STANDARD ASSET PURCHASE AGREEMENT

THIS STANDARD ASSET PURCHASE AGREEMENT (this "Agreement") is dated this 3rd day of March 2014 by and among Addison York Insurance Brokers, LTD., a limited company having an office at 154 Newton Road, Virginia Beach, VA 23462 ("Addison York"), and American Edge Insurance Services Ltd. ("American Edge") ("Addison York" and "American Edge" are collectively referred herein as "Seller"), and Addison American Partnership ("Stockholder"), and DIRECT GENERAL INSURANCE AGENCY OF TENNESSEE, INC., a Tennessee corporation ("Purchaser").

WHEREAS, Addison York engages in the business of selling automobile insurance and ancillary insurance and non-insurance products in the Commonwealth of Virginia (the "Business");

WHEREAS, both Addison York and American Edge have a relationship with Mile Auto Insurance of Virginia, LLC ("Mile Auto"), a Georgia corporation licensed as a managing general agent in the Commonwealth of Virginia, and the fronting carrier, Equity Insurance Company ("Equity"), a domiciled Insurance company licensed in Virginia (referred to herein as the "MGA Program").

WHEREAS, Seller desires to sell, and Purchaser desires to purchase, all on the terms and conditions herein contained, the Assets (as defined below) and to assume only certain obligations of Seller as expressly stated in this Agreement.

NOW, THEREFORE, in consideration of the premises, mutual covenants and agreements contained herein, the parties to this Agreement agree as follows:

Section 1. Purchase and Sale of Assets. Subject to the terms and conditions set forth in this Agreement, Seller shall sell, transfer and deliver to Purchaser, and Purchaser shall purchase from Seller for and in consideration of the payment to Seller by Purchaser of the agreed purchase price set forth herein, all rights, title and interests in and to all of the assets of Seller relating to the Business, free of and clear of all liens, encumbrances, or other adverse claim of any kind related to such assets, excluding the Excluded Assets (as defined below). All of the assets to be sold to Purchaser hereunder are collectively referred to as the "Assets." Without limiting the generality of the foregoing, the Assets shall include, without limitation:

(a) all right, title and interest in the Business;

(b) all furniture, fixtures, equipment, telephone numbers and other personal property (i) used by Seller in connection with the Business, (ii) used by Stockholder in connection with the Business, or (iii) otherwise relating to the Assets, including without limitation, those items of equipment listed or described on Exhibit A annexed hereto (the "Equipment");

(c) all ownership rights in, all rights to use, and copies of (i) all policyholder lists (including without limitation those indicated on Exhibit B annexed hereto), (ii) all in-force policies issued to any customer of the Business, (iii) all policy expirations and quotes of the Business, (iv) all records required by state insurance laws and regulation to be maintained by the Business, and (v) all contracts, books, records and other documents and information relating to the Equipment and the Business (the "Records");

(d) all right, title and interest of Seller in the leases set forth in Exhibit C annexed hereto, pursuant to which Seller leases real property relating to the Business (the "Office Leases") or equipment relating to the Business, including those leases listed on Exhibit C annexed hereto (the "Equipment Leases");

(e) all right, title and interest of Addison York in leasing companies or similar financial parties, and supplies inventory of Addison York;

(f) any and all trademarks, service marks, tradenames, logos, domain names, websites, signage, phone numbers, and other intellectual property used in the Business together with the goodwill, registrations and applications relating thereto, including without limitation, all of Seller's rights to the name "Al Vincent's Insurance Agency", "Affordable Insurance Agency of Tidewater", and "Auto Insurance Experts" and all variations thereof;

(g) all agreements and contracts, including rights of Seller thereunder, related to the Business and assumed by Purchaser as noted on Schedule 6(t);

(h) all accounts receivables, (except for commissions and fees attributable to the period pre –Closing, i.e., accrued prior to March 1, 2014), including uncollected or delinquent fees; and

(i) all goodwill relating to the Business and all rights to continue to use the Assets as an ongoing business.

Notwithstanding anything to the contrary contained in this Agreement, there shall be excluded from the Assets (i) the minute books, corporate seals, stock certificates and stock transfer records of Seller and (ii) the excluded assets listed on Exhibit D annexed hereto (collectively, the "Excluded Assets").

For purposes of clarification, to the extent it has any interest in the Business or the Assets, American Edge hereby sells, transfers and delivers to Purchaser all of its right, title and interest in and to all of the Assets relating to the Business, free of and clear of all liens, encumbrances, or other adverse claim of any kind related to such assets, including any customer names, customer accounts, or policies owned by American Edge.

Section 2. Limited Assumption of Liabilities. Except for obligations under the assumed Office Leases arising after the Closing Date (defined below) and with respect only to time periods after the Closing Date (the "Assumed Liabilities"), Seller warrants that all of Seller's obligations, liabilities, debts or commitments (including expense accruals to the Closing Date) have been or will be fully paid and satisfied at or prior to their maturity. Purchaser shall not assume (or be obligated to pay, perform, discharge or guarantee) any obligations, liabilities, debts or commitments (whether absolute or contingent, disclosed or undisclosed) of Seller, Stockholder or any other person or entity, other than the Assumed Liabilities, whether or not related to the Business and whether incurred or accrued before, on or after the Closing Date. Not in limitation of the foregoing, Seller shall remain liable for all policyholder claims and agent advice occurring prior to the Closing.

Section 3. Closing Date. Subject to the terms of this Agreement, the closing of the purchase of the Assets and assumption of the Assumed Liabilities contemplated by this Agreement (the "Closing") shall take place within a reasonable time following, and subject to the termination provisions of Section 16, such time or date as shall be required for all conditions to the Closing to be fulfilled or waived. The Closing shall be conducted electronically or as otherwise agreed by the parties. As used herein, the term "Closing Date" means the date on which the Closing shall so occur. By way of target only (and no commitment or guarantee of either party), the Closing is expected to occur on or about February 28, 2014.

Section 4. Purchase Price. In consideration of the sale, transfer, conveyance, assignment and delivery of the Assets by Seller to Purchaser, and in reliance upon the representations and warranties made by Seller herein and in the related agreements referred to in this Agreement, Purchaser shall pay to Seller an amount of $3,050,000 (the "Purchase Price"). Payment by Purchaser under this Agreement shall be made on the Closing Date, via wire transfer, to an account at a United States bank designated in writing by Seller.

Section 5. Allocation and Deliveries at Closing.

(a) Allocation. Seller and Purchaser have agreed that the Purchase Price shall be allocated as provided in Exhibit E annexed hereto. Both parties agree to timely file Internal Revenue Service Form 8594 incorporating such allocation.

(b) Seller at Closing. At the Closing, Seller (and Stockholder as applicable) shall deliver or cause to be delivered to Purchaser: (i) a bill of sale and assumption agreement duly executed by Seller substantially in the form of Exhibit F annexed hereto (the "Bill of Sale"); (ii) a duly executed officer's certificate by Seller as provided for in Section 9(e) below; (iii) a duly executed certificate of non-foreign status as provided in the form of Exhibit G annexed hereto; (iv) fully executed resolutions from the Board of Directors and members, in a form satisfactory to Purchaser, unanimously approving and ratifying the transaction contemplated hereunder; (v) proof of the tail coverage for errors and emissions insurance required under Section 14(e) below; (vi) all releases relating to debt obligations and liens, and (vii) all other documents, agreements, certificates and consents required to be delivered to Purchaser under the provisions of this Agreement or reasonably requested by Purchaser to effect, evidence or facilitate the transaction contemplated by this Agreement.

(c) Purchaser at Closing. At the Closing, Purchaser shall deliver to Seller: (i) the Purchase Price payable to Seller at Closing pursuant to Section 4; and (ii) an officer's certificate as provided for in Section 10(c) below.

(d) Survival. Each representation, warranty, indemnity, covenant and agreement made by Seller or Purchaser in this Agreement or in any document delivered pursuant hereto shall survive the Closing without time limitation.

Section 6. Representations and Warranties of Seller and Stockholder. Seller and Stockholder, jointly and severally, represent and warrant to Purchaser as follows:

(a) Organization, Standing and Stockholder. Both Addison York and American Edge are duly organized, validly existing and in good standing under the laws of Delaware and has all requisite company power and authority and is entitled to carry on its business as now being conducted, and to own, lease or operate its properties as and in the places where such business is now conducted and where such properties are now owned, leased or operated. Stockholder is the beneficial and record owner of all of the capital stock of both Addison York and American Edge.

(b) Authority and Binding Effect. Each of Seller and Stockholder has full power and authority to enter into this Agreement and the related agreements referred to herein and to carry out the transactions contemplated hereby and thereby, and all corporate and other proceedings required to be taken by Seller to authorize the execution, delivery and performance of this Agreement and the agreements, instruments and other documents relating hereto to which Seller is a party have been properly taken and have been unanimously approved by its Board of Directors and members. This Agreement constitutes, and will constitute on the Closing Date, the valid and binding obligation of Seller and Stockholder enforceable in accordance with its terms.

(c) Approvals, Etc. No approval, consent, withholding of objection or other authorization is required from, and no filing or registration is required to be made with, any court, administrative agency or governmental authority in connection with the execution, delivery or performance by Seller or Stockholder of this Agreement or the related agreements referred to herein. No consents are required to be obtained by Seller or Stockholder from any non-governmental authority in connection with Seller's or Stockholder performance hereunder or under the related agreements referred to herein.

(d) No Conflict. Neither execution and delivery nor performance of this Agreement and the related agreements referred to herein by Seller and Stockholder will, with or without the giving of notice or passage of time, or both, conflict with, result in a default, right to accelerate or loss of rights under, or result in the creation of any lien, charge or encumbrance on any of the Assets pursuant to, (i) any provision of Seller's certificate of incorporation (or certificate of formation) or by-laws (or operating agreement), (ii) any (A) franchise, mortgage, deed of trust, lease, license, loan agreement or any other agreement or understanding, (B) law, ordinance, rule or regulation, or (C) order, judgment, award, decree, permit, license or registration, to which Seller and/or Stockholder is a party or by which it or any of the Assets may be bound or affected, (iii) any license or qualification to do business in any geographic area or with any customer, or (iv) any license, permit, approval, registration, qualification, certificate or other authority issued by any governmental authority or other organization and held by Seller.

(e) Title to Properties, Liens, Etc. Seller has as of the date hereof and Seller will have as of the Closing, except for obligations expressly to be assumed by Purchaser hereunder, good and marketable title to all of the Assets, free and clear of all liens, leases and encumbrances, claims under bailment and storage agreements, equities, conditional sales contracts, security interests, charges and restrictions. All of the Assets either are leased by Seller under the Equipment Leases or are owned by Seller. The Assets are all those used in the conduct of the Business as it is presently operated. All of the Assets shown on the list set forth on Exhibit A annexed hereto are on the date hereof, and will on the Closing Date be, in good operating condition and repair.

(f) Financial Statements. Schedule 6(f) hereto contains a complete and accurate copy of the balance sheet of Seller as of March 31, 2013 (such date referred to hereinafter as the "Balance Sheet Date"), and contains the statements of earnings of Seller for the calendar years 2011, 2012, and 2013 (hereinafter collectively called the "Financial Statements"). The Financial Statements (i) have been derived from the books and records of the Seller, (ii) have been prepared by an independent third party certified public account on a consistent basis throughout the periods involved (except as indicated in the notes thereto) and (iii) fairly present the financial condition and results of operations of the Seller as of the respective dates and for the periods indicated. Except for the Offices Leases, Equipment Leases and except as and to the extent set forth in the Financial Statements, there are no debts, liabilities or obligations (whether absolute, accrued, contingent or otherwise) of any nature whatsoever relating to the Assets or the Business except, with respect to each of the Financial Statements, those arising out of the conduct of the Business in the ordinary course since the date of such balance sheet.

(g) Material Adverse Change. Since the Balance Sheet Date, there has not occurred any material adverse change in the condition of Seller, its properties or prospects, the Assets or the Business including, without limitation, the termination or threatened termination of material contracts or business relationships of Seller.

(h) Taxes. All required federal and state tax returns, reports and statements ("Returns") of Seller for its tax years ended December 31, 2010, 2011 and 2012 have been accurately prepared and duly filed and are attached as Schedule 6(h) hereto. All federal, state, county, local and other income, franchise, gross receipts, sales and use, payroll, real and personal property and other taxes and governmental charges, assessments and contributions required to be paid, collected or withheld with respect to the periods covered by such Returns have been, or will on or prior to the Closing Date be, paid or collected or withheld and remitted to the appropriate governmental agency.

(i) Claims and Litigation. Except as set forth in Schedule 6(i) hereto, there is no other claim, legal action, suit, arbitration, governmental investigation or other legal, regulatory or administrative proceeding, or any order, judgment, decree or award in progress, pending, in effect, or threatened, against or relating to Seller, any of its properties, assets or business or the transactions contemplated by this Agreement or any related agreement referred to herein, and there is no substantial basis for the same. Seller is not in default with respect to any order, writ, injunction or decree of any federal, state, county, local or foreign court, department, agency, tax authority or instrumentality.

(j) Compliance with Laws and Other Requirements. Neither Seller nor Stockholder has received notice of noncompliance with, and Seller and Stockholder have each complied with, all laws, rules, regulations, ordinances, orders, judgments, decrees and awards applicable to Seller, the Assets or the Business.

(k) Intellectual Property. To the extent any of the following Proprietary Information (as hereinafter defined) exists, Seller owns all title and interest in, or possess licenses or other rights to use (which licenses are royalty-free) free and clear of all liens, restrictions and encumbrances, all trademarks, service marks, service names, trade names, patents, licenses, inventions, trade dress, copyrights, processes, know-how, drawings, blueprints, set-up charts, specifications, designs, technology, data, formulae, product development information, trade secrets or other proprietary and non-proprietary information necessary or used to conduct any aspect of the Business being conveyed hereunder as it is presently operated or proposed to be operated. Seller is not infringing or otherwise acting adversely with respect to, and has not infringed or acted adversely with respect to, any trademarks, service marks, service names, trade names, patents, licenses, inventions, trade dress, copyrights, processes, know-how, drawings, blueprints, set-up charts, specifications, designs, technology, data, formulae, product development information, trade secrets or other proprietary rights or information (collectively, the "Proprietary Information") owned, possessed or licensed by any person or persons; and there is no such claim or action pending or threatened with respect thereto; nor are any others infringing or otherwise acting adversely with respect to any Proprietary Information of the Business.

(l) Personnel Information. Schedule 6(l) hereto contains a complete and correct list of all persons employed in the Business, including a description of all compensation arrangements, including but not limited to commission arrangements for such persons and a description of the basis for their compensation, and contains copies of all employment agreements covering employees or independent contractors of Addison York, if any.

(m) Employee Benefit Matters. There are no (i) collective bargaining agreements, employment and consulting agreements, and deferred compensation agreements, (ii) employee pension plans and employee retirement plans, or (iii) group life, health and accident insurance and other employee benefit plans, agreements, arrangements, commitments or other undertakings, whether or not legally binding, including, without limitation, severance plans or practices, to which Seller is a party or which relate to the operation of the Business or to any employee, former employee or director of Seller or Seller's Affiliates related to the Business.

(n) Office Leases & Equipment Leases. The Offices Leases and Equipment Leases listed on Exhibit C hereto represents all real property and equipment leased or subleased by Addison York. Addison York has delivered to Purchaser correct and complete copies of each of the Office Leases and Equipment Leases and all written communications between Addison York or Stockholder and the lessor relating thereto. With respect to each Office Lease and Equipment Lease: (i) the lease is in full force and effect and constitutes a legal, valid, binding agreement, enforceable in accordance with its terms; (ii) Addison York is not in breach or default and to its knowledge no third party lessor or lessee is in breach or default or the terms of such lease or sublease; (iii) there are no disputes, oral agreements, or forbearance programs in effect as to any lease or sublease; and (iv) with respect to the Office Leases only, all facilities leased or subleased thereunder are properly supplied with utilities and other services necessary for the operation of the Business and all facilities are currently operating as such.

(o) Related Party Transactions. Schedule 6(o) hereto lists each Related Party involved in or in any way related to the Business. Except as set forth in Schedule 6(o) hereto, there are no, and over the past twelve (12) months have not been any, transactions between Seller and any of its officers, directors, Related Parties or any other affiliates. As used herein, "Related Parties" shall mean any individual, sole proprietorship, partnership, joint venture, trust, unincorporated organization, association, limited liability company, corporation, institution, entity, party or government who or which is employed by Seller or has an equity or other ownership interest in Seller, or in which Seller or Stockholder has an equity or other ownership interest.

(p) Broker. Seller has engaged Malmgren & Associates as the broker or finder in connection with the sale of the Assets. Except as set forth above, there are no other brokers or finder used in connection with the sale of the Assets. Seller will be responsible for any and all fees due in connection with the use of the broker.

(q) Communications with the Department of Insurance. Schedule 6(q) hereto lists all communications with a Department of Insurance regarding the Business during the two (2) years preceding the date of this Agreement. The originals of all such communications are included in the definition of Records and Seller shall deliver the same to Purchaser at Closing.

(r) Computer System. The computer system used by Addison York to process insurance policies, including its hardware and software, is fully operational, has all software updates loaded and tested, and functions effectively and efficiently to process returns in accordance with the software documentation. Addison York maintains valid and effective hardware and software maintenance contracts, copies of which are attached to Schedule 6(r), and there is no maintenance procedure or update deferred or necessary to be performed that has not been completed. The software license agreement for such software is in good standing, is in full force and effect, and there are no defaults pending by either licensor or licensee under the license agreement, which is attached to Schedule 6(r). The software license agreement and the maintenance agreements for such hardware and software are each assignable to Purchaser [without the consent of the counter party] [with consent of the counter party, which has been or will be obtained before the Closing].

(s) Disclosure. In addition to and not in limitation of any other provision of this Agreement, no representation or warranty by Seller and/or Stockholder contained in this Agreement or in the related agreements referred to herein or any statement or certificate (including the Closing Certificate (as hereinafter defined)) furnished or to be furnished pursuant hereto or thereto contains or will contain any untrue statement of a material fact, or omits or will omit to state any material fact required to make the statements herein or therein contained, in light of the circumstances in which they were made, not misleading, or necessary in order to provide a prospective purchaser of the Business with adequate information as to Seller and its condition (financial, commercial or otherwise), its liabilities, the Assets, the Business and its prospects; and Seller and Stockholder have disclosed to Purchaser all material adverse facts relating to same. The representations and warranties contained in this Section 6 shall not be affected or deemed waived by reason of the fact that Purchaser and/or its representatives knew or should have known that any such representation or warranty is or might be inaccurate in any respect.

(t) Contracts. Schedule 6(t) hereto lists (i) each of the agents, sub-agents, producers and subproducers (the "Producers") of the Business, their commission arrangements and the details of any rights, privileges, liens or claims any such Producers have with respect to any of the Assets; (ii) each agreement between the Seller and an insurance carrier related to the Business (the "Insurer Agreements"); and (iii) each other agreement or arrangement with Seller relating to the Business and its operation. True and correct copies of all such agreements have been delivered to Purchaser. The agreements and arrangements set forth in Schedule 6(t) represent all of the material agreements or contracts with the Seller and/or in connection with the Business. Seller has not, in any respect, breached, violated or defaulted under, or received notice that it has breached, violated or defaulted under, any of the terms or conditions of such agreements. To Seller's knowledge, no other party obligated to Seller pursuant to any Producer arrangement, Insurer Agreement or other agreement with Seller relating to the Business is in default under any obligation under any such arrangement or agreement.

(u) The agreements set forth on Schedule 6(u) set forth the complete understandings related to the MGA Program (the "MGA Agreements") and there are no other agreements existing that are related to the MGA Program. Additionally, Seller represents that there are no amounts owed or allegedly owed to [redacted] except for an amount of $12,333.45 which shall be paid at Closing.

Section 7. Representations and Warranties by Purchaser. Purchaser represents and warrants to Seller as follows:

(a) Organization. Purchaser is a corporation duly organized, validly existing and in good standing under the laws of the State of Tennessee and has full corporate power and authority to enter into this Agreement and the related agreements referred to herein and to carry out the transactions contemplated hereby and thereby.

(b) Authority and Binding Effect. Purchaser has full power and authority to enter into this Agreement and the related agreements referred to herein and to carry out the transactions contemplated hereby and thereby, and all corporate and other proceedings required to be taken by Purchaser to authorize the execution, delivery and performance of this Agreement and the agreements, instruments and other documents relating hereto have been properly taken and this Agreement and all agreements, certificates and other documents relating hereto constitute the valid and binding obligation of Purchaser, enforceable in accordance with their respective terms.

(c) Approvals, Etc. No approval, consent, withholding of objection or other authorization is required from, and no filing or registration is required to be made with, any court, administrative agency or governmental authority in connection with the execution, delivery or performance by Purchaser of this Agreement and the related agreements referred to herein.

(d) No Conflict. Neither execution and delivery nor performance of this Agreement and the related agreements referred to herein by Purchaser will, with or without the giving of notice or passage of time, or both, conflict with, result in a default, right to accelerate or loss of rights under, (i) any provision of Purchaser's certificate of incorporation or by-laws or (ii) any (A) franchise, mortgage, deed of trust, lease, license, loan agreement, or any other agreement or understanding, (B) law, ordinance, rule or regulation, or (C) order, judgment, award, decree, permit, license or registration, to which Purchaser is a party or by which it may be bound or affected.

Section 8. Pre-Closing Covenants and Agreements.

(a) Conduct of Business Prior to Closing. From the date hereof and until the Closing, Seller shall and Stockholder shall cause Seller to use all reasonable commercial efforts to (i) conduct its business and affairs only in the ordinary course, (ii) operate the Business in a manner to at least maintain the value of the Business and the Assets, complying in all material respects with all applicable laws and maintaining advertising and promotional budgets in the normal course of business, and (iii) maintain, keep and preserve the Assets in their current condition and repair (except for changes in the ordinary course of business), and maintain insurance thereon and with respect to the Business (in amounts consistent with past practice). Not in limitation of the foregoing, Seller shall not, without the written consent of Purchaser, (i) sell or dispose of any Equipment, (ii) engage in any extraordinary transaction, or (iii) engage in any activity which could have a material adverse effect on the business or prospects of Seller or the Business. Seller shall use all reasonable commercial efforts to preserve the business and organization of Seller intact, to keep available to Purchaser the services of Seller's present employees engaged in the Business, to preserve for the benefit of Purchaser the goodwill of suppliers to and customers of the Business and others having business relations with Seller, including, without limitation, the maintenance of all of its contractual and other rights with respect to such persons. Seller shall give Purchaser prompt written notice of any change in any of the information contained in the representations and warranties made in Section 6 hereof which occurs prior to the Closing. From the date hereof and until the Closing, all representations and warranties of Seller and Stockholder contained in this Agreement shall have the same force and effect as though such representations and warranties were made on and as of the Closing.

(b) Access to and Inspection of Information and Documents. At all times prior to Closing, Seller shall give Purchaser and Purchaser's officers, attorneys, accountants, and other representatives designated by Purchaser, full access during normal business hours to, and complete information concerning, all aspects of the operations of Seller, including all books, records (including policyholder information and files), customer lists, financial statements, contracts, commitments and other documents or instruments of Seller, as well as complete access during normal business hours to all of its properties, personnel and independent certified public accountants. Seller shall furnish Purchaser with correct and complete copies of such documents and with all such information with respect to the affairs of Seller as Purchaser may from time to time request. Said access, inspection and furnishing of information to Purchaser or any investigation by Purchaser in connection therewith shall not in any way diminish or otherwise affect Purchaser's right to rely on any representations and warranties made in this Agreement or elsewhere or any of Purchaser's other rights hereunder or at law.

(c) No Inconsistent Activities. Seller shall not, and shall direct and obtain the agreement of its officers, Affiliates, and other representatives not to, directly or indirectly, from the date hereof to and including the Closing Date, initiate, solicit, or participate in any way in proposals, discussions or negotiations with, or provide any information or assistance to, any third party concerning any acquisition of all or any part of the Assets or Business (whether by merger, purchase of assets, tender offer or otherwise). Stockholder shall communicate to Purchaser the terms of any proposal or contact which he and/or Seller may receive in respect of any such transaction.

(d) Public Announcements. Prior to the Closing, except as otherwise agreed to by the parties, the parties shall not issue any report, statement or press release or otherwise make any public statements with respect to this Agreement and the transactions contemplated hereby, except as in the reasonable judgment of a party may be required by law, including securities regulations, in which case the parties will use commercially reasonable efforts to reach mutual agreement as to the language of any such report, statement or press release. Upon the Closing, the parties will consult with each other with respect to the possibility of issuance of a joint report, statement or press release with respect to this Agreement and the transactions contemplated hereby. Any such release will be subject to the prior approval the parties.

(e) Confidentiality. With respect to the disclosure of information between the parties prior to Closing, the parties acknowledge and reaffirm that the non-disclosure obligations set forth in the Confidentiality Agreement, dated November 5, 2013 by and among Addison York, Stockholder and Purchaser (the "Confidentiality Agreement") shall apply in all respects to any and all Information (as defined in the Confidentiality Agreement) and any and all discussions and terms relating to this Agreement, including without limitation, any financial terms relating hereto.

(f) Telephone Numbers/Name. Addison York shall make, execute and deliver any and all documents, instruments or papers necessary or convenient, and shall otherwise cooperate and use its best efforts, to assign and transfer to Purchaser all telephone numbers and internet domains previously used by Addison York in connection with the Business.

Section 9. Conditions Precedent to Purchaser's Obligations. All obligations of Purchaser hereunder are subject, at the option of Purchaser, to fulfillment of each of the following conditions at or prior to the Closing, and to the extent involving Seller and Stockholder, Seller and Stockholder shall exert all reasonable efforts to cause each such condition to be so fulfilled, as applicable:

(a) All representations and warranties of Seller and Stockholder contained herein or in any document delivered pursuant hereto shall be correct and complete in all material respects when made and shall be deemed to have been made again at and as of the Closing, and shall then be correct and complete in all material respects.

(b) All covenants, agreements and obligations required by the terms of this Agreement to be executed or performed by Seller and Stockholder at or before the Closing shall have been duly and properly executed and performed in all material respects.

(c) Since the date of this Agreement there shall not have occurred any material adverse change in the condition of Seller, its properties or prospects, the Assets or the Business including without limitation, the termination or threatened termination of advantageous contracts or business relationships of Seller.

(d) All approvals, consents and authorizations of all courts, administrative agencies and other public authorities necessary to enable Seller to lawfully consummate the transaction contemplated by this Agreement shall have been obtained by Seller, and all filings and notices required to be submitted by Seller to such courts, agencies and other authorities in connection therewith shall have been submitted by Seller.

(e) Purchaser shall have received an officer's certificate from Seller satisfactory in form and substance to Purchaser to the effect that each of the conditions specified in Sections 9(a) and 9(b) above is satisfied in all respects.

(f) Not in limitation of the foregoing, Purchaser shall have completed a due diligence review of Seller, the Assets and/or the Business, which due diligence review does not, in the reasonable opinion of Purchaser, disclose any matters relating to Seller, the Assets or the Business which are unfavorable when viewed in the context of the acquisition provided for by this Agreement.

(g) No government (federal, state, or local) or any branch or agency thereof or any other person or entity shall have: (i) objected to or sought to prevent (by legal process or otherwise) the consummation of any of the transactions contemplated hereby, (ii) indicated an intention to attempt to set aside any of such transactions after its consummation or to cause Purchaser to divest itself of any of the property thus acquired, or (iii) asserted that any of such transactions is unlawful or that the conduct by Purchaser of the Business would involve unlawful conduct by Purchaser.

(h) All consents of third parties necessary to assign Seller's contracts, including without limitation the contracts listed on Schedule 6(t), to Purchaser shall have been received.

(i) All documents and agreements required to be delivered to Purchaser at or prior to the Closing shall have been so delivered and Seller shall be able to deliver and convey full, actual and unimpeded possession of, and title to, all of the Assets in accordance with the terms of this Agreement.

Section 10. Conditions Precedent to Seller's Obligations. All obligations of Seller and Stockholder at the Closing shall be subject, at its option, to fulfillment of each of the following conditions at or prior to the Closing, and Purchaser shall exert all reasonable efforts to cause each such condition to be so fulfilled:

(a) All representations and warranties of Purchaser contained herein or in any document delivered pursuant hereto or thereto shall be correct and complete in all material respects when made and shall be deemed to have been made again at and as of the Closing, and shall then be correct and complete in all material respects.

(b) All covenants, agreements and obligations required by the terms of this Agreement to be executed or performed by Purchaser at or before the Closing shall have been duly and properly executed and performed in all material respects.

(c) Seller shall have received an officer's certificate from Purchaser satisfactory in form and substance to Purchaser to the effect that each of the conditions specified in Sections 10(a) and 10(b) above is satisfied in all respects.

(d) All documents, agreements and funds required to be delivered to Seller at or prior to the Closing shall have been so delivered.

Section 11. Indemnification.

(a) Indemnity from Seller and Stockholder. Seller and Stockholder, jointly and severally, hereby agree to indemnify, defend and hold Purchaser, each of its officers, directors, shareholders, direct and indirect parent, subsidiary and affiliated companies, agents, attorneys and employees and their respective successors and assigns, harmless from, against and in respect of any and all losses, judgments, settlements, claims, fines, penalties, liabilities, damages, reasonable costs or expenses (including reasonable attorneys' fees) (collectively, "Losses") asserted against or incurred or sustained by Purchaser or such other persons or entities arising out of, or resulting from, in whole or in part: (i) any breach of any warranty or misrepresentation by Seller or Stockholder, or the non-performance of any covenant, agreement or obligation to be performed on the part of any of them, under this Agreement or in any certificate, document, agreement or instrument delivered to Purchaser hereunder or thereunder; (ii) claims or actions by third parties (including, without limitation, employees, former employees and governmental entities) relating to Seller's or Stockholder conduct of the Business prior to the time and date of the Closing or any acts or omissions of Seller or Stockholder, whether or not disclosed to Purchaser, including, without limitation, claims for personal injury, property damage, damage to natural resources and occupational disease or death; (iii) any and all debts, obligations or liabilities not expressly assumed by Purchaser pursuant to the terms of this Agreement, including, without limitation, those arising from acts or omissions of Seller or Stockholder after the Closing; (iv) any violation of law by Seller or Stockholder, including without limitation any law, rule or regulation relating to employee safety, discrimination and/or benefits; (v) amounts relating to or in connection with the MGA Program which are owed to or alleged to be owed to Mile Auto or Equity or any other person or entity, and (vi) any and all reasonable costs, fees and expenses (including attorneys' fees) incident to any of the foregoing or incurred in investigating or attempting to avoid the same or to oppose the imposition thereof, or in successfully enforcing this indemnity.

(b) Indemnity from Purchaser. Purchaser hereby agrees to indemnify, defend and hold Seller, its officers, directors, shareholders, direct and indirect parent, subsidiary and affiliated companies, agents, attorneys and employees, and their respective successors and assigns, harmless from, against and in respect of any and all Losses asserted against or incurred or sustained by any of them arising out of, or resulting from, in whole or in part: (i) any breach of any warranty or misrepresentation by Purchaser, or the non-performance of any covenant, agreement or obligation to be performed by Purchaser under this Agreement or in any certificate, document, agreement or instrument delivered to Seller hereunder; (ii) the Assumed Liabilities; and (iii) any and all reasonable costs, fees and expenses (including attorneys' fees) incident to any of the foregoing or incurred in investigating or attempting to avoid the same or to oppose the imposition thereof, or in successfully enforcing this indemnity.

(c) Notice and Opportunity to Defend. Promptly after the receipt by any party hereto entitled to indemnification hereunder (the "Indemnified Party") of notice of any claim or the commencement of any action or proceeding by a third party, the Indemnified Party will, if a claim with respect thereto is to be made against one (1) or more other parties hereto (the "Indemnifying Persons") pursuant to Sections 11(a) or 11(b), as the case may be, give each of them written notice of such claim or the commencement of such action or proceeding, provided that failure of the Indemnified Party to give reasonably prompt notice of any claim or claims shall not release, waive or otherwise affect the obligations under this Section 11 of the Indemnifying Persons with respect thereto except to the extent that they can demonstrate actual loss or prejudice as a result of such failure. Unless the Indemnified Party reasonably believes that the Indemnifying Persons will be unable or not required to fully indemnify the Indemnified Party for any such claim, action or proceeding, the Indemnifying Persons or any of them may elect to defend against such claim or defend such action or proceeding, at their sole cost and expense, and in such event the Indemnified Party shall, at its sole expense, have the right to participate in (but not control) the defense through counsel chosen by the Indemnified Party. So long as the Indemnifying Persons (i) are in good faith so defending, or (ii) are not given the opportunity to so defend pursuant to the preceding sentence, as the case may be, the Indemnified Party shall not compromise or settle any such claim without the prior written consent of each of them, which consent shall not be unreasonably withheld or delayed. If the Indemnifying Persons cannot or do not so elect to defend or do not continue to do so in good faith in accordance with the terms of this Section 11(c), the Indemnified Party may defend such claim or defend such action or proceeding in such manner as the Indemnified Party may deem appropriate, including, but not limited to, settling such claim or action or proceeding (after giving notice of the same to each of the Indemnifying Persons) on such terms as the Indemnified Party may deem appropriate, and the Indemnifying Persons will promptly indemnify the Indemnified Party in accordance with the provisions of Sections 11(a) or 11(b), as the case may be.

(d) Cooperation/Right of Set-Off. Each party hereto shall cooperate in the defense of any third party claim, action or proceeding that is subject to indemnification under this Section 11. Should any expense be involved (other than a nominal expense) in giving such cooperation, the Indemnifying Persons shall defray such expense. In addition to all other rights and remedies that Purchaser may have, Purchaser shall have the right to set-off against any amounts due to Seller or Stockholder, or otherwise, any sums for which Purchaser is entitled to indemnification under this Section 11. Purchaser's rights to indemnification under this Section 11 shall not be in any manner limited by or to this right to set-off. If any indemnification claim is pending at a time when Purchaser is required to pay any amount due to Seller or Stockholder, then Purchaser shall have the right, upon notice to Seller and Stockholder, to withhold from such payment, until final determination of such pending indemnification claim, the total amount for which Seller and Stockholder may become liable as a result thereof, as determined by Purchaser in good faith.

Section 12. Restrictive Covenants.

(a) Certain Definitions. As used in this Agreement, the following terms shall have the definitions indicated in this Section:

"Affiliate" means, with respect to a person or entity, each corporation, partnership, limited liability company and any other entity in which such person (or such person's spouse or minor children or, if such person is a minor, such person's parents (and the spouses thereof) and minor siblings) or entity directly, or indirectly through one or more intermediaries, controls, or is controlled by, or is under common control with, such person or entity. As to Purchaser, for purposes of this Agreement only, the term "Affiliate" also includes Direct General Corporation and its subsidiaries including its insurance agency subsidiaries. As to Seller, for purposes of this Agreement only, the term "Affiliate" also includes any key personnel of Seller (e.g. officers and directors of Seller) and shall also include the spouse and family members of the Stockholder.

"Restricted Area" means the States of Alabama, Arkansas, Florida, Georgia, Illinois, Louisiana, Missouri, Mississippi, North Carolina, South Carolina, Tennessee, Texas and Commonwealth of Virginia.

"Restricted Period" means the period of time from the Closing Date through and including three (3) years after the Closing Date.

"Insurance Agency" means any individual, corporation, partnership, limited liability company, venture, agency or other business entity business which is engaged in the marketing, production, sales, issuance, administration and/or servicing of private passenger automobile insurance.

(b) Noncompetition. During the Restricted Period, Seller and Stockholder shall not (and Seller and Stockholder shall cause Seller's Affiliates not to), directly or indirectly, serve as or be an officer, director, or partner or member of, or be employed by or serve as a consultant with or own any equity interest in, any Insurance Agency with a place of business within the Commonwealth of Virginia. Without limiting the generality of this paragraph, during the Restricted Period, Seller and Stockholder shall not serve as a consultant to any person or entity if such consulting services reasonably could be expected to help such person or entity (or the Affiliates of such person or entity) compete against Purchaser (or any Affiliate of Purchaser) in the Commonwealth of Virginia. Additionally, with respect to states other than Virginia that are in the Restricted Area (as defined above), Seller shall not serve as an officer, director, or partner or member of, or be employed by or serve as a consultant with or own any equity interest in, any Insurance Agency for a period of one (1) year. Notwithstanding the foregoing, the above restriction shall not apply to Seller's Chief Financial Officer.

(c) Nonsolicitation.

(i) Customers. During the Restricted Period, Seller and Stockholder shall not (and Seller and Stockholder shall cause Seller's Affiliates not to) solicit any past or present customers of Seller, or any past, present or future customers of Purchaser located in the Restricted Area, for the purpose of inducing or otherwise attempting to cause such customer to engage the services of an Insurance Agency other than Purchaser. For purposes of this Section 12(c)(i), the term "solicit" means any effort undertaken, directly or indirectly, a significant purpose of which is to persuade a customer to engage the services of an Insurance Agency other than Purchaser, or which reasonably could be expected to lead to a customer engaging the services of an Insurance Agency other than Purchaser. For purposes of this Section 12(c)(i), the term "located" means the location of a customer's residence and place of employment.

(ii) Employees. During the Restricted Period, Seller and Stockholder shall not (and Seller and Stockholder shall cause Seller's Affiliates not to) solicit or engage in employment any employee of Purchaser or of any Affiliate of Purchaser or any former employee of Seller to leave the employment of, or decline employment by, Purchaser or any Affiliate of Purchaser. For purposes of this Section 12(c)(ii), the term "solicit" means any effort undertaken, directly or indirectly, a significant purpose of which is to persuade an employee to leave, or which reasonably could be expected to lead to an employee leaving, the employment of Purchaser or any Affiliate of Purchaser, or to decline, or which reasonably could be expected to lead to an employee declining, employment by Purchaser or any Affiliate of Purchaser. For purposes of this Section 12(c)(ii), the term "employee" means full time or part time or seasonal employee or consultant of Purchaser or any of Affiliates of Purchaser.

(d) Nondisclosure of Trade Secrets and Confidential Information.

(i) During the Restricted Period and thereafter, Seller and Stockholder and their Affiliates shall hold in a fiduciary capacity for the benefit of Purchaser and shall not (and Seller and Stockholder shall cause Seller's Affiliates not to), directly or indirectly, use or disclose any Trade Secret (as defined below), for so long as such information remains a Trade Secret. The term "Trade Secret" as used in this Agreement shall mean non-public information of Seller or Purchaser or any Affiliate of Purchaser, including, but not limited to, any list of actual or potential customers or suppliers, or information regarding actual or potential customers or suppliers, technical or nontechnical data, a formula, a pattern, a compilation, a program, a device, a method, a technique, a drawing, a process, financial data, financial plans, product plans, research or business plans and strategies, which (A) derives economic value, actual or potential, from not being generally known to, and not being readily ascertainable by proper means by, other persons who can obtain economic value from its disclosure or use and (B) is the subject of reasonable efforts by Purchaser to maintain its secrecy. The term "Trade Secret" does not include information that has become generally available to the public by the proper act of any person other than Seller and Stockholder.

(ii) In addition to the foregoing and not in limitation thereof, during the Restricted Period and thereafter, Seller, Stockholder, and their Affiliates shall hold in a fiduciary capacity for the benefit of Purchaser and shall not (and Seller and Stockholder shall cause Seller's Affiliates not to), directly or indirectly, use or disclose (unless required by law or pursuant to a decree or order of any judicial or governmental body or agency) any Confidential or Proprietary Information (as defined below) that Seller and Stockholder may have acquired (whether or not developed or compiled by Seller and Stockholder and whether or not Seller and Stockholder were authorized to have access to such Confidential or Proprietary Information) during the term of, in the course of, or as a result of his relationship with Purchaser whether as an employee or consultant, or as an owner or employer of Seller. Seller and Stockholder agree not to accept employment with any person or entity, or engage in activities, if such employment or activities reasonably could be expected to result in the disclosure or use of any Confidential or Proprietary Information. The term "Confidential or Proprietary Information" as used in this Agreement means any secret, confidential or proprietary information of Seller or Purchaser (including without limitation the financial terms relating to this Agreement) not otherwise included in the definition of "Trade Secret" above. The term "Confidential or Proprietary Information" does not include information that has become generally available to the public by the proper act of any person other than Seller and Stockholder.

(e) Reasonable and Necessary Restrictions. Seller and Stockholder acknowledge that the restrictions, prohibitions and other provisions hereof, including, without limitation, the Restricted Area and the Restricted Period and the restrictions set forth in Sections 12(b), (c) and (d) above, are reasonable, fair and equitable in terms of duration, scope and geographic area, are necessary to protect the legitimate business interests of Purchaser (including the interest of Purchaser in its customer relationships and in the goodwill of Seller which is being transferred pursuant to this Agreement), and are a material inducement to Purchaser to enter into the transactions contemplated by this Agreement. The obligations expressed in Sections 12(b), (c) and (d) of this Agreement shall be in addition to any other obligations imposed upon Seller and Stockholder by any other agreement or by applicable law.

(f) Remedies. Seller and Stockholder acknowledge that the obligations undertaken by him pursuant to this Agreement are unique and that Purchaser likely will have no adequate remedy at law if Seller or Stockholder shall fail to perform any of its or his obligations hereunder, and Seller and Stockholder therefore confirms that the right of Purchaser to specific performance of the terms of this Agreement is essential to protect the rights and interests of Purchaser. Accordingly, in addition to any other remedies that Purchaser may have at law or in equity, Purchaser shall have the right to have all obligations, covenants, agreements and other provisions of this Agreement specifically performed by Seller or Stockholder, and Purchaser shall have the right to obtain preliminary and permanent injunctive relief to secure specific performance and to prevent a breach or contemplated breach of this Agreement by Seller or Stockholder.

Section 13. Employee Matters.

(a) Purchaser shall have the right, at its discretion, to offer employment to any of the employees of Seller on such terms as determined by Purchaser. In the event Purchaser elects to hire any employee of Seller, Seller hereby agrees to waive any restrictive covenants to which each such employee is subject, however, this waiver shall not release any obligations of Seller to such employees. Purchaser shall not assume any obligations or liabilities with regard to any current or former employee of Seller, regardless of when or how such liability arose, and regardless of whether such liability may result in or has resulted in a claim upon the Assets. Seller shall pay its employees for all amounts due such employees through the Closing Date, including without limitation amounts due on account of the transactions contemplated hereby or the employees' termination or severance, and shall pay all other benefits for such employees through the Closing Date when and as the same become due.

(b) Purchaser shall not adopt, assume or otherwise become responsible for, either primarily or as a successor employer or otherwise, and shall have no liability whatsoever with respect to, any "Controlled Group Employee Benefit Plan" (i.e., any employee benefit plan (within the meaning of ERISA §3(3)) or any other plan or arrangement, or, contributed to or sponsored or maintained by, Seller or any "Seller Affiliate" (i.e., any entity which, together with the Seller, would constitute a single employer under §§414(b), (c), (m) or (o) of the IRC), or any such plan or arrangement for which the Seller or any Seller Affiliate could incur liability. The preceding sentence applies to any liability with respect to a Controlled Group Employee Benefit Plan, regardless of whether such liability involves employees of Seller, and regardless of when or how such liability arises. Additionally, Seller agrees not to assert that Purchaser is a successor employer of Seller or any Seller Affiliate. Consistent with the foregoing, Purchaser shall not assume liability for any group health continuation coverage or coverage rights under IRC §4980B or Part 6 of Title I of ERISA applicable to, or arising with respect to, any group health plan sponsored and/or maintained by Seller or any Seller Affiliate at any time prior to or after the Closing.

Section 14. Servicing of Policies; Payments owed to Insurers.

(a) Except as otherwise provided herein, Seller shall have no obligation to service the policies of the Business after the Closing Date and Purchaser hereby agrees, at no cost, to perform all administrative services necessary with respect to such policies in a professional and timely manner and in full conformity with generally accepted business practices in the property and casualty insurance industry and all applicable state and federal regulations. In servicing such policies after the Closing Date, if there shall occur any cancellations or additional endorsements, resulting in additional or returned premiums, on any of the policies prior to the first renewal of such policy, then Purchaser shall handle the return of premiums (and the refund of commissions thereon) and shall collect all endorsement premiums (and all commissions thereon). Purchaser will assume all cancellations after Closing that are related to policies written prior to Closing.

(b) With respect to all Insurer Agreements for which the insurer does not object to the assignment of Seller's rights thereunder to Purchaser, Seller shall promptly pay to Purchaser on or after the Closing Date, any amounts now, or at any time hereafter, in the Seller's possession owed or owing to such insurers with respect to all periods ending prior to or on the Closing Date, including without limitation, all amounts held in trust accounts for the benefit of such insurers. If the terms of any Insurer Agreement provides that any amounts shall not become due until a date following the Closing Date, then Seller shall promptly pay to Purchaser all such deferred amounts prior to the due dates therefor. If Seller fails to pay any such amounts when due, then Purchaser shall be entitled to elect, without any obligation to do so, to pay such delinquent amounts. Seller shall be obligated to reimburse Purchaser for any such payments made by Purchaser.

(c) Any amounts due from one party to the other under this Section 14 shall be paid within ten (10) business days following the end of the applicable calendar month. Purchaser may choose to deduct from any of the payments to be made by Purchaser hereunder, any amounts which Seller fails to pay when due under this Section, notwithstanding such other remedies the Purchaser may be entitled to by law or pursuant to this Agreement.

(d) Purchaser is not liable for any amounts owed or alleged to be owed under MGA Agreements or MGA Program, except as specified in Section 6(u). Purchaser has no liability for fees, expenses, or other amounts for which Seller may owe or that which may become owed to MGA or Equity.

(e) Seller shall maintain, at its own expense, for a period of not less than one (1) year from the Closing Date, professional liability errors and omissions insurance coverage at its current limits for all claims arising from the Assets.

Section 15. Miscellaneous Covenants and Agreements.

(a) Bulk Sales Compliance. Seller shall, subject to its right to protest or dispute any adverse determination, comply with the provisions of any applicable Bulk Sales Law of any state and shall cooperate with Purchaser in its compliance with such laws and with related laws involving notice to governmental authorities. Seller and Stockholder hereby indemnify and agree to hold Purchaser harmless from, against and in respect of (and shall, on demand, reimburse Purchaser for) any Losses suffered or incurred by Purchaser by reason of the failure of the parties hereto to comply with the provisions of any such Bulk Sales Law or the failure of Seller to pay or discharge any claims relating thereto.

(b) Consents to Assignment. In the event that an Office Lease, Equipment Lease, or any contract or agreement included in the Assets requires the consent of or notice to the other party thereto and such consent or notice is not obtained or given prior to the Closing, unless and until such consent is obtained or notice given, or if an attempted assignment thereof would be ineffective or would adversely affect the rights of the Seller thereunder so that the Purchaser would not in fact receive all rights under such contract, agreement, or arrangement, the Seller will hold the benefit of any such agreement for the Purchaser and subcontract to the Purchaser all rights and obligations of the Seller thereunder to the maximum extent permitted in order that the Purchaser may perform all obligations after the Closing and enjoy all rights of the Seller thereunder on the same terms and conditions as currently exist with respect to any such Asset. As between the Seller and the Purchaser, the Purchaser will be deemed to have fully assumed the Seller's performance obligations with respect to the Assets arising on or after the Closing Date. Notwithstanding the absence of one or more such notices or consents, at such time as such consent has been obtained, or any requisite notice has been made, as applicable, any such Asset shall be assigned or transferred to the Purchaser automatically without any other conveyance or other action by the Seller or the Purchaser. Further, and without limiting any other provision of this Agreement, the Seller will use its best efforts to obtain such consent or provide such notices as soon as practicable following the Closing at its sole cost and expense unless, in each case, the Purchaser has agreed in writing that such consent or notice shall not be required to be obtained or given.

(c) Transaction Expenses. Whether or not this Agreement and the transactions contemplated hereby are consummated, and except as otherwise expressly set forth herein, all costs and expenses (including legal fees and expenses) incurred in connection with, or in anticipation of, this Agreement and the transactions contemplated hereby shall be paid by the party incurring such expenses.

(d) Post Closing Access & Cooperation. At any time and from time to time after Closing, each party hereto shall cooperate and shall take such further action and shall execute and deliver such further documents as may reasonably be requested by any other party in order to carry out the provisions and purposes of this Agreement. Should any expense be involved (other than a nominal expense), the requesting party shall defray such expense. Without limiting the foregoing, from and after the Closing Date, Seller and Stockholder shall, upon the request of Purchaser, reasonably cooperate with Purchaser to assist Purchaser with matters relating to transition matters and the operation or conduct of the Business, such as, but not limited to, preparation of a customer mailer and other similar communications regarding the transition of the Business, employee retention, customer retention and renegotiation of Office Leases or Equipment Leases. Additionally, Seller has the right to inspect the books and records relating to the Business in the various Office locations, upon reasonable prior written notice to Purchaser, in no event less than 10 business days. This inspection will be conducted by Seller at Seller's expense and shall be conducted during the period post Closing until June 30, 2014 and shall occur no more than once during that time period. Such inspection shall not disrupt the normal business operations conducted at the Office.

(e) Tax Returns. Seller shall duly file or cause to be filed all tax returns related to taxes of any nature with respect to the Assets for all periods ending on or prior to the Closing Date and pay all taxes due with respect to such periods.

Section 16. Termination.

(a) Methods of Termination. This Agreement may be terminated at any time prior to the Closing by any one of the following methods:

(i) Mutual Consent. By the parties hereto mutually agreeing in writing to terminate this Agreement; or

(ii) By Purchaser. By Purchaser in writing if any of the conditions provided in Section 9 hereof has not been fulfilled, and has not been waived, by March 5 or if any of the following has occurred: appointment of a receiver or liquidator for an entity within Seller or any of its properties or the filing of any case by or against Seller under the Federal Bankruptcy Code or any insolvency law or the making of any assignment for the benefit of creditors of Seller or admission by Seller in writing of its inability to pay its debts as they mature or the institution of any proceeding for the purpose of effecting an arrangement or composition with creditors or any reorganization of Seller under any federal or state law relating to bankruptcy or the relief of debtors; or

(iii) By Seller. By Seller in writing if any of the conditions provided in Section 10 hereof has not been fulfilled, and has not been waived, by March 5 or if any of the following has occurred: appointment of a receiver or liquidator for Purchaser or any of its properties or the filing of any case by or against Purchaser under the Federal Bankruptcy Code or any insolvency law or the making of any assignment for the benefit of creditors of Purchaser or admission by Purchaser in writing of its inability to pay its debts as they mature or the institution of any proceeding for the purpose of effecting an arrangement or composition with creditors or any reorganization of Purchaser under any federal or state law relating to bankruptcy or the relief of debtors.

(b) Effect of Termination. In the event this Agreement is terminated in accordance with this Section 16 (i) no party to this Agreement shall have any obligation or liability of any nature whatsoever (including without limitation any right to specific performance) to any other party hereto except as specifically set forth in this Agreement and (ii) each party shall return to the other party all confidential information and documents furnished by the disclosing party.

Section 17. Notices. All notices or other communications required or permitted to be given under any of the provisions of this Agreement shall be in writing and shall be deemed to have been duly given (i) when personally delivered by a party hereto or by messenger or express courier, (ii) when delivered via electronic means (and immediately confirmed by mail) or (iii) three (3) business days after having been mailed by first class registered or certified mail, return receipt requested, postage prepaid, addressed as follows:

If to Seller:	If to Purchaser:
102, 7909 Flint Road	c/o Direct General Corporation
Se Calgary, Canada	1281 Murfreesboro Road
	Nashville, TN 37217
Attn.: Anthony Clark Int.	Attn.: Chief Financial Officer
	With a copy to (same address)
	Attn.: General Counsel

Any party may change the address to which notices, requests, demands, claims, and other communications hereunder are to be delivered by giving the other parties notice in the manner herein set forth; provided, however, that notice of change of address shall be effective only upon actual receipt.

Section 18. Miscellaneous.

(a) Entire Agreement. This Agreement, the Exhibits and Schedules hereto, and the Confidentiality Agreement, together with the agreements, certificates and other documents referred to herein or the form of which are attached as Exhibits hereto, constitute the entire agreement (and supersede all prior agreements, covenants and arrangements - whether oral or written) and set forth the entire understanding of the parties with respect to the subject matter hereof.

(b) No Waiver/Modification & Remedies. Any waiver of any right or default hereunder will be effective only in the instance given and will not operate as or imply a waiver of any other or similar right or default on any subsequent occasion. No waiver, modification or amendment of this Agreement or of any provision hereof will be effective unless in writing and signed by the party against whom such waiver, modification or amendment is sought to be enforced. Unless otherwise expressly provided in this Agreement, all remedies, rights, powers and privileges, either under this Agreement or by law or otherwise afforded the parties to this Agreement, shall be cumulative and shall not be exclusive of any remedies, rights, powers and privileges provided by law.

(c) Assignment; Benefits. Neither this Agreement nor any of the rights, interests or obligations hereunder shall be assigned by any of the parties hereto (whether by operation of law or otherwise) without the prior written consent of the other parties, except that this Agreement and the rights, interests and obligations of Purchaser may be assigned by Purchaser to an affiliate of Purchaser without the consent of Seller. Subject to the preceding sentence, this Agreement will be binding upon, inure to the benefit of and be enforceable by the parties and their respective successors and assigns.

(d) Equal Preparation; Counterparts; Electronic Signatures. Each of the parties hereto agrees and acknowledges that each party has participated equally in the negotiation, drafting and preparation of this Agreement and all other agreements executed and delivered in connection herewith. This Agreement shall be executed in one (1) or more counterparts, each of which shall be deemed an original, but all of which taken together shall constitute one and the same instrument. All executed signature pages transmitted electronically via facsimile or email shall be deemed an original, and shall be binding upon the parties to this Agreement.

(e) Severability/No Third-Party Beneficiaries. Any provision of this Agreement that is held by a court of competent jurisdiction to violate applicable law shall be limited or nullified only to the extent necessary to bring the Agreement within the requirements of such law. This Agreement shall not benefit or create any right or cause of action in or on behalf of any person other than the parties hereto.

(f) Governing Law. This Agreement shall be governed by, enforced under and construed in accordance with the laws of the Commonwealth of Virginia, without giving effect to any choice or conflict of law provision or rule thereof.

(g) Specific Performance. The parties hereto agree that if any of the provisions of this Agreement were not performed in accordance with their specific terms or were otherwise breached, irreparable damage would occur, no adequate remedy at law would exist and damages would be difficult to determine, and that the parties shall be entitled to specific performance of the terms hereof and immediate injunctive relief, without the necessity of proving the inadequacy of money damages as a remedy, in addition to any other remedy at law or equity.

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be duly executed as of the day and year first above written.

ADDISON YORK INSURANCE BROKERS LTD.

By: [signature]

Name: MAHESH BHATIA

Title: C.F.O.

ADDISON AMERICA PARTNERSHIP

By: [signature]

Name: MAHESH BHATIA

Title: C.F.O.

AMERICAN EDGE INSURANCE LTD.

By: [signature]

Name: MAHESH BHATIA.

Title: C.F.O.

DIRECT GENERAL INSURANCE AGENCY OF TENNESSEE, INC.

By: [signature]

Name: J. TODD HAGELY

Title: CFO

Schedules & Exhibits

to

Asset Purchase Agreement

EXHIBIT A

EQUIPMENT

[ATTACHED]

Newtown Road

Servers

Name	Make	Model	OS	Purpose
TS5	Dell	Power Edge T110	2008	Terminal Server
Citrix2	Sysemax		2008	Terminal Server
Hawk	Sysemax		2003	File Server
Exchange	HP	Proliant ML150 G6	2008	Email
Domain	HP	Proliant ML110 G7	2008	Domain Controller
Timeclock	Dell	Power Edge 2950	2003	Time Clock Application

Workstations

Make	Model
Dell	Optiplex 755
Dell	Optiplex 756
Dell	Optiplex 757
Dell	Optiplex 758
Dell	Optiplex 759
Dell	Optiplex 760

Printers

	Make	Model	Purpose
	Kyocera	FS 1135 MFP	
	Kyocera	FS 1135 MFP	
	Hp	LaserJet4101 MFP	Backup
	HP	LaserJet 4100	Backup

Switches

1	Netgear	24 port
3	Netgear	4 port

Phones

2	Polycom	SoundPoint IP 650
8	Polycom	SoundPoint IP 335

Cromwell Road

Amount	Make	Model	OS
4	Workstations	Various models	XP or above
1	Kyocera	FS 1128 MFP	
1	HP	LaserJet 4200	
1	Netgear	8 port switch	
4	Polycom	SoundPoint IP 335	

Portsmouth Blvd.

4	Workstations	Various models	XP or above
1	Kyocera	FS 1128 MFP	
1	HP	LaserJet 4100	
1	Netgear	8 port switch	
5	Polycom	SoundPoint IP 335	

Lynnhaven Rd.

3	Workstations	Various models	XP or above
1	Kyocera	FS 1128 MFP	
1	HP	LaserJet 4100	
1	Netgear	8 port switch	
3	Polycom	SoundPoint IP 335	

Constance Rd.

2	Workstations	Various models	XP or above
1	Kyocera	FS 1128 MFP	
1	HP	LaserJet 4100	
1	Netgear	4 port switch	
2	Polycom	SoundPoint IP 335	

Holladay St.

2	Workstations	Various models	XP or above
1	Kyocera	FS 1128 MFP	
1	HP	LaserJet 4100	
1	Netgear	4 port switch	
2	Polycom	SoundPoint IP 335	

Poplar Hall Dr.

5	Workstations	Various models	XP or above
1	Kyocera	FS 1128 MFP	
1	HP	LaserJet 4100	
1	Netgear	8 port switch	
5	Polycom	SoundPoint IP 335	

Roanoke Ave.

5	Workstations	Various models	XP or above
1	Kyocera	FS 1128 MFP	
1	HP	LaserJet 4100	

1 Netgear	8 port switch	
5 Polycom	SoundPoint IP 335	

Battlefield Blvd.

3 Workstations	Various models	XP or above
1 Kyocera	FS 1128 MFP	
1 HP	LaserJet 4100	
1 Netgear	8 port switch	
4 Polycom	SoundPoint IP 335	

Widgeon Rd.

2 Workstations	Various models	XP or above
1 Kyocera	FS 1128 MFP	
1 HP	LaserJet 4100	
1 Netgear	8 port switch	
2 Polycom	SoundPoint IP 335	

Independence Blvd

2 Workstations	Various models	XP or above
1 Kyocera	FS 1128 MFP	
1 HP	LaserJet 4100	
1 Netgear	8 port switch	
2 Polycom	SoundPoint IP 335	

EXHIBIT B

RECORDS

- All customer data (current and historic), including mailing addresses and phone numbers are available via Hawksoft Management Software.
- All contracts, books, records, documents, historic records, and information relating to the Equipment and Business are located on-site.

EXHIBIT C

LEASES

1. Lease dated August 30, 2013 by and between 154 Newtown Road, LLC and Addison York Insurance Brokers Ltd. for the premises known as 154 Newtown Road, Virginia Beach, Virginia.
2. Lease dated August 22, 2012 by and between TJB Investments, Inc. and Addison York Insurance Brokers Ltd. for the premises known as 2604 Cromwell Drive, Norfolk, Virginia 23434.
3. Lease dated August 30, 2013 by and between 4500 Portsmouth Blvd, LLC and Addison York Insurance Brokers Ltd. for the premises known as 4500 Portsmouth Boulevard, Portsmouth, Virginia.
4. Commercial Lease executed January 31, 2014 by and between Chan H. Park and Kae J. Park, of Park Associates and Addison York Insurance Brokers Ltd. for the premises known as 918 S. Lynnhaven Road, Virginia Beach, Virginia 23452.
5. Shopping Center Lease dated February 2, 2006 by and between Addison York Insurance Brokers Ltd. and Steve Parasidis, Trustee for the Parasidis Family Trust #1 for the premises known as 841-A West Constance Road, Suffolk, Virginia 23434.
6. Lease dated August 27, 2010 by and between TJB Investments, Inc. and Addison York Insurance Brokers Ltd. for the premises known as 236 Holladay Street, Suffolk, VA 23434.
7. Shopping Center Lease dated October 24, 2005 by and between B & B Associates, L.L.P., Addison York Insurance Brokers Ltd. and Robert Brown & Associates, Inc. (as agent) for the premises known as 5731 Poplar Hall Drive, Norfolk, Virginia.
8. Lease dated January 1, 2012 by and between Virginia P. Ritchie and Addison York Insurance Brokers Ltd. and Waterside Realty, Inc. (as agent) for the premises known as 8104 Roanoke Avenue, Hampton, Virginia.
9. Deed of Lease dated August 1, 2001 by and between Al Vinciguerra Limited dba Al Vincent's Insurance, 1024 Battlefield Boulevard, L.L.C. and Porter Realty Company, Inc. (as agent) for the premises known as 1024 Battlefield Blvd., Chesapeake, Virginia, as amended by that certain Lease Amendment dated April 2, 2013 by and between 1024 Battlefield Boulevard, LLC and Addison York Insurance Brokers Ltd.
10. Office Space Lease dated October 8, 2007, as amended by and between Addison York insurance Brokers Ltd. and Public Storage for the premises located at 880 Widgeon Road, Norfolk, VA 23513.
11. Lease dated June 17, 1998, as amended by a First Amendment to Princess Anne shopping Center Lease dated July 31, 1998, between Baita Kahn I, L.L.C., as assigned to Yale Virginia Beach Associates, LLC, as Lessor and Al Vincent, as assigned to Al Vinceguerra Limited, as assigned to Addison York Insurance Brokers Ltd., as Lessee for

property located in Princess Anne Marketplace on South Independence Boulevard, Virginia Beach, Virginia.

12. Equipment Lease Agreement by and between US Bancorp Business Equipment Finance Group and Addison York Insurance Brokers Ltd. For the lease of 12 Kyocera copiers.
13. Equipment Lease Contract by and between Marlin Leasing Corporation and Addison York Insurance Brokers Ltd. For the lease of telephone equipment.

EXHIBIT D

EXCLUDED ASSETS

Security Deposits as detailed on the attached.

Petty Cash as detailed on the attached.

Commissions and fees attributable to policies written pre Closing (i.e., written before March 1, 2014).

Inter-company receivables.

Addison York Insurance Brokers, Ltd.

Security Deposits

Date	Memo/Description	Amount
	RENTAL PROPERTIES - SECURITY DEPOSITS	
10/31/2005	Poplar Hall location - Security deposit	300.00
02/14/2006	Suffolk location - Constance Road - Security deposit	2,000.00
02/28/2006	Chesapeake location - Security deposit	3,000.00
2/28/2006	Poplar Hall location - Add'l security deposit	1,500.00
02/28/2006	Green Run location - Security deposit	750.00
3/31/2006	Hampton location - Security deposit	5,000.00
10/1/2007	Widgeon location - Security deposit	950.00
	Total deposits	13,500.00
	MARLIN LEASING - DEPOSITS	
7/22/2010	Marlin leasing - Server lease (will be refunded at end of lease)	33.59
4/30/2012	Marlin Leasing - Phone lease- Last month payment)	282.00
	Total deposits	315.59
	UTILITIES - DEPOSITS	
12/22/2010	Holladay location - Utility Gas deposit	440.00
3/31/2010	Widgeon location - Utility deposit- Manager	371.00
	Total deposits	811.00
	TOTAL ALL DEPOSITS	14,626.59

Addison York Insurance Brokers, Ltd.
Petty Cash at Locations

Locaton	Petty Cash Amount
Newtown	$250.00
Cromwell	$250.00
Portsmouth	$250.00
Lynnhaven	$250.00
Suffolk-Constance	$250.00
Suffolk-Holladay	$250.00
Poplar Hall	$250.00
Hampton	$300.00
Chesapeake	$250.00
Widgeon	$250.00
Green Run	$250.00
TOTAL	**$2,800.00**

EXHIBIT E

ALLOCATION

	Amounts
Class I Assets[1] Cash, direct deposits and similar accounts in banks, savings and loan associations	$0
Class II Assets[1] Certificates of deposit, U.S. Government securities, readily marketable stock or securities	$0
Class III Assets[1] Debt instruments	$0
Class IV Assets[1] a. Accounts receivable b. Inventory c. Security deposits	 $0 $0 $0
Class V Assets[1] a. Depreciable personal property (fixed assets)	$0
Class VI Assets[1] All amortizable Internal Revenue Code Section 197 intangibles except for goodwill and ongoing concern value	$3,050,000.00
Class VII Assets[1] Goodwill and ongoing concern value	$0
TOTAL	$3,050,000.00

[1] The terms Class I Assets, Class II Assets, Class III Assets, Class IV Assets and Class V Assets shall have the meaning given those terms in the Internal Revenue Code Section 1060 and the regulations thereunder and on the Form 8594, Asset Acquisition Statement under Section 1060.

EXHIBIT F

BILL OF SALE

[ATTACHED]

BILL OF SALE AND ASSIGNMENT

THIS BILL OF SALE AND ASSIGNMENT is executed and delivered this ___ day of March 2014, from ADDISON YORK INSURANCE BROKERS LTD., a Delaware corporation ("Addison York"), AMERICAN EDGE INSURANCE SERVICES LTD., a Delaware corporation ("American Edge") and ADDISON AMERICAN PARTNERSHIP (collectively with Addison York and American Edge, the "Seller") to DIRECT GENERAL INSURANCE AGENCY OF TENNESSEE, INC., a Tennessee corporation (the "Purchaser").

WITNESSETH

WHEREAS, the Purchaser and the Seller have entered into an Asset Purchase Agreement dated as of March ___, 2014, (the "Asset Purchase Agreement"), providing for, among other things, the sale, conveyance, transfer, assignment and delivery to the Purchaser of the Assets, all as more fully described in the Asset Purchase Agreement, for consideration in the amount and on the terms and conditions provided in the Asset Purchase Agreement; and

WHEREAS, the capitalized terms used herein which are not otherwise defined have the meanings ascribed to them in the Asset Purchase Agreement; and

NOW, THEREFORE, in consideration of the premises and of the mutual promises and other good and valuable consideration to the Seller paid by the Purchaser, the receipt and sufficiency of which are hereby acknowledged and confessed by the Seller, the Seller has sold, conveyed, transferred, assigned, released, delivered, and confirmed; and by this Assignment does sell, convey, transfer, assign, release, deliver and confirm unto the Purchaser, its successors and assigns forever, all the Seller's right, title and interest in and to the Assets.

1. Seller hereby sells, transfers, assigns, conveys and delivers to Purchaser and its successors and assigns forever all right, title and interest in and to all of the "Assets" (as defined in the Asset Purchase Agreement). The Assets so sold, conveyed, transferred, assigned, released, delivered and confirmed hereby, are, without limiting the generality of the foregoing or the definition of Assets in the Asset Purchase Agreement, more particularly described as follows (specifically excluding the Excluded Liabilities):

(a) the inventory including, without limitation, any supplies and materials maintained for the Business including any such supplies and materials at the eleven (11) Addison York locations; and

(b) all equipment, including, without limitation, office furnishings, office equipment, data processing equipment and office materials and supplies owned or held by the Seller and used in the conduct of the Business or located at the eleven (11) Addison York locations, including, without limitation, such equipment and other property as identified in **Exhibit A**, which is attached hereto and made part hereof; and

(c) all Proprietary Information, including, without limitation, all intellectual property, patents, trademarks, copyrights, tradenames (including, but not limited to, the names

"Affordable Insurance Agency of Tidewater", "Auto Insurance Experts" and "Al Vincent's Insurance Agency.") service marks and logos, the registrations and applications for the foregoing and the disclosure statements relating thereto, together with any associated goodwill and the right to sue for past infringement, dilution or misappropriation thereof, owned or held by the Seller and/or used in the conduct of the Business; and

(d) all software and computer programs owned by the Seller and used in the conduct of the Business, in human and machine readable source code forms, if applicable, and in machine executable object code forms, and any of the following which Seller has developed or acquired or caused to be developed or acquired and which are or have been used to install, operate, maintain, correct, test, repair, enhance, extend, modify, design, develop, reproduce and package such software and computer programs: (i) all specifications (including, without limitation, all logic architectures, algorithms, flow diagrams and physical functional, operating and design parameters), designs and design revision documents, (ii) all databases, diagrams, photographs, maps and libraries, (iii) all working papers, test plans, release makers, concepts, ideas, processes, techniques, software design and test tools, (iv) all interfaces to third party software and (v) all methods of implementation and packaging, and all user manuals, training manuals and technical documentation, together with, for each of the Assets described in this paragraph (d), the Seller's proprietary rights therein and the right to sue for past infringement or misappropriation thereof; and

(e) all technical or marketing information owned or held by the Seller and used in the conduct of the Business including new developments, inventions, know-how, processes, ideas and trade secrets and documentation thereof (including related papers, manuals, blue prints, drawings, formulae, diaries, notebooks, specifications and designs), along with the Seller's proprietary rights therein and the right to sue for past infringement or misappropriation thereof; and

(f) the Insurer Agreements, together with the interests of the Seller arising thereunder or resulting therefrom; and

(g) all files, books and records (including all computerized records and other computerized storage media) of the Seller relating to the conduct of the Business, including, without limitation, to the extent owned by the Seller, all customer files, lists of customers, supplier and vendor information, sales information, documents establishing title to any Asset or rights to Proprietary Information, market and product development plans, training materials, documents, data and information; and

(h) all advertising materials relating to the Business; and

(i) all other assets owned or held by the Seller and used in the conduct of the Business but excluding the Excluded Liabilities.

2. The Seller hereby covenants and agrees with the Purchaser that the Seller shall do, execute, acknowledge and deliver or cause to be done, executed, acknowledged, and delivered, all such further acts, conveyances, transfers, assignments and assurances as reasonably may be

requested by the Purchaser to more effectively sell, convey, transfer, assign, release, deliver and confirm to the Purchaser, or otherwise protect the right, title and interest of the Purchaser in and to the Assets, and put the Purchaser in possession of the Assets. The Seller hereby authorizes the Purchaser to take any appropriate action to protect the right, title and interest in and to the Assets hereby transferred.

3. The Seller further covenants and agrees that in the event the Purchaser shall acquire title to any of the Assets subject to any Lien, the Seller shall promptly cause such Lien to be terminated or otherwise discharged.

4. The Seller further covenants and agrees that the covenants herein contained shall be binding upon its successors and assigns and shall inure to the benefit of the successors of the Purchaser.

5. Notwithstanding anything to the contrary contained herein, nothing contained in this instrument shall be construed as an agreement to assign any contract, agreement or instrument which would be automatically terminated or would eliminate any right to commissions without the required consent of any other party thereto, unless such consent shall have been given.

THIS BILL OF SALE AND ASSIGNMENT is executed and delivered on the date first above written.

ADDISON YORK INSURANCE BROKERS LTD., a Delaware corporation

By: __________________
Name: Tony Consalvo
Title: Pres.

AMERICAN EDGE INSURANCE SERVICES LTD., a Delaware corporation

By: __________________
Name: Tony Consalvo
Title: CEO

ADDISON AMERICAN PARTNERSHIP, a Delaware general partnership

By: ____________________

Name: Tony Consalvo

Title: President

EXHIBIT A

EXHIBIT G

CERTIFICATE OF NON-FOREIGN STATUS

[ATTACHED]

NON-FOREIGN PERSON CERTIFICATION

Section 1445 of the Internal Revenue Code of 1986, as amended (the "Code"), provides that a transferee of a U.S. real property interest must withhold tax if the transferor is a foreign person or entity. To inform the transferee that withholding of tax is not required upon the disposition of a United States real property interest from AMERICAN EDGE INSURANCE SERVICES LTD., a Delaware corporation ("Transferor"), the undersigned hereby certifies the following on behalf of Transferor:

1. Transferor is not a foreign corporation, foreign partnership, foreign trust or foreign estate (as those terms are defined in the Code and the Income Tax Regulations);

2. Transferor is not a disregarded entity as defined in Section 1.1445-2(b)(2)(iii);

3. Transferor's United States taxpayer identification number is 27-1276534;

4. Transferor's office address is 102, 7909 Flint Road, Se Calgary, Canada; and

5. Transferor understands that this certification may be disclosed to the Internal Revenue Service and that any false statement contained herein could be punished by fine, imprisonment, or both.

[Signature follows on the next page]

Under penalties of perjury, I declare that I have examined this certification and to the best of my knowledge and belief it is true, correct, and complete, and I further declare that I have authority to sign this document on behalf of Transferor.

Dated as of March___, 2014.

AMERICAN EDGE INSURANCE SERVICES LTD.

By: ______________________________

Name:

Title:

NON-FOREIGN PERSON CERTIFICATION

Section 1445 of the Internal Revenue Code of 1986, as amended (the "Code"), provides that a transferee of a U.S. real property interest must withhold tax if the transferor is a foreign person or entity. To inform the transferee that withholding of tax is not required upon the disposition of a United States real property interest from ADDISON YORK INSURANCE BROKERS LTD., a Delaware corporation ("Transferor"), the undersigned hereby certifies the following on behalf of Transferor:

1. Transferor is not a foreign corporation, foreign partnership, foreign trust or foreign estate (as those terms are defined in the Code and the Income Tax Regulations);

2. Transferor is not a disregarded entity as defined in Section 1.1445-2(b)(2)(iii);

3. Transferor's United States taxpayer identification number is 98-0377061;

4. Transferor's office address is 102, 7909 Flint Road, Se Calgary, Canada; and

5. Transferor understands that this certification may be disclosed to the Internal Revenue Service and that any false statement contained herein could be punished by fine, imprisonment, or both.

[Signature follows on the next page]

Under penalties of perjury, I declare that I have examined this certification and to the best of my knowledge and belief it is true, correct, and complete, and I further declare that I have authority to sign this document on behalf of Transferor.

Dated as of March___, 2014.

ADDISON YORK INSURANCE BROKERS LTD.

By: ___________________________
Name:
Title:

SCHEDULE 6(f)

FINANCIAL STATEMENTS

[ATTACHED]

A 7

Virginia: Addison York (Retail Agency) and American Edge (MGA)
Profit and Loss Statements

		Actual FY ending March 31, 2010		Actual FY ending March 31, 2011		Actual FY ending March 31, 2012		Actual FY ending March 31, 2013	
Revenues									
Commission & Fees		[redacted]							
Application Fees									
Other Fees									
Contingency Commission									
	Contra	(4,473)		(384,318)	-14%	(483,742)	-15%	(357,236)	-11%
Revenue		[redacted]							
Operating Expenses									
Salaries and wages		1,228,213	46%	1,598,140	56%	1,745,496	55%	1,629,594	52%
	Contra	(4,473)		(384,318)		(483,742)		(357,236)	
		1,223,740		1,213,822		1,261,754		1,272,358	
Rent		281,622	11%	287,042	10%	275,515	9%	269,608	9%
Advertising		368,243	14%	286,761	10%	257,814	8%	257,314	8%
Telephone		65,526	2%	67,667	2%	67,556	2%	63,335	2%
MVR's		11,800	0%	48,089	2%	52,750	2%	27,694	1%
Insurance									
E&O		26,916	1%	25,905	1%	22,040	1%	18,861	1%
Workmen's comp		2,894	0%	3,039	0%	1,207	0%	2,397	0%
Other		12,940	0%	12,852	0%	13,201	0%	17,916	1%
Bank Fees		13,403	1%	29,110	1%	50,424	2%	38,047	1%
Other G&A Expenses		227,235	9%	562,424	20%	751,810	24%	769,302	24%
Total Operating Expenses		[redacted]							
EBITDA		[redacted]							
Normalization									
	Consultant	[redacted]							
	Telephone expense								
	Advertising								

Notes:

C:\Users\mbhatia\Documents\Strategy meeting\VA sale 2014\Historical EBITDA - Virginia AY and AE from 2005

Virginia: Addison York (Retail Agency) and American Edge (MGA)
Profit and Loss Statements

	Actual FY ending March 31, 2011		Actual FY ending March 31, 2012		Actual FY ending March 31, 2013	
Revenues						
Commission & Fees	[redacted]	94%	[redacted]	98%	[redacted]	95%
Application Fees	[redacted]	10%	[redacted]	9%	[redacted]	9%
Other Fees	[redacted]	9%	[redacted]	8%	[redacted]	7%
Contingency Commission	[redacted]	1%	[redacted]	0%	[redacted]	0%
Contra	[redacted]	-14%	[redacted]	-15%	[redacted]	-11%
Revenue	[redacted]	100%	[redacted]	100%	[redacted]	100%
Operating Expenses						
Salaries and wages	1,598,140	56%	1,745,496	55%	1,629,594	52%
Contra	(384,318)		(483,742)		(357,236)	
	1,213,822		1,261,754		1,272,358	
Rent	287,042	10%	275,515	9%	269,608	9%
Advertising	286,761	10%	257,814	8%	257,314	8%
Telephone	67,667	2%	67,556	2%	63,335	2%
MVR's	48,089	2%	52,750	2%	27,694	1%
Insurance						
E&O	25,905	1%	22,040	1%	18,861	1%
Workmen's comp	3,039	0%	1,207	0%	2,397	0%
Other	12,852	0%	13,201	0%	17,916	1%
Bank Fees	29,110	1%	50,424	2%	38,047	1%
Other G&A Expenses	562,424	20%	751,810	24%	769,302	24%
Total Operating Expenses	2,536,709	103%	2,754,071	101%	2,736,833	98%
EBITDA	[redacted]	11%	[redacted]	14%	[redacted]	13%
Normalization						
Consultant	[redacted]		[redacted]		[redacted]	
Telephone expense	[redacted]		[redacted]		[redacted]	
Advertising	[redacted]		[redacted]		[redacted]	
	[redacted]		[redacted]		[redacted]	

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Virginia: Addison York (Retail Agency) and American Edge (MGA)
Profit and Loss Statements

	Actual FY ending March 31, 2011		Actual FY ending March 31, 2012		Actual FY ending March 31, 2013	
Revenues						
Commission & Fees	[redacted]	94%	[redacted]	98%	[redacted]	95%
Application Fees	[redacted]	10%	[redacted]	9%	[redacted]	9%
Other Fees	[redacted]	9%	[redacted]	8%	[redacted]	7%
Contingency Commission	[redacted]	1%	[redacted]	0%	[redacted]	0%
Contra	[redacted]	-14%	[redacted]	-15%	[redacted]	-11%
Revenue	[redacted]	100%	[redacted]	100%	[redacted]	100%
Operating Expenses						
Salaries and wages	1,598,140	56%	1,745,496	55%	1,629,594	52%
Contra	(384,318)		(483,742)		(357,236)	
	1,213,822		1,261,754		1,272,358	
Rent	287,042	10%	275,515	9%	269,608	9%
Advertising	286,761	10%	257,814	8%	257,314	8%
Telephone	67,667	2%	67,556	2%	63,335	2%
MVR's	48,089	2%	52,750	2%	27,694	1%
Insurance						
E&O	25,905	1%	22,040	1%	18,861	1%
Workmen's comp	3,039	0%	1,207	0%	2,397	0%
Other	12,852	0%	13,201	0%	17,916	1%
Bank Fees	29,110	1%	50,424	2%	38,047	1%
Other G&A Expenses	562,424	20%	751,810	24%	769,302	24%
Total Operating Expenses	2,536,709	103%	2,754,071	101%	2,736,833	98%
EBITDA	[redacted]	**11%**	[redacted]	**14%**	[redacted]	**13%**
Normalization						
Consultant	[redacted]		[redacted]		[redacted]	
Telephone expense	[redacted]		[redacted]		[redacted]	
Advertising	[redacted]		[redacted]		[redacted]	
	[redacted]	**17%**	[redacted]	**19%**	[redacted]	**18%**

Virginia: Addison York (Retail Agency) and American Edge (MGA)
Profit and Loss Statements

	Actual FY ending March 31, 2011		Actual FY ending March 31, 2012		Actual FY ending March 31, 2013	
Revenues						
Commission & Fees	[redacted]	94%	[redacted]	98%	[redacted]	95%
Application Fees	[redacted]	10%	[redacted]	9%	[redacted]	9%
Other Fees	[redacted]	9%	[redacted]	8%	[redacted]	7%
Contingency Commission	[redacted]	1%	[redacted]	0%	[redacted]	0%
Contra	[redacted]	-14%	[redacted]	-15%	[redacted]	-11%
Revenue	[redacted]	100%	[redacted]	100%	[redacted]	100%
Operating Expenses						
Salaries and wages	1,598,140	56%	1,745,496	55%	1,629,594	52%
Contra	(384,318)		(483,742)		(357,236)	
	1,213,822		1,261,754		1,272,358	
Rent	287,042	10%	275,515	9%	269,608	9%
Advertising	286,761	10%	257,814	8%	257,314	8%
Telephone	67,667	2%	67,556	2%	63,335	2%
MVR's	48,089	2%	52,750	2%	27,694	1%
Insurance						
E&O	25,905	1%	22,040	1%	18,861	1%
Workmen's comp	3,039	0%	1,207	0%	2,397	0%
Other	12,852	0%	13,201	0%	17,916	1%
Bank Fees	29,110	1%	50,424	2%	38,047	1%
Other G&A Expenses	562,424	20%	751,810	24%	769,302	24%
Total Operating Expenses	2,536,709	103%	2,754,071	101%	2,736,833	98%
EBITDA	[redacted]	11%	[redacted]	14%	[redacted]	13%
Normalization						
Consultant	[redacted]		[redacted]		[redacted]	
Telephone expense	[redacted]		[redacted]		[redacted]	
Advertising	[redacted]		[redacted]		[redacted]	
	[redacted]		[redacted]		[redacted]	

Anthony Clark International Insurance Brokers Ltd.
US Operations (US$)
Consolidated Trial Balance
March 31, 2013

Consolidated Balance Sheet	[redacted]erica	[redacted]	[redacted]	[redacted]ps	Vinciguerra	American Edge	Consolidation Elimination Entries	Consolidated Total YTD US$
Cash - Operating Account	-	-	-		117,447	236,935		354,383
Restricted Cash Trust Account	-	-	-		61,099	-		61,099
Trade receivable and other	-	-	49,129		340,341	179,727	(113,472)	455,724
Receivable (payable)Intercompany Balances	(1,529,259)	-	237,351		828,634	463,273	-	-
Prepaid expenses	8,865	-	-		43,229	10,000		62,094
Investment in Addison Bay	2,037,193	-				-	(2,037,193)	-
Investment in Addison York	16,676,586	-				-	(16,676,586)	-
Investment in LCI	3,817,543	-				-	(3,817,543)	-
Capital Assets	-	-	-		42,532	6,860		49,392
Goodwill	-	-	-		4,995,993	-		4,995,993
Customer Accounts	-	-	-		-	-		-
Other intangibles	-	-	-		-	-		-
Other intangibles	-	-	-		-	-		-
Deferred Financing costs	24,596	-	-		-	-		24,596
Trade payable and accrued liabilities	(59,060)	0	(106,364)		(171,243)	(113,472)	113,472	(336,668)
Accrued liabilities - Other	-	-	-		-	-		-
Capital leases-Vinciguerra	-	-	-		(11,265)	-		(11,265)
Capital leases-Computer Hardware Vinciguerra	-	-	-		(700)	-		(700)
Long Term Debt	-	-	-		-	-		-
Long Term Debt	-	-	-		-	-		-
Long Term Debt - Emmett Loan	(3,700,000)	-	-		-	-		(3,700,000)
Long Term Debt - Brooke Loan	-	-	-		-	-		-
Partnership Interest-(ACL 1275925)	(20,929,977)	-	-		-	-		(20,929,977)
Share Capital	-	(3,817,543)	(2,037,194)		(16,676,587)	-	22,531,323	(0)
Retained (earnings) deficit	3,257,702	3,841,987	2,010,777		10,102,242	(567,013)		18,645,695
Dividend	-	-						-
Cumulative translation adjustment	-	-	-		-	-		-
	(395,809)	24,443	153,698	-	(328,278)	216,310	-	(329,634)

	[redacted]erica	[redacted]	[redacted]	[redacted]ps	Vinciguerra	American Edge	Consolidation Journal Entries	Consolidated Total YTD US$
Consolidated Income Statement YTD Results								
Revenue								
Direct Billing	-	-	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]
Agency Billing			[redacted]	[redacted]				-
Agency Fee	-	-	[redacted]	[redacted]	-	-		-
Interest income	-	-	-	-	-	-		-
Other income	-	-	(765)	[redacted]	[redacted]	[redacted]		[redacted]
Broker Commission	-	-	[redacted]	[redacted]	-	-		-
Gains/Losses- Sale of Assets		-	[redacted]	[redacted]				-
Write-off intercompany accounts	-	[redacted]	[redacted]		[redacted]		-	-
Revenue Total	-	(24,443)	(385,660)	401,258	(2,327,537)	(1,176,603)	357,236	(3,155,751)
Expenses								
Salaries and wages (Agencies)	-	-	97,810	(97,810)	1,272,358	357,236	(357,236)	1,272,358
Rent	-	-	8,431	(8,431)	269,608	-		269,608
General and administrative	143,960	-	109,853	(109,853)	594,749	600,117		1,338,826
Interest expense	251,850	-	-	-	2,595	-		254,444
Amortization of financing costs	-	-	-	-	-	-		-
Depreciation - Assets	-	-	573	(573)	11,503	2,940		14,443
Amortization - cust a/c's	-	-	15,295	(15,295)	-	-		-
Amortization -other intangible	-	-	-	-	-	-		-
Goodwill impairment	-	-	-	-	-	-		-
Income taxes-current	-	-	-	-	-	-		-
Income taxes-future	-	-	-	-	-	-		-
Management Fees		-			505,000			505,000
Discount on Loans								-
Write-off intercompany accounts							-	-
Proceeds of sale								-
Discount on Loans (per TB)		-	-		-			-
Discontinued operations				(169,296)				(169,296)
Expense Total	[redacted]	-	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]
(Net Income) Loss	[redacted]	[redacted]	[redacted]	-	[redacted]	[redacted]	-	[redacted]
Check	(0)	0	(0)		(1)	(0)	-	[redacted]
Check against each entity's TB	-	-	-		-	(1)		

Anthony Clark International Insurance Brokers Ltd.
US Operations (CDN$)
Consolidated Trial Balance
March 31, 2013

	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	Vinciguerra	American Edge	Consolidation Elimination Entries	Consolidated Total YTD CDN$
Consolidated Balance Sheet									
Cash - Operating Account	-	-		-		119,279	240,632		359,911
Restricted Cash Trust Account	-	-		-		62,052	-		62,052
Trade receivable and other	-	-		49,895		345,651	182,530	(115,242)	462,834
Receivable (payable)Intercompany Balances	(1,553,115)	-		241,054		841,561	470,500	-	-
Prepaid expenses	9,004	-		-		43,904	10,156		63,064
Investment in Addison Bay	2,068,974	-		-		-	-	(2,068,974)	-
Investment in Addison York	16,936,741	-		-		-	-	(16,936,741)	-
Investment in LCI	3,814,107	-		-		-	-	(3,814,107)	-
Property and equipment	-	-		-		43,196	6,967		50,163
Goodwill	-	-		-		5,073,931	-		5,073,931
Customer Accounts	-	-		-		-	-		-
Other intangibles	-	-		-		-	-		-
Other intangibles	-	-		-		-	-		-
Deferred Financing costs	24,980	-		-		-	-		24,980
Trade payable and accrued liabilities	(59,982)	0		(108,024)		(173,915)	(115,242)	115,242	(341,922)
Accrued liabilities - Other	-	-		-		-	-		-
Capital leases-Vinciguerra	-	-		-		(11,441)	-		(11,441)
Capital leases-Computer Hardware Vinciguerra	-	-		-		(711)	-		(711)
Long Term Debt	-	-		-		-	-		-
Long Term Debt	-	-		-		-	-		-
Long Term Debt - Emmett Loan	(3,757,720)	-		-		-	-		(3,757,720)
Long Term Debt - Brooke Loan	-	-		-		-	-		-
Partnership Interest-(ACL 1275925)	(24,406,531)	-		-		-			(24,406,531)
Share Capital	-	(3,814,107)		(2,068,974)		(16,936,741)	-	22,819,822	0
Retained (earnings) deficit	6,450,411	3,872,855		2,038,416		10,267,362	(565,491)		22,063,553
Dividend	-	-		-		-			-
Reclassification adjustment relating to disposed foreign operations		(33,924)		(236)					(34,160)
Cumulative translation adjustment	77,878	-				(2,689)	(13,276)		61,913
	(395,253)	24,824	-	152,131	-	(328,563)	216,776	-	(330,083)

Consolidated Income Statement YTD Results

	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	Vinciguerra	American Edge	Consolidation Journal Entries	Consolidated Total YTD CDN$
Revenue									
Direct Billing	-	-	-	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]
Agency Billing			-	[redacted]	[redacted]				-
Agency Fee	-	-	-	[redacted]	[redacted]	-	-		-
Interest income	-	-	-	-		[redacted]	[redacted]		[redacted]
Other income	-	-	-	[redacted]	[redacted]	[redacted]	[redacted]		[redacted]
Broker Commission	-	-	-		-	-	-		-
Gains/Losses- Sale of Assets		-	-	[redacted]	[redacted]				-
Write-off intercompany accounts	-	[redacted]	-	[redacted]		[redacted]		-	0
Revenue Total	-	(24,825)	-	(384,643)	400,485	(2,331,356)	(1,178,279)	357,788	(3,160,830)
Expenses									
Salaries and wages (Agencies)	-	-	-	97,928	(97,928)	1,274,131	357,788	(357,788)	1,274,131
Rent	-	-	-	8,441	(8,441)	269,972	-		269,972
General and administrative	143,237	-	-	110,256	(110,256)	595,608	600,771		1,339,616
Interest expense	252,016	-	-	-	-	2,592	-		254,608
Amortization of financing costs	-	-	-	-	-	-	-		-
Depreciation - Assets	-	-	-	573	(573)	11,513	2,944		14,457
Amortization - cust a/c's	-	-	-	15,313	(15,313)	-	-		-
Amortization -other intangible	-	-	-	-	-	-	-		-
Goodwill impairment	-	-	-	-	-	-	-		-
Income taxes-current	-	-	-	-	-	-	-		-
Income taxes-future	-	-	-	-	-	-	-		-
Management Fees		-			-	506,103			506,103
Write-off intercompany accounts	-		-	-	-	-	-	-	-
Proceeds of sale	-		-	-	-	-	-	-	-
Discount on Loans (per TB)	-			-	-	-	-	-	-
Discontinued operations	-		-	-	(167,973)	-	-	-	(167,973)
Discount on Loans	-	-		-	-	-	-	-	-
Expense Total	[redacted]	-	-	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]
(Net Income) Loss	[redacted]	[redacted]	-	[redacted]	-	[redacted]	[redacted]	-	[redacted]
Check	0	(0)	-	0	-	(0)	(0)	-	0
Check against each entity's TB	-	-		-		1	-		

SCHEDULE 6(h)

TAX RETURNS

Tax Returns provided to Purchaser.

SCHEDULE 6(i)

CLAIMS AND LITIGATION

None

SCHEDULE 6(k)

LICENSES

None

SCHEDULE 6(l)

EMPLOYEES

Location	Name	Position
Newtown	[redacted]	Agent/Office Mgr
Newtown	[redacted]	CSR
Cromwell	[redacted]	CSR
Cromwell	[redacted]	Agent/Office Mgr
Cromwell	[redacted]	Agent
Cromwell	[redacted]	Agent
Portsmouth	[redacted]	CSR
Portsmouth	[redacted]	Agent
Portsmouth	[redacted]	Agent/Office Mgr
Lynnhaven	[redacted]	CSR
Lynnhaven	[redacted]	Agent/Office Mgr
Suffolk-Constance	[redacted]	Agent
Suffolk-Constance	[redacted]	CSR
Suffolk-Holladay	[redacted]	Agent/Office Mgr
Suffolk-Holladay	[redacted]	CSR
Poplar Hall	[redacted]	Agent
Poplar Hall	[redacted]	CSR
Poplar Hall	[redacted]	Agent/Office Mgr
Poplar Hall	[redacted]	Agent
Hampton	[redacted]	Agent
Hampton	[redacted]	CSR

Hampton	Shintina Garris	Agent
Hampton	[redacted]	Agent/Office Mgr
Chesapeake	[redacted]	CSR
Chesapeake	[redacted]	Agent/Office Mgr
Widgeon	[redacted]	CSR
Widgeon	[redacted]	Agent
Green Run	[redacted]	Agent/Office Mgr
Green Run	[redacted]	CSR
Newtown	[redacted]	Agent/Adm Asst
Newtown/Located in KS	[redacted]	Accounting/Human Resources Mgr
Newtown	[redacted]	IT/Operations Mgr
Newtown	[redacted]	Sales/Operations Mgr

SCHEDULE 6(o)

RELATED PARTIES

None

SCHEDULE 6(q)

DOI COMMUNICATIONS

None

SCHEDULE 6(r)

COMPUTER SYSTEMS

Operating Systems

Windows XP at all remote locations (RDP)

Windows 7 at main office (Newtown)

Server Make and Models

Dell Power Edge T110

Systemax

HP Proliant ML110G7

Hp Proliant ML150G7

Dell Power Edge 2950

Computer Systems

Agency Management – Hawksoft

Comparative Rater – ITC

Accounting - Quickbooks

SCHEDULE 6(t)

CONTRACTS

1. Insurance Company Agency Agreement dated February 22, 2013 by and between West Virginia National Auto and Addison York Insurance Brokers, Ltd.
2. Producer's Agreement dated April 1, 2008 by and between The Vision Insurance Group, LLC and Addison York Insurance Brokers, Ltd., as amended by that 2014 Commission Override Agreement executed November 25, 2013, as further amended by that certain Agency Contingent Bonus Agreement executed January 16, 2014
3. Producer's Agreement dated December 4, 2008 by and among Progressive American Insurance Co., Progressive Casualty Insurance Co., Progressive Classic Insurance Co., Progressive Gulf Insurance Company, Progressive Halcyon Insurance Co., Progressive Max Insurance Company, Progressive Mountain Insurance Co., Progressive Northwestern Ins. Co., Progressive Preferred Insurance Co., Progressive Specialty Insurance Co., United Financial Casualty Company and Addison York Insurance Brokers, Ltd., as amended by that certain Trademark License Addendum dated December 4, 2008
4. Agency Agreement dated December 5, 2013 by and between Agency Insurance Company of Maryland, Inc. and Addison York Insurance Brokers, Ltd., as amended by that 2014 Contingency Plan, undated.
5. Agency Agreement dated October 10, 2008 by and among GMAC Insurance, CIM Insurance Corporation, MIC Property and Casualty Insurance Corporation, Integon Preferred Insurance Company, Integon Indemnity Corporation, Integon General Insurance Corporation, New South Insurance Company, Integon Specialty Insurance Company, Integon National Insurance Company, Integon Casualty Insurance Company and Addison York Insurance Brokers, Ltd., as amended by an Addendum dated January 24, 2011
6. Virginia Agent Agreement executed January 26 (no year referenced) by and among Mercury Casualty Company, American Mercury Insurance Company and Addison York Insurance Brokers, Ltd.
7. Producer Agreement dated October 21, 2008 by and between Dairyland Insurance Company and Addison York Insurance Brokers, Ltd.
8. Agency Agreement, undated, by and between Permanent General Assistance Corporation and Addison York Insurance Brokers, Ltd.
9. Virginia Agency Company Agreement (Private Passenger Auto) dated October 10, 2011 by and between Alpha Property and Casualty Insurance Company (Unitrin Specialty) and Addison York Insurance Brokers, Ltd.
10. Producer Agreement dated October 21, 2008 by and between Peak Property and Casualty Insurance Corporation and Addison York Insurance Brokers, Ltd.

11. Agency Agreement dated September 14, 2012 by and between MGA Insurance Company, Inc. and Addison York Insurance Brokers, Ltd.
12. Producer Agreement dated January 21, 2009 by and between Victoria Fire & Casualty Company and Addison York Insurance Brokers, Ltd., as amended by that Addendum to Producer Agreement, undated.
13. Producer Agreement, undated, by and between U.S. Insurance Services, Inc. and Addison York Insurance Brokers, Ltd.
14. [redacted] Insurance of Virginia, LLC (no agreement exists).
15. All Lease Agreements listed on Exhibit C

SCHEDULE 6(u)

MGA PROGRAM

[redacted]

Confidential