

NO1 000006569

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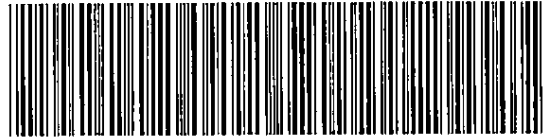
(Business Entity Name)

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TALLAHASSEE, FL

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Brewer Long

BUSINESS LAW

July 2, 2024

Via FedEx

Florida Division of Corporations
The Centre of Tallahassee
2415 N Monroe Str Ste 810
Tallahassee, FL 32303

Re: Embrace Families Community Based Care, Inc.
Document No. N01000006569
Plan of Distribution of Assets

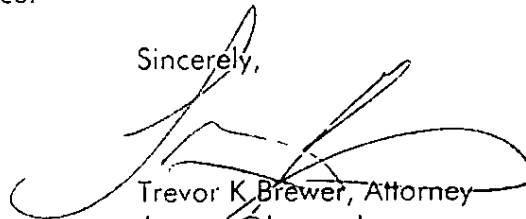
Sir or Madam:

Please find enclosed for filing on behalf of Embrace Families Community Based Care, Inc., pursuant to the requirement of Section 617.1406(4), Florida Statutes, a copy of the Plan of Distribution of Assets authenticated by an officer of the corporation and containing the officer's certificate of compliance with the requirements of Section 617.1404(2), Florida Statutes.

A check for the filing fee in the amount of \$35.00 is also enclosed.

Thank you for your assistance.

Sincerely,



Trevor K. Brewer, Attorney
tbrewer@brewerlong.com

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Encls.

EMBRACE FAMILIES COMMUNITY BASED CARE, INC.

PLAN OF DISTRIBUTION OF ASSETS

The officers and directors of EMBRACE FAMILIES COMMUNITY BASED CARE, INC. (hereinafter referred to as the "Corporation"), and their designated agents, are directed to:

a. Pay and discharge all liabilities and obligations of the Corporation, or make adequate provisions therefor, to the extent of the assets currently in the possession and control of the Corporation, which may be used for such purpose, and any such assets which may in the future come into the possession and control the Corporation;

b. Return, transfer, and convey assets held by the Corporation upon condition that the same be returned, transferred, or conveyed upon the dissolution of the Corporation, in accordance therewith;

c. Transfer and convey assets held by the Corporation subject to limitations permitting their use only for charitable, benevolent, or similar purposes to one or more corporations, trusts, societies, or organization engaged in activities substantially similar to those of the Corporation; and

d. Distribute other assets, if any, to one or more organizations qualified as exempt under Section 501(c)(3) of the Internal Revenue Code of 1986, and the applicable rules and regulations thereunder, in accordance with the Articles of Incorporation of the Corporation.

All in accordance with the statement attached hereto as Exhibit A and incorporated herein by this reference.

[Officer's Authentication and Certificate of Compliance Follows]

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SEATTLE

EXHIBIT A

Dollar amounts are for informational purposes. They do not indicate a final hard amount to be paid.

1. Current Assets
 - a. Inventory
 - i. Non Cash
 1. Homes
 - ii. Cash
 1. Bank Accounts – **Numbers may fluctuate based on decisions made at the Board meeting**
 - a. Available Cash
 - i. Wells Fargo Programs Account - \$ [•]
 - ii. Wells Fargo Operating Account - \$ [•]
 - iii. Wells Fargo Temporary Restricted Account - \$ [•]
 - iv. First Horizon Operating - \$ [•]
 - b. Not Available Cash
 - i. Wells Fargo Master Trust - \$ [•]
 - ii. Wells Fargo Master Trust 2 - \$ [•]
 - iii. First Horizons Master Trust - \$ [•]
 - iv. First Horizons Master Trust 2 - \$ [•]
 - v. First Horizons Temporary Restricted Account - \$ [•]
 - vi. Wells Fargo restricted for credit card debt - \$ [•]
 - vii. First Horizon Programs Account - \$ [•]
 2. Security Deposits on lease agreements to be reimbursed by Brevard - \$ [•]
 3. Accounts Receivables
 - a. Strong Foundations Cooperative Agreement with Children's Bureau – remaining under the contract - \$ [•]
 - b. Concerning restricted assets, what are the restrictions?
 - i. The homes are restricted for limited use to serve the homeless
 - c. Are there restricted assets that can be sold in a reasonable time and at a reasonable cost?
 - i. No. Due to the restrictions on the homes, they cannot be sold and thus needed to be transferred to another non-profit organization.
 2. Current Liabilities
 - a. Inventory
 - i. Fiduciary Obligations for funds held in Master Trust
 - ii. Dissolution Expenses
 1. Legal Fees
 - a. Trevor Brewer \$ [•]
 - b. Nelson Mullins \$ [•]

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2. Trustee Expenses - \$ [•]
 3. Audit and Accounting Expenses - \$ [•]
 4. County Taxes - \$ [•] to be set aside (2023 that is owed to Orange County is \$ [•])
 - iii. Unclaimed Property (Checks that have not cleared) - \$ [•]
 - iv. Embrace Families Loans
 1. \$ [•] loan to CBC for Child Welfare Operations
 2. \$ [•] start up expenses of Keys and Strong Foundations
 - v. Lease for West Orange County – present value to pay out the lease is \$ [•] – not counting annual taxes and other annual expenses
 - vi. CHS Law Suit Pending – demand of \$ [•]
 - vii. Expenses incurred by Case management in fiscal years 2022-2023 and 2023-2024 beyond contract but legitimate expenses
 1. Gulf Coast - \$ [•]
 2. One Hope United - \$ [•]
 - viii. Personal Injury Law Suits Pending
 1. \$ [•] deductible on each claim – covered by Captive Insurance
 - ix. Strong Foundation Contracts - \$ [•]
 - x. Amico Family donation – there is a request to return all unused funds
 1. Amount unspent from initial donation - \$ [•]
 - xi. DCF contractual restrictions on \$ [•] of Wells Fargo Operating Account to be used for limited purposes
 - xii. Accounts Payable for providers – \$ [•]
 - b. Do any of the liabilities have restrictions or priority over others (as stated in their originating documents)?
 - i. Funds held in Master Trust Accounts are only available for fiduciary purposes.
 - ii. Obligation to return Amico Family donation to donor
 - iii. Dissolution Expenses need to be first and put in reserve
 - iv. Existing Cash Management policy priorities
 - c. There are no liabilities secured by lien on specific assets
3. Non-Cash Assets
- a. Inventory
 - i. Homes with Restricted Use Covenants
 1. Board has agreed to transfer these homes to Seminole Housing Solutions an LLC controlled by RISE Community Solutions
4. For each liability, what should happen to it?
- a. First set aside
 - i. Expenses for dissolution
 - ii. Funds held in Master Trust Accounts to be transferred to beneficiaries or new fiduciaries
 - iii. Unclaimed property to be returned to the State of Florida Unclaimed Property
 - iv. Funds needed to fulfill obligations under Keys to Independence and Strong Foundations

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- b. Second, transfer restricted covenant houses to Seminole Housing Solutions.
 - c. Third, deprioritize the following liabilities:
 - i. Loan to Embrace Families
 - ii. Liability of rent to West Orange County building
 - iii. Restrictions on DCF funds
 - iv. CHS law suit
 - d. There remains approximately \$ [•] available cash excluding dissolution set asides and known unpayables and \$ [•] accounts payable liabilities. There following is the recommendation of the staff:
 - i. Divide all the accounts payable into six categories:
 - 1. Services provided directly to clients – roughly \$ [•]
 - 2. Business expenses including EF bills that are pass through business expenses - roughly \$ [•]
 - 3. Small Group Homes – roughly \$ [•]
 - 4. Large Group Homes - roughly \$ [•]
 - 5. Case Management – roughly \$ [•]
 - 6. EF Management fees - roughly \$ [•]
 - ii. Pay the following 100%:
 - 1. Services provided directly to clients – roughly \$ [•]
 - 2. Business expenses including EF bills that are pass through business expenses - roughly \$ [•]
 - 3. Small Group Homes – roughly \$ [•]
 - iii. Pay Large Group Homes and Case Management a percentage of what is owed – start by paying across the board [•] % if there is remaining funds continue to increase by [•] % until all have been paid or no funds remain
 - iv. If after Large Group Homes and Case Management have been paid, pay what ever can be of the EF Management fee
 - e. Is another party going to assume the liability?
 - i. There is no expectation that any party will assume any of our liabilities. However, DCF has an interest in ensuring an ongoing system of care to serve the clients and may want to ensure that the providers are made whole.
5. There are no assets left over
- a. If there are any assets left over the priority on payment would be:
 - i. Payment to providers who were late in submission of their invoices after May 15;
 - ii. If any money is left after paying case management for client related funds, payment to Embrace Families and DCF
 - 1. 50% to Embrace Families to repay the promissory notes
 - 2. 50% to DCF to pay back restricted dollars unspent
6. Cash Accounts Distribution Summary
- a. Wells Fargo restricted account for credit card will be used for legal, audit and accounting expenses
 - b. Remaining Dissolutions expenses will be maintained in the First Horizons Temporary Restricted Accounts

- c. First Horizons Program Account will be used for ongoing income and expenses related to Strong Foundations Activity
- d. Master Trust Accounts will remain intact until transferred to clients or new agency as trustee
- e. All remaining accounts will be used for the payment of expenses as approved above

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EMBRACE FAMILIES COMMUNITY BASED CARE, INC.

PLAN OF DISTRIBUTION OF ASSETS

Officer's Authentication and Certificate of Compliance

The undersigned officer of EMBRACE FAMILIES COMMUNITY BASED CARE, INC. (hereinafter referred to as the "Corporation") does hereby authenticate the foregoing as being a true and accurate restatement of the Plan of Distribution of Assets (the "Plan") adopted by the Board of Directors of the Corporation, provided preliminary and unverified amounts included for information of the Board of Directors at the time of adoption have been redacted. Further, the undersigned officer does hereby certify that the Corporation has no members and that the Plan was adopted on May 30, 2024 at a meeting of the Board of Directors of the Corporation by a majority vote of the directors the in office.

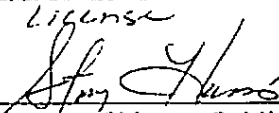

GERARD F. GLYNN, CEO

Date: 6/26/24

STATE OF FLORIDA)
)
COUNTY OF ORANGE)

The foregoing instrument was acknowledged before me, by means of ☒ physical presence or ☐ online notarization, this 26th day of May, 2024, by GERARD F. GLYNN, who ☐ is personally known to me or ☒ produced Florida Drivers License as identification.

[Notary Seal]


Signature of Notary Public



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