon collected on Vesttoo CPI deals.

CAUSES OF ACTION

COUNT I

Fraudulent Transfer Pursuant To 11 U.S.C. § 548(a)(1)(B) Against White Rock

203. The Trustee incorporates all preceding paragraphs as if fully set forth herein.

204. On or around June 15, 2023, Vesttoo Ltd. made a \$16.25 million payment to White Rock.

205. This payment constitutes a transfer of the debtor's property as defined under the Bankruptcy Code and Delaware law.

206. Vesttoo Ltd. was under no legal obligation at that time to make such a payment.

207. In exchange, Vesttoo Ltd. received \$100 from White Rock, which amount was less than reasonably equivalent value for Vesttoo Ltd.'s payment of \$16.25 million.

208. At the time Vesttoo Ltd. made this payment, Vesttoo Ltd. (1) was insolvent, or became insolvent as a result of this transfer or obligation, and/or (2) was engaged in a business for which the property remaining with it after making the \$16.25 million payment was unreasonably small capital. In particular, Vesttoo Ltd. was at that time unable to generate enough cash flow to sustain general operations.

209. On August 14 and 15, 2023, Vesttoo filed voluntary petitions under chapter 11 of the Bankruptcy Code.

210. Accordingly, the Trustee is entitled to avoid this payment as constructively fraudulent under 11 U.S.C. section 548(a)(1)(B). The Trustee may recover the full amount of the transfer, plus interest, costs, and fees to the extent available.

COUNT II

Recovery Of Avoided Transfer Under 11 U.S.C. § 550 Against White Rock And Aon plc

211. The Trustee incorporates all preceding paragraphs as if fully set forth herein.

212. As alleged in Count I, above, the Trustee is entitled to avoid the \$16.25 million *ex gratia* payment to White Rock under 11 U.S.C. section 548(a)(1)(B).

213. Before Vesttoo Ltd. made this payment, White Rock had issued a \$16.25 million reinsurance policy guaranteed by Aon plc to Markel Bermuda Ltd. But for Vesttoo Ltd.'s payment, Aon plc would have been required to perform under its corporate guarantee of White Rock's \$16.25 million reinsurance policy to Markel Bermuda Ltd. To avoid a draw on its guarantee and

the corresponding threat to its second quarter earnings, Aon commenced a pressure campaign to convince Vesttoo to make the payment off the books of the Vesttoo parent company, Vesttoo Ltd.

214. Vesttoo Ltd. thus made this payment for the benefit of Aon plc.

215. Because White Rock is the initial transferee and Aon plc is the entity for whose benefit the transfer was made, the Trustee may recover from either of White Rock or Aon plc the full value of the transfers pursuant to 11 U.S.C. section 550(a)(1) plus interest from the transfer dates, and costs and fees to the extent available, for the benefit of the Debtors' bankruptcy estates.

COUNT III

Fraudulent Inducement Against Aon Risk Services, Aon UK, Aon Bermuda, Aon Reed, Aon Re, AIM Bermuda, AIM Dublin, AIM Isle of Man, And White Rock

216. The Trustee incorporates all preceding paragraphs as if fully set forth herein.

217. Aon, acting through Aon Risk Services, Aon UK, Aon Bermuda, Aon Reed, Aon Re, AIM Bermuda, AIM Dublin, AIM Isle of Man, and White Rock, represented that its IP valuations team had processes and capabilities to accurately conduct valuations of IP in order to reliably structure a CPI transaction.

218. These representations were false; Aon's IP valuations team lacked the ability to do so.

219. These representations were material because they directly related to the quality of the deals Aon was seeking to induce Vesttoo to enter into and the reinsurance risk that Vesttoo and its investors were agreeing to assume.

220. Aon knew or believed these representations were false at the time it made them. At the same time that Aon was making representations to Vesttoo about the industry leading expertise of its IP valuations teams and its valuation capabilities, Aon employees were actively lamenting the poor quality of that same team's work.

221. Vesttoo did not know the statements were false.

222. Aon made these representations with the intent to induce Vesttoo to enter into each of the CPI deals in which Vesttoo participated.

223. Vesttoo entered into those CPI transactions in justifiable reliance on Aon's representations as to the ability of its IP valuations team to accurately value and structure a CPI deal.

224. When these CPI transactions failed because of Aon's flawed valuations, Vesttoo's subsidiaries were left with enormous liabilities totaling hundreds of millions of dollars.

225. Moreover, when these CPI transactions failed because of Aon's flawed valuations, Aon's structure for the deals—unlike Vesttoo's typical non-CPI structure—meant that the LOCs were the only backstop. That collateral structure was unable to meet the shortfall and Vesttoo's business failed.

226. From Aon's point of view, it was foreseeable that the predictable collapse of the fraudulently misvalued CPI deals would significantly endanger, and potentially destroy, Vesttoo's business. Even if the LOCs backing these deals were legitimate, the immense damage to Vesttoo's reputation among capital markets investors from Aon's failed CPI deals would have caused its business to fail anyway.

227. Vesttoo was damaged by Aon's false representations. The Trustee is entitled to an award of damages in excess of \$1 billion in an amount to be determined at trial.

COUNT IV

Unjust Enrichment For Professional Fees Against Aon Risk Services, Aon UK, Aon Bermuda, Aon Reed, Aon Re, AIM Bermuda, AIM Dublin, AIM Isle of Man, And White Rock

228. The Trustee incorporates all preceding paragraphs as if fully set forth herein.

229. Through its CPI business line and its fraudulent inducement of Vesttoo to participate in those CPI deals, Aon, acting through Aon Risk Services, Aon UK, Aon Bermuda,

Aon Reed, Aon Re, AIM Bermuda, AIM Dublin, AIM Isle of Man, and White Rock, was enriched in its receipt of substantial professional fees earned therefrom. On information and belief, Aon received tens of millions of dollars for Vesttoo-facilitated deals from 2021-2023.

230. Vesttoo was impoverished by Aon's conduct and brought into a risky line of business on false pretenses. The CPI deals precipitated Vesttoo's collapse.

231. Vesttoo's impoverishment is related to Aon's enrichment: Aon's ability to profit from these deals depended on Vesttoo's participation. Ceding risk either to the capital markets or other reinsurance capacity providers was a key component of the CPI business. Vesttoo enabled that function. As Aon acknowledged, Aon was reliant on Vesttoo for substantial CPI deals, some of which lacked another market outside of Vesttoo. The CPI deals in which Vesttoo participated would not have happened without Vesttoo's participation.

232. There was no justification for Aon's actions. The company had serious concerns about its own CPI valuation team. Nevertheless, Aon decided to proceed with these deals, concealing its concerns and pressuring Vesttoo to participate. Rather than face the consequences of its own questionable business decisions, Aon induced Vesttoo to participate under false pretenses, enriching itself at the startup's expense.

233. It is against equity and good conscience for Aon to retain the fees it obtained through Vesttoo-facilitated deals.

234. The Trustee is entitled to recover the fees Aon obtained through Vesttoo-facilitated CPI deals.

COUNT V

Fraudulent Misrepresentation Against Aon Risk Services, Aon UK, Aon Bermuda, Aon Reed, Aon Re, AIM Bermuda, AIM Dublin, AIM Isle of Man, And White Rock

235. The Trustee incorporates all preceding paragraphs as if fully set forth herein.

236. Aon, acting through Aon Risk Services, Aon UK, Aon Bermuda, Aon Reed, Aon Re, AIM Bermuda, AIM Dublin, AIM Isle of Man, and White Rock, represented that its IP valuations team had processes and capabilities to conduct accurate valuations of IP in order to reliably structure a CPI transaction and in fact had done so with respect to each of the CPI deals in which Vesttoo participated.

237. These representations were false; Aon's IP valuations team lacked the ability to do so.

238. These representations were material because they directly related to the quality of the deals Aon induced Vesttoo to enter into and the reinsurance risk that Vesttoo and its investors were agreeing to assume.

239. Aon knew these representations were false at the time it made them. At the same time that Aon was making representations to Vesttoo about the industry leading expertise of its IP valuations team and its valuation capabilities, Aon employees were actively lamenting the poor quality of that same team's work.

240. Vesttoo did not know the statements were false.

241. Aon made these misrepresentations with the intent that Vesttoo would believe them to be true, act in reliance thereon, and be deceived thereby. Aon made these misrepresentations to induce Vesttoo to participate in CPI transactions.

242. Vesttoo believed Aon's representations to be true and entered into CPI transactions in justifiable reliance on Aon's representations as to the ability of its IP valuations team to accurately value and structure a CPI deal.

243. When these CPI transactions failed because of Aon's flawed valuations, Vesttoo's subsidiaries were left with enormous liabilities totaling hundreds of millions of dollars.

244. Moreover, when these CPI transactions failed because of Aon’s flawed valuations, Aon’s structure for the deals—unlike Vesttoo’s typical non-CPI structure—meant that the LOCs were the only backstop. That collateral structure was unable to meet the shortfall and Vesttoo’s business failed.

245. From Aon’s point of view, it was foreseeable that the predictable collapse of the fraudulently misvalued CPI deals would significantly endanger, and potentially destroy, Vesttoo’s business. Even if the LOCs backing these deals were legitimate, the immense damage to Vesttoo’s reputation among capital markets investors from Aon’s failed CPI deals would have caused its business to fail anyway.

246. Vesttoo was damaged by Aon’s false representations. The Trustee is entitled to an award of damages in excess of \$1 billion in an amount to be determined at trial.

COUNT VI

Breach Of Contract For Failure To Monitor Business Plan Against AIM Bermuda

247. The Trustee incorporates all preceding paragraphs as if fully set forth herein.

248. The CMAs each establish a binding contract between AIM Bermuda, White Rock, and one or more of the Debtors under which AIM Bermuda agreed to manage one or more Cells on behalf of the Debtor(s) party thereto.

249. Each such Debtor has performed under the terms of the respective CMA(s) to which it is a party.

250. Pursuant to each CMA, AIM Bermuda was obligated to “[m]onitor compliance with the Cell’s business plan.” CMA § 2.1 (cross-referencing Schedule 1).

251. This business plan, contained in the Participating Shareholders Agreement and the Insurance Agreement incorporated in each CMA, stated that the Cell required collateral in the form of an LOC “to or for the benefit of the [Cell] . . . to enable the Segregated Account to meet any

and all liabilities and any and all collateral requirements arising pursuant to the terms of the Insurance Agreement.” PSA ¶ 5.

252. By failing to ensure that each such Cell benefited from legitimate LOCs to serve as this collateral, AIM Bermuda breached its obligation to “monitor compliance with the Cell’s business plan.”

253. Vesttoo incurred damages as a result of that breach in excess of \$1 billion in an amount to be determined at trial.

COUNT VII

Breach of Contract For Failure To Observe AML Regulations Against AIM Bermuda

254. The Trustee incorporates all preceding paragraphs as if fully set forth herein.

255. The CMAs each establish a binding contract between AIM Bermuda, White Rock, and one or more of the Debtors under which AIM Bermuda agreed to manage one or more Cells on behalf of the Debtor(s) party thereto.

256. Each such Debtor has performed under the terms of the respective CMA(s) to which it is a party.

257. Pursuant to each CMA, AIM Bermuda was obligated to “observe the provisions of the applicable Bermuda Laws” “in the performance of its duties and exercise of its powers.” CMA § 18.2.

258. AIM Bermuda’s performance of its duties as Manager under the CMAs was governed by the AML Regulations.

259. Under the AML Regulations AIM Bermuda had a duty to conduct “enhanced” customer diligence and ongoing monitoring on Vesttoo and other Vesttoo clients including Yu Po. AML Regulations §§ 6, 7, 11. As part of this ongoing monitoring, AIM Bermuda was required to

“investigat[e] . . . transactions throughout the course of the relationship [with Vesttoo] (including, where necessary, the source of funds or digital assets).” *Id.* § 7.

260. By failing to investigate and verify that the LOCs posted were legitimate, AIM Bermuda breached its duties under the CMAs by failing to observe the provisions of the AML Regulations, one of the applicable Bermuda Laws.

261. Vesttoo incurred damages as a result of that breach in excess of \$1 billion in an amount to be determined at trial.

COUNT VIII

Breach Of Contract For Failure To Observe IMCC Against AIM Bermuda

262. The Trustee incorporates all preceding paragraphs as if fully set forth herein.

263. The CMAs each establish a binding contract between AIM Bermuda, White Rock, and one or more of the Debtors under which AIM Bermuda agreed to manage one or more Cells on behalf of the Debtor(s) party thereto.

264. Each such Debtor has performed under the terms of the respective CMA(s) to which it is a party.

265. Pursuant to each CMA, AIM Bermuda was obligated to “observe the provisions of the applicable Bermuda Laws” “in the performance of its duties and exercise of its powers.” *Id.* § 18.2.

266. As an Insurance Manager under Section 10 of the Insurance Act 1978, AIM Bermuda’s performance of its duties as Manager under the CMAs was governed by the IMCC.

267. Pursuant to the IMCC, AIM Bermuda had a duty to “conduct business in a sound and prudent manner,” including operating with a risk management system proportional to the complexity and risk profile of the business in which they engaged. IMCC § 1. Indeed, per the IMCC, Insurance Managers “with higher risk profiles require a more comprehensive governance

and risk management framework.” *Id.* Further, the IMCC required AIM Bermuda “[b]oard members and senior management [to] identify and document the fundamental risks in their business and establish an appropriate operational and control environment. More specifically, the IM’s board must be able to demonstrate that their controls and operational model [are] appropriate for the nature, scale and complexity of its business[.]” IMCC § 14.

268. AIM Bermuda conducted virtually no due diligence on Vesttoo despite Vesttoo’s being a relative newcomer to the insurance market and its reliance on atypical LOCs. As such, AIM Bermuda failed to conduct its business in a sound and prudent fashion, a violation of the IMCC.

269. In turn, AIM Bermuda breached the CMAs by failing to observe the provisions of the IMCC, one of the applicable Bermuda Laws.

270. Vesttoo incurred damages as a result of that breach in excess of \$1 billion in an amount to be determined at trial.

COUNT IX

Equitable Subordination Under 11 U.S.C. § 510(c)(1) Against AIM Bermuda, AIM Dublin, AIM Isle of Man, Aon Bermuda, Aon Re, Aon Reed, Aon UK, ARS Maryland, ARS Central, And White Rock

271. The Trustee incorporates all preceding paragraphs as if fully set forth herein.

272. Each of AIM Bermuda, AIM Dublin, AIM Isle of Man, Aon Bermuda, Aon Re, Aon Reed, Aon UK, ARS Maryland, ARS Central, and White Rock (the “Aon Claimants”) has asserted a claim against the Debtors’ estate in the Bankruptcy Case.

273. The Aon Claimants engaged in a broad array of inequitable conduct as set forth above including breaching contractual and statutory duties and fraudulently inducing Vesttoo to enter into transactions that the Aon Claimants knew were excessively risky and that the Aon

Claimants knew were valued in reliance on a team and methodology that was fundamentally flawed.

274. This misconduct has resulted in injury to Vesttoo's creditors by contributing to Vesttoo's ultimate demise as a business.

275. This misconduct has also resulted in an unfair advantage to the Aon Claimants in the Bankruptcy Case by allowing the Aon Claimants to assert claims in the Bankruptcy Case without, to date, accepting any responsibility for their conduct leading to the Bankruptcy Case.

276. Equitable subordination is not inconsistent with the provisions of the bankruptcy code.

277. To the extent the Court allows all or part of any of the Aon Claimants' claims against the Debtors' estate in the Bankruptcy Case, or to the extent Aon has any beneficial interest, subrogation right, or participation in any claim allowed in favor of any other creditor, the Court can and should subordinate those claims (or such portion of those claims that is subject to Aon's beneficial interest, subrogation right, or participation) to other allowed general unsecured claims untainted by such inequitable conduct.

COUNT X

Disallowance Of Claims Under 11 U.S.C. § 502(d) Against White Rock

278. The Trustee incorporates all preceding paragraphs as if fully set forth herein.

279. Under 11 U.S.C. section 502(d), this Court is directed to disallow claims by any entity that is a transferee of a transfer avoidable under, *inter alia*, 11 U.S.C. section 548 of the Bankruptcy Code unless such transferee has repaid the amount.

280. As alleged in Count I above, White Rock is a transferee of a transfer avoidable under 11 U.S.C. section 548(a)(1)(B)—namely, the \$16.25 million *ex gratia* payment—and retains that transfer.

281. Accordingly, the Court should disallow all claims by White Rock against the Debtors in the Bankruptcy Case pursuant to 11 U.S.C. section 502(d).

COUNT XI
Fraud Against Ginati, Lam, Wang/Fu, Wai, And Yu Po

282. The Trustee incorporates all preceding paragraphs as if fully set forth herein.

283. Over a series of meetings in 2021, Ginati, Lam, Wang/Fu, Wai, and Yu Po conspired and agreed to draft and submit to Vesttoo LOCs purporting to be issued by CCB via CCB's New York Branch. Pursuant to this fraudulent scheme, Ginati, Lam, Wang/Fu, Wai, and Yu Po each took overt acts to submit 57 fraudulent LOCs to Vesttoo totaling over \$2.8 billion in forged collateral.

284. Each such CCB LOC was a forgery.

285. Ginati, Lam, Wang/Fu, Wai, and Yu Po each were aware that each such LOC submitted to Vesttoo was a forgery.

286. To perpetuate their fraudulent scheme, Ginati, Lam, Wang/Fu, Wai, and Yu Po further conspired to represent to Vesttoo employees and counterparties that these LOCs were legitimate by fabricating responses to audit requests and requests for information.

287. Ginati, Lam, Wang/Fu, Wai, and Yu Po made these representations, which they knew to be false, with the intent that Vesttoo would rely on them in accepting the proffered LOCs.

288. Vesttoo justifiably relied on these representations when its subsidiaries assumed billions of dollars in insurance risk backed by the forged LOCs. Lam was a genuine CCB employee with a CCB email address and he hosted Vesttoo employees at CCB's Hong Kong offices. Additionally, Lam repeatedly reassured those employees and conspired with Ginati and others to conceal the fraud and to inhibit Vesttoo's efforts to investigate.

289. When several of Vesttoo's transactions failed due to Aon's misconduct, CCB refused to pay on the CCB LOCs it enabled Ginati, Lam, Wang/Fu, Wai, and Yu Po to procure. As a result, there were no legitimate LOCs available as collateral, leaving Vesttoo's subsidiaries and counterparties with significant liabilities and irreparably damaging Vesttoo's business.

290. Vesttoo incurred damages as a result in an amount to be determined at trial.

COUNT XII
Unjust Enrichment Against Ginati, Lam, Wang/Fu, Wai, And Yu Po

291. The Trustee incorporates all preceding paragraphs as if fully set forth herein.

292. Vesttoo remitted millions of dollars in premium payments to Yu Po related to Yu Po's purported investments in reinsurance transactions.

293. Between November 2021 and May 2022, at least \$3.7 million of these premium payments were deposited into non-Yu Po accounts—namely, into accounts held by Prime Trust LLC and JC Technologies FL, LLC. Those companies maintained an affiliation with the Vixi Group, in which Ginati held an ownership interest.

294. Vesttoo made at least \$4.2 million in additional premium payments to Yu Po via its accounts at HSBC bank in Hong Kong.

295. On information and belief, Ginati, Lam, Wang/Fu, and Wai then further distributed these payments among themselves and/or Yu Po.

296. These payments were the proceeds of the conspiracy by Ginati, Lam, Wang/Fu, Wai, and Yu Po to deceive Vesttoo into accepting forged LOCs.

297. It is against equity and good conscience for Ginati, Wang/Fu, Wai, Lam and Yu Po to retain the share they received of these payments.

298. The Trustee is entitled to payments Vesttoo made to Yu Po in connection with Yu Po's investments.

COUNT XIII
Fraud, via *Respondeat Superior*, Against CCB Asia

299. The Trustee incorporates all preceding paragraphs as if fully set forth herein.

300. As alleged in Count XI, above, Lam defrauded Vesttoo pursuant to a scheme whereby he conspired with Ginati, Wang/Fu, Wai, and Yu Po to deceive Vesttoo into accepting forged LOCs purportedly drawn on Lam's employer, CCB, via its branch in New York.

301. At all relevant times, Lam was a Relationship Manager employed by CCB Asia.

302. Lam's actions in furtherance of the fraudulent scheme were within the scope of his employment. Lam was authorized to advise on and deal in financial instruments on behalf of CCB. Lam communicated with Vesttoo and with his co-conspirators through his CCB email account, and Lam hosted Vesttoo employees at CCB's Hong Kong offices.

303. Lam's conduct also furthered CCB's goals of establishing and expanding its New York-based LOC business. From the end of 2021 to the end of 2023, largely on the basis of the fraudulent LOC scheme, CCB's apparent U.S.-facing LOC business grew from \$80 million to \$1.28 billion.

304. When several of Vesttoo's transactions failed due to Aon's misconduct, CCB refused to pay on the CCB LOCs it enabled Ginati, Lam, Wang/Fu, Wai, and Yu Po to procure. As a result, there were no legitimate LOCs available as collateral, leaving Vesttoo's subsidiaries and counterparties with significant liabilities and irreparably damaging Vesttoo's business.

305. CCB Asia is liable pursuant to the doctrine of *respondeat superior* for Lam's fraud under Count XI above.

COUNT XIV
Fraud, via Actual and Apparent Authority, Against CCB Asia And CCB Corp.

306. The Trustee incorporates all preceding paragraphs as if fully set forth herein.

307. As alleged in Count XI, above, Lam defrauded Vesttoo pursuant to a scheme whereby he conspired with Ginati, Wang/Fu, Wai, and Yu Po to deceive Vesttoo into accepting forged LOCs purportedly drawn on CCB New York.

308. At all relevant times, Lam was in fact authorized by both CCB Corp. and CCB Asia to procure LOCs from CCB's only NAIC-approved branch, CCB New York, on behalf of customers whose CCB banking relationship was with CCB Asia, CCB's Hong Kong branch.

309. CCB also clothed Lam in apparent authority to act on behalf of each of CCB Asia and CCB Corp. by facilitating his registration with the Hong Kong Monetary Authority, which publicly listed him as an employee of CCB's branch in Hong Kong authorized to deal in financial instruments on behalf of CCB, placing him in a client-facing position, equipping him with an official CCB email address, and allowing him to host meetings related to the fraudulent scheme in CCB's Hong Kong offices.

310. Vesttoo accepted Lam's proffered LOCs in reliance on Lam's apparent status as an agent of each of CCB Asia and CCB Corp.

311. When several of Vesttoo's transactions failed due to Aon's misconduct, CCB refused to pay on the CCB LOCs it enabled Ginati, Lam, Wang/Fu, Wai, and Yu Po to procure. As a result, there were no legitimate LOCs available as collateral, leaving Vesttoo's subsidiaries and counterparties with significant liabilities and irreparably damaging Vesttoo's business.

312. CCB Asia and CCB Corp. are each liable for the fraud of their agent under Count XI above.

PRAYER FOR RELIEF

WHEREFORE, Plaintiff requests that the Court enter a judgment against Defendants
for:

- a. Avoidance of the \$16.25 million fraudulent transfer, pursuant to 11 U.S.C. § 548(a)(1)(B) and recovery of the same pursuant to 11 U.S.C. § 550;
- b. Restitution to the Trustee in the amount of Aon's unjust enrichment;
- c. Restitution to the Trustee in the amount of the unjust enrichment to Ginati, Wang/Fu, Wai, Lam and Yu Po;
- d. Disgorgement and recovery of all fees collected by Aon in relation to all CPI transactions in which Vesttoo participated, in an amount to be determined at trial;
- e. Disgorgement of all fees collected by Aon in relation to White Rock's role as a transformer in transactions in which Vesttoo participated, in an amount to be determined at trial;
- f. Money damages from Aon, in an amount to be determined at trial;
- g. Money damages from each of CCB Corp., CCB Asia, Ginati, Lam, Wang/Fu, Wai, and Yu Po in an amount to be determined at trial;
- h. An order equitably subordinating any claims Aon may purport to have in the Bankruptcy Case pursuant to 11 U.S.C. § 510(c)(1);
- i. An order disallowing any claims White Rock may purport to have in the Bankruptcy Case pursuant to 11 U.S.C. § 502(d);
- j. An award of the Trustee's reasonable fees, including attorney's fees, costs, expenses, prejudgment interest, and disbursements; and
- k. Any other monetary, injunctive, or other relief that, in the interest of justice, the Court deems necessary and proper.

Dated: August 8, 2025
Wilmington, Delaware

Respectfully submitted,

/s/Robert J. Stearn, Jr.

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