IN THE UNITED STATES DISTRICT COURT
FOR THE WESTERN DISTRICT OF NORTH CAROLINA
CHARLOTTE DIVISION

UNITED STATES OF AMERICA, Plaintiff, v. GREG E. LINDBERG, Defendant.	Case No. 3:23-CR-48-MOC

SUPPLEMENT TO REPORT AND RECOMMENDATIONS REGARDING RESTITUTION

NOW COMES Joseph W. Grier, III, as special master appointed pursuant to 18 U.S.C. § 3664(d)(6) (the "Special Master"), by and through counsel, who hereby files this *Supplement* (this "Supplement") to the Special Master's *Report and Recommendations Regarding Restitution* filed in this Case on April 3, 2026 (Doc. No. 106) (the "Report"),[1] and respectfully represents to the Court as follows:

I. SUMMARY OF STATUS OF RESTITUTION ANALYSIS

The Report seeks entry of a *preliminary* order from the Court establishing: (A) the persons due restitution in this Case; and (B) those persons' outstanding restitution losses. The goal is to have a general sense of how much the Defendant owes in restitution going into the sentencing hearing currently scheduled in this Case for May 26, 2026. However, given the size, multitude, and complexity of the transactions integral to this Case, the Special Master envisions continuing to work with the Defendant, the government, and those due restitution during the ninety (90) day period following sentencing to refine the restitution calculation—**concerning a discrete set of**

[1] Capitalized terms not otherwise defined in this Supplement shall have the meanings prescribed in the Report.

open items identified in this Supplement—as part of the process of proposing a *final* restitution order to the Court.

The Special Master has worked closely with Defendant's counsel and the government to reach consensus on as many victim restitution issues as possible and, indeed, has resolved the vast majority of those issues through the recommendations appearing in the Report. But, as itemized in the Defendant's response to the Report filed on May 4, 2026 (Doc. No. 132) ("Defendant's Response"), Defendant disagrees with some of the Special Master's recommendations. As explained in this Supplement, while the Special Master continues to recommend that the Court disregard nearly all of the positions articulated in Defendant's Response, some of the arguments made by Defendant warrant further investigation, namely potential offsets: (1) for net proceeds generated from the sale of what has been termed "zero coupon bonds"; (2) for recoveries greater than principal for loan assets that were excluded from the MOU/IALA (sometimes referred to as "Non-IALA Assets"); and (3) for payments on account of preferred equity in a specific Primary Restitution Asset and payments from the sale of "Finnazen/Blue Violet."

Similarly, various interested persons submitted written responses taking issue with several aspects of the Report. The Special Master agrees with some of those positions and has adjusted the restitution calculations accordingly, as set forth later in this Supplement. In addition, the Special Master tends to agree with other positions advanced in those responses but needs additional time following the sentencing hearing to investigate and calculate any adjustments to the restitution recommendation, namely potential increases in the base restitution amount(s) for: (1) recoveries less than principal on Non-IALA Assets; and (2) transfers to SFL/SASL (defined below). Finally, the Special Master continues to disagree with many of the arguments made in the written responses, which are also detailed below.

Although the Special Master needs more time to make final recommendations on a handful of outstanding restitution issues specifically itemized in this supplement, the Special Master predicts that the bottom-line restitution amount recommended for the final restitution order will **NOT** meaningfully deviate from the numbers proposed herein. Through this Supplement, the Special Master not only addresses the arguments made by Defendant and other interested persons but also concludes by adjusting the Special Master's calculations based on some of these arguments, including by tendering a new proposed preliminary restitution order contemporaneously with this Supplement. A redline comparing the revised proposed preliminary restitution order to the proposed preliminary restitution order attached to the Report is attached hereto as Exhibit A.

II. REPLY TO RESTITUTION REPORT RESPONSES

A. Defendant's Response

1. INCLUSION OF INTEREST ON PRINCIPAL AMOUNT TAKEN

As Defendant's Response acknowledges, a number of circuits have allowed prejudgment interest to be included in a restitution order under the MVRA. *See, e.g.*, *U.S. v. Qurashi*, 634 F.3d 699, 704 (2d Cir. 2011) and *U.S. v. Fike*, 140 F.4th 351, 356 (6th Cir. 2025) (collecting cases). "A clear majority of our sister circuits have interpreted the MVRA and its predecessor, the Victim and Witness Protection Act of 1982 . . . to permit an award of prejudgment interest when it more fully compensates the victim's loss." *Fike* at 356. In both of those cases, the stolen property was money and the courts determined that the award of interest as a part of restitution was proper. In *U.S. v. Hoyle*, 33 F.3d 415, 420 (4th Cir. 1994), Chief Judge Ervin, in affirming a decision from Judge Robert D. Potter, held "the [district] court did not abuse its discretion by using that figure [principal with interest] for restitution."

Although money is fungible, \$1.00 taken in 2016 is not identical to \$1.00 paid in 2026. Recognizing that reality is NOT appeasing a victim's "disappointed expectations" or providing the victim the benefit of any bargain; indeed, the Special Master disagreed with those victims that sought interest at the rate agreed to by Defendant pursuant to contract. For these reasons, the Special Master maintains his initial recommendation that a time value of money interest component be included as part of the restitution calculation.

2. <u>Starting IALA Balances</u>

Defendant's Response observes that the Special Master's starting point for IALA balances deviates from what was initially agreed to by Defendant and third-party neutrals appointed to rehabilitate (and later wind down) Defendant's insurance companies, which figures were also included in verified statements by those neutrals; therefore, Defendant's Response posits, the Special Master's numbers must be incorrect.

The Special Master's financial advisors worked diligently with those court-appointed neutrals to gain as much clarity around the pertinent figures and calculations as possible under the circumstances, refining those numbers to more accurately reflect restitution reality. In the opinion of the Special Master, the Special Master's financial advisors' adjustments to the numbers previously reported by third party neutrals improve the efficacy of the pertinent calculations for restitution purposes and, thus, are more accurate and justifiable in the context of assessing restitution.

Many of the adjustments made benefited victims, but many adjustments benefited the Defendant. Notably, many of the arguments advanced in Defendant's Response seek to remedy the third-party neutrals' accounting of transactions that Defendant perceives to be incorrect. If it is appropriate to deviate from the accounting done by those responsible for liquidating Defendant's insurance companies when it favors Defendant, then the same should be true when the improvements to the methodologies favor victims.

When the court-appointed fiduciaries assumed control of Defendant's insurance companies in order to protect policyholders, they were working with less than perfect information gathered from the documents they were able to obtain from Defendant and Defendant's subordinates. They're still working with less than perfect information. These neutral professionals make reports to their supervising courts based on the best information available to them at the time and are conducting processes with aims complementary, but not identical, to the criminal restitution process. Therefore, Defendant's should not be permitted to use statements by those third parties in a different context relying on less than perfect information to undermine the Special Master's conclusions. For these reasons, the Special Master makes no adjustments through this Supplement on account of this contention.

3. Transfer of Preferred Equity to ULICO

The Special Master stands by the assertions made concerning this potential offset in the Report (Doc. Noc. 106, at 23–24) and makes no adjustments through this Supplement on account of this contention. This preferred equity position in a closely-held company is not freely transferable because the underlying company's lenders reserve a veto right over any equity transfers. For example, when Defendant tried to convey his interest in the same company to the Special Master, those same lenders blocked the transfer to the Special Master. In the opinion of the Special Master, this sort of restriction is not "standard protocol" or "a normal part of any sale." Furthermore, there is no market exchange or other mechanism to quickly liquidate this sort of position in a closely-held company into cash. ULICO is very motivated to convert this preferred equity position into cash. As soon as it does, the cash received will offset any restitution awarded by the Court in favor of ULICO/PBLA.

4. EXPENSE REIMBURSEMENTS TO SNIC

Again, the Special Master stands by the assertions made concerning this potential offset in the Report (Doc. Noc. 106, at 24) and makes no adjustments through this Supplement on account of this contention. Defendant sought to postpone the liquidation of SNIC when SNIC's third-party neutrals were ready to convert from rehabilitation to liquidation. To induce SNIC's fiduciaries to go along with this, Defendant promised to reimburse SNIC for operating expenses to be incurred on a go-forward basis, which Defendant did for a while (approximately $28 million total) until he defaulted on this obligation and SNIC thereafter converted from rehabilitation to liquidation. Because this transaction was a separate arrangement for which Defendant received new and independent consideration, the Special Master does not view the approximately $28,000,000 as a "return of the property" taken from SNIC at the outset.

Defendant's Response argues that Defendant's receipt of new consideration in exchange for a subsequent payment of money to a victim is irrelevant to restitution; rather, after a defendant takes money, any payment of money back to a victim should reduce restitution, even if the defendant received something new in return for the subsequent payment. This defies common sense. Take this hypothetical: a defendant robs a hot dog stand of $50; the next day, the defendant returns to the stand and purchases a hot dog for $5. In that situation, when calculating restitution owed by the defendant, the entire $50 remains owed because when the defendant returned the next day and gave the vendor $5, the defendant was not paying back some of the $50 that was stolen but rather was purchasing something new. The same principle must apply here.

5. CASH PAYMENTS TO PRE-DESIGNATED RESTITUTION PARTIES NOT INCLUDED

Defendant seeks an aggregate credit of $79.6 million for various cash payments made to the Pre-Designated Restitution Parties. *See* Doc. No. 132, at 21–22. To the extent Defendant seeks a $5,000,000 credit for a transaction fee paid to CBL in connection with a debt restructuring, the

Special Master stands by the assertions made concerning this potential offset in the Report (Doc. Noc. 106, at 24) and makes no adjustments through this Supplement on account of this contention. Otherwise, the remaining offsets sought—payments on account of preferred equity in a specific Primary Restitution Asset and payments from the sale of "Finnazen/Blue Violet"—warrant further investigation during the 90 days following sentencing.

6. SUBORDINATION FEE PAID TO CBL

Again, the Special Master stands by the assertions made concerning this potential offset in the Report (Doc. Noc. 106, at 24) and makes no adjustments through this Supplement on account of this contention.

7. INCOME TAX ESCROW FOR CLANWILLIAM TRANSACTION

Approximately $20 million was held back from the sale of CWG as a reserve to pay income taxes to the Irish taxing authorities. Although the buyer desired to pay these outright at closing, the Special Master (and others) disputed whether such taxes were legitimately owed to the Irish government. Had the taxes been paid at closing like the buyer of CWG proposed, then such amounts would not have reduced Defendant's restitution obligation in this Case. The Special Master remains hopeful that most of the CWG income tax escrow will not be needed to pay foreign taxes and will eventually be returned to the Special Master for distribution to victims in accordance with the CWG compromise approved by the Court. If and when that happens, Defendant will receive an offset against his restitution obligation for the amounts paid to his victims. Accordingly, the Special Master makes no adjustments—at this time—on account of this contention by Defendant.

8. <u>PROCEEDS FROM SALE OF REAL ESTATE CONTRIBUTED TO THE PBLA-ULICO TRUST</u>

This contention warrants additional investigation by the Special Master, which the Special Master intends to evaluate—along with various transfers from or to the parties due restitution on account of other "non-IALA" assets—in the 90-day period following sentencing.

9. <u>PROCEEDS FROM SALE OF "ZERO COUPON BONDS"</u>

Similarly, this contention warrants additional investigation by the Special Master, which the Special Master intends to evaluate in the 90-day period following sentencing.

10. <u>AMOUNTS TRANSFERRED TO AGERA BEFORE DEFENDANT OWNED AGERA</u>

Again, the Special Master stands by the assertions made concerning this potential offset in the Report (Doc. Noc. 106, at 25) and makes no adjustments through this Supplement on account of this contention. Multiple of the insurance companies that Defendant acquired invested in Agera before Defendant purchased those insurance companies. After Defendant purchased the insurance companies (already aware that they had invested in Agera), Defendant also purchased Agera and pumped more insurance company money into Agera. The Special Master charges Defendant with ALL of the insurance company money invested into Agera, whether before or after Defendant acquired Agera because Defendant benefited from all of the transfers into that enterprise once he agreed to own that enterprise.

11. <u>JURY DEMAND</u>

The Special Master takes no position on Defendant's demand for a jury trial on restitution issues.

12. <u>BERMUDA INSURANCE COMPANIES' SALE OF ASSETS</u>

The summary chart of open issues in Defendant's Response refers to potential additional offsets for sales of "Non-IALA Assets" by the Bermuda Insurance Companies and directs the reader to Exhibit 1 thereof for additional explanation. *See* Doc. No. 132, at 11. The summary chart in Exhibit 1, in turn, refers back to § II.F of the main body of Defendant's Response for additional clarity on this item. *See* Doc. No. 132-1, at 4. Section II.F of the Defendant's response discusses only proceeds from the sale of real estate contributed to the PBLA-ULICO trust, which is otherwise included in these summary charts. Regardless of whether this is two different groups of offsets or one, the Special Master proposes to further investigate—during the 90 days following sentencing—liquidations of "Non-IALA Assets" and to propose adjustments to the restitution figures, if appropriate.

13. Contentions in Appendices

In addition to the arguments addressed above, Defendant's Response includes requests for the Court to deviate from the Special Master's recommendation in various ways in one or more appendices. *See, e.g.*, Doc. No. 132-1. Except as otherwise provided above, the Special Master disagrees with the positions taken by Defendant in such appendices. Many of the allegations in these appendices contradict the facts discovered by the Special Master over the course of the Special Master's investigation. To the extent the appendices include facts that align with the Special Master's investigation, those facts do not justify changes to the Report's recommendations based on contrary restitution law and/or common-sense logic. Notably, these averments were excluded from the main body of Defendant's Response and were instead relegated to appendices.

B. Cell 1.16's Objection

Cell 1.16 (sometimes referred to as "Vista" in this Case) objected to the Report's exclusion of Cell 1.16 from the Special Master's group of persons due restitution in this Case. *See* Doc. No. 115. The Special Master stands by the Report's exclusion of Cell 1.16 from classification as a person due restitution (Doc. Noc. 106-3, at 22–24) and makes no adjustments through this Supplement in reaction to Cell 1.16's objection.

C. **<u>NCIC's Objection</u>**

1. MAGNITUDE OF INTEREST RATE

The NCICs argue that the time value of money interest rate implemented by the Special Master (2.19%) is too low and that an interest rate equal to at least 2.76% should be factored into the restitution calculation. *See* Doc. No. 123 at 2–3. The Special Master used the Affiliated Investment balances shown in the IALA—executed on or around June 27, 2019—as the starting point (and shortcut) to calculate restitution in large part because the records for times prior to June 27, 2019 were not readily available and/or were unreliable. The Special Master selected the yield for 30-day U.S. Treasury securities on June 27, 2019 as a conservative, risk-free rate to approximate the time value of money for the Affiliate Investment principal balances. Nothing in the NCICs' objection prompts the Special Master to voluntarily adjust the interest rate used in the Report. Nevertheless, to the extent the Court is convinced by the NCICs' objection that the 2.76% interest rate should be employed, the Special Master's financial advisors will have the revised calculations using that rate prepared.

2. NCICS' "VICTIM" STATUS

The NCICs preemptively discuss the Bermuda's Insurance Companies' argument(s): (a) that the NCICs are not direct victims of Defendant's crimes; but rather (b) that the Guaranty Associations are providers of compensation wholly subordinate in payment to the Bermuda Insurance Companies in the restitution process. *See* Doc. No. 123 at 6–8. Again, the Special Master intends to resolve this payment priority issue after the preliminary restitution order is entered—specifically during the 90-day period following sentencing—and seeks to reserve all persons' rights in this regard.

D. Conservatrix's Objection

Conservatrix objected to the Report's exclusion of Conservatrix from the Special Master's group of persons due restitution in this Case. *See* Doc. No. 130. The Special Master stands by the Report's exclusion of Conservatrix from classification as a person due restitution (Doc. Noc. 106-3, at 24–25) and makes no adjustments through this Supplement in reaction to Conservatrix's objection.

E. ULICO's Response to the Report

ULICO's brief in response to the report makes various points, some bolstering what appears in the Report, some refuting certain of the Special Master's conclusions, and some seeking certain clarifications to what will appear in the preliminary restitution order.

1. No Immediate Credit for Preferred Equity Transfer

ULICO's response supports the Special Master's view that Defendant should be given a credit for transferring certain preferred equity to ULICO as soon as ULICO is able to convert that preferred equity into cash. *See* Doc. No. 136, at 1–4. ULICO's argument is a more thorough and compelling version of what appears in the Report and in this Supplement (*see supra* § II.A.3). The Special Master makes no adjustments through this Supplement in reaction to this portion of ULICO's response.

2. Additional Harm Suffered Beyond Funds Taken

ULICO's response explains the various ways in which ULICO was harmed by Defendant's conduct beyond the loss of the funds Defendant took from ULICO. *See* Doc. No. 136, at 4–8. However, rather than arguing for the Court to increase ULICO's restitution award based on consequential, special, or other indirect—albeit real—damages, ULICO simply "reserves the right to seek restitution for the entire amount of its loss *if this Court were to accept a different methodology* from what the Special Master recommends." *Id.* at 8 (emphasis added). Thus, the

Special Master makes no adjustments through this Supplement in reaction to this portion of ULICO's response.

3. Failure to Include PBLA Main Loans

ULICO's response takes issue with the Special Master not factoring in three transfers out of the PBLA-ULICO trust totaling $16,337,025.00. *See* Doc. No. 136, at 8–9. These items implicate the broader decision by the Special Master to exclude the "PBLA Main" loans in the IALA from the restitution recommendation.

The Special Master's investigation tended to show that: (A) the loans listed in the IALA and MOU under "PBLA Main" reflected loans of funds from PBLA's primary (*i.e.*, "main") deposit account to entities affiliated with Defendant; but (B) all (or at least most) of the money that ever went into the main deposit account originated from within Defendant's empire (not insurance companies), notably including two Maltese entities known as SFL and SASL. This would mean that: (1) to the extent the original source of the funds was an insurance company, the original harm was already counted by the Special Master for restitution purposes through other IALA loans and could not be double-counted under the "PBLA Main" heading; and (2) the money did not originate with ULICO (except possibly through other IALA loans due to PBLA/ULICO, again already counted by the Special Master).

To refute these contentions, ULICO's response provides proof of three transfers from the PBLA-ULICO trust which were not previously factored into the restitution numbers by the Special Master: (i) a $8,584,800.00 transfer directly to the PBLA main account; (ii) a $5,290,255.24 transfer to SFL; and (iii) a $2,462,000.00 transfer to SASL.

The Special Master agrees to adjust his recommendation based on the $8,584,800.00 transfer, and corresponding revised restitution calculations appear later in this Supplement.

The Special Master also tends to agree that adjustments should be made for transfers to SFL and SASL directly from the insurance companies; *provided, however*, that other persons due restitution also be given the opportunity to increase their restitution figures for amounts transferred directly to SFL or SASL. It is going to take some additional time for the Special Master's financial advisors to analyze these transactions to ensure accuracy in calculation and equality in application across all persons due restitution. Accordingly, increasing restitution figures on account of transfers to SFL or SASL warrants additional investigation by the Special Master, which the Special Master intends to evaluate in the 90-day period following sentencing.

4. AMOUNTS GIVEN TO PBLA BUT NOT PASSED ALONG TO ULICO

ULICO's response takes issue with the Special Master reducing "ULICO's" restitution award by amounts paid to PBLA but not subsequently distributed by PBLA to ULICO. *See* Doc. No. 136, at 9–11. Indeed, the Report does not treat ULICO and PBLA as separate persons due restitution given the overlap between them. PBLA was established for the sole purpose of reinsuring ULICO's book of business. PBLA is now in a court-supervised liquidation proceeding for which ULICO comprises all, or substantially all, of PBLA's creditor body (net of administrative expenses). ULICO was harmed by Defendant extracting funds from ULICO through PBLA just like individual policyholders were harmed by Defendant extracting funds through Defendant's other insurance companies. But, just as the Special Master is treating the individual policyholders as indirect victims not independently entitled to restitution for the amounts the insurance companies expend in administrative costs, so too should ULICO be treated. ULICO's restitution claim exists only through PBLA (as the injured insurance company) and the timing and extent to which PBLA passes along its restitution recoveries to ULICO is a dispute between ULICO and PBLA and not something that should increase Defendant's restitution obligations. Thus, the

Special Master makes no adjustments through this Supplement in reaction to this portion of ULICO's response.

5. Requested Clarifications to Preliminary Restitution Order

ULICO's response seeks certain revisions to the form of the preliminary restitution order proposed by the Special Master. *See* Doc. No. 136, at 11–12. The Special Master accepts some of the requests and denies others, as set forth in Exhibit A to this Supplement.

F. NOLGHA's Statement in Support of the Report

NOLGHA preemptively discusses the Bermuda's Insurance Companies' argument(s): (a) that the NCICs are not direct victims of Defendant's crimes; but rather (b) that the Guaranty Associations are providers of compensation wholly subordinate in payment to the Bermuda Insurance Companies in the restitution process. *See* Doc. No. 137 at 2–4. Again, the Special Master intends to resolve this payment priority issue after the preliminary restitution order is entered—specifically during the 90-day period following sentencing—and seeks to reserve all persons' rights in this regard.

G. Bermuda Insurance Companies' Response to the Report

1. NCICs' "Victim" Status

The Bermuda Insurance Companies argue: (a) that the NCICs are not direct victims of Defendant's crimes; but rather (b) that the Guaranty Associations are providers of compensation wholly subordinate in payment to the Bermuda Insurance Companies in the restitution process. *See* Doc. No. 138 at 2–3. Again, the Special Master intends to resolve this payment priority issue after the preliminary restitution order is entered—specifically during the 90-day period following sentencing—and seeks to reserve all persons' rights in this regard.

2. Adjustments to Special Master's Calculations

a. Zeroed Out IALA Balances

The Bermuda Insurance Companies seek increases to the restitution amounts assigned to those companies in the Report, including on account of assets listed in the IALA that were fully monetized before the Special Master was appointed. *See* Doc. No. 138, at 4. The initial Report neither counts the principal amount of those loans against Defendant nor credits Defendant with any recoveries realized when those assets were turned into cash. In other words, the Special Master's analysis suffers from an inaccurate assumption that the liquidation of these previously closed-out assets generated exactly the face amount of the loan, when, in truth, there was necessarily some gain (working to decrease the restitution figure) or some loss (working to increase the restitution figure) realized. The Special Master agrees with these adjustments requested by the Bermuda Insurance Companies, and corresponding revised restitution calculations appear later in this Supplement.

b. Exclusion of Non-IALA Assets

Other of the adjustments sought by the Bermuda Insurance Companies relate to insurance company loans to entities affiliated with Defendant that, for reasons unbeknownst to the Special Master or the Bermuda Insurance Companies, were not included in the IALA and, as a result, omitted from the calculations appearing in the Report. While the Special Master tends to agree that these amounts should be taken into account, it is going to take some additional time for the Special Master's financial advisors to analyze these transactions to ensure accuracy in calculation and equality in application across all persons due restitution. Accordingly, this contention warrants additional investigation by the Special Master, which the Special Master intends to evaluate in the 90-day period following sentencing.

c. <u>PBLA Main Account</u>

The final category of adjustments requested by the Bermuda Insurance Companies relate to the "PBLA Main" transfers similarly identified in ULICO's response (*see supra* § II.E.3). As described above, while some of these transfers warrant additional due diligence, the $8,584,800.00 transfer from the PBLA-ULICO trust directly to the PBLA main account is factored into the revised calculations appearing later in this Supplement.

III. <u>REVISED RESTITUTION RECOMMENDATION</u>

Based on the foregoing, the Special Master adjusts his recommended restitution loss amounts set forth in the Report as indicated in the chart immediately below.

$ in millions	CBL	BLIC	SNIC	North-star	OMNIA	PBLA-ULICO	PBIHL	Total
Net Unpaid Principal	$688	$13	$113	$134	$37	$339	$38	$1,362
Post IALA Interest	133	8	18	25	6	67	6	263
Prior Total	**$821**	**$21**	**$131**	**$159**	**$43**	**$406**	**$44**	**$1,625**
Agreed Adjustments								
PBLA-ULICO Trust Transfer to PBLA Main	-	-	-	-	-	9	-	9
Additional Interest on PBLA-ULICO Trust Transfer to PBLA Main	-	-	-	-	-	1	-	1
Adjustments for Zeroed Out IALA Transactions	-	-	-	17	-	-	-	17
Additional Interest on Zeroed Out IALA Transactions	-	-	-	3	-	-	-	3
Revised Total	**$821**	**$21**	**$131**	**$179**	**$43**	**$416**	**$44**	**$1,655**

Except for some revisions to the proposed preliminary restitution order shown on Exhibit A, the remainder of the Special Master's recommendations appearing in the Report are unchanged by this Supplement.

IV. ASSETS AVAILABLE TO PAY RESTITUTION

In the Report, the Special Master endeavors to predict the aggregate amount that may be recovered for restitution purposes from Defendant's interests in the Primary Restitution Assets. The Special Master's assessment in this regard continues to evolve as the Special Master learns more about the assets and, indeed, has changed appreciably since filing the Report. The Special Master has asked his financial advisors to update these estimates based on new information available and will update the Court with more current figures after they become available.

Respectfully submitted this 15th day of May, 2026.

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ARTIFICIAL INTELLIGENCE CERTIFICATION

The undersigned hereby certifies that: no artificial intelligence was knowingly employed in doing the research for the preparation of this document, with the exception of such artificial intelligence embedded in the standard online legal research sources Westlaw, Lexis, FastCase, and Bloomberg. Every statement and every citation to an authority contained in this document has been checked by an attorney in this case and/or a paralegal working at his/her direction as to the accuracy of the proposition for which it is offered, and the citation to authority provided.

Respectfully submitted this 15th day of May, 2026.

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CERTIFICATE OF SERVICE

Consistent with the Court's victim noticing *Order* entered on October 18, 2023 (Doc. No. 21), a copy of the foregoing *Supplement to Report and Recommendations Regarding Restitution* will be posted on the public Department of Justice website, available at:

https://www.justice.gov/criminal-vns/case/united-states-v-greg-e-lindberg

In addition, the undersigned hereby certifies that copies of the foregoing *Supplement to Report and Recommendations Regarding Restitution* were served on the persons listed below by electronic mail, as indicated.

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UNITED STATES DISTRICT COURT
WESTERN DISTRICT OF NORTH CAROLINA
CHARLOTTE DIVISION
3:23-CR-48-MOC

UNITED STATES OF AMERICA v. **GREG E. LINDBERG**	**PRELIMINARY[1] ORDER OF RESTITUTION**

THIS MATTER is before the Court on the report and recommendations regarding restitution submitted by Joseph W. Grier, III, the Special Master (the "Special Master") appointed by this Court in the Order Appointing Special Master (the "Appointment Order"). (Doc. No. 56).

On February 23, 2023, in a thirteen-count Bill of Indictment, Greg E. Lindberg ("Defendant") was charged with: conspiracy, in violation of 18 U.S.C. § 371; wire fraud, in violation of 18 U.S.C. § 1343; making false insurance business statements presented to regulators, in violation of 18 U.S.C. § 1033(a); making false entries about the financial condition or solvency of an insurance business, in violation of 18 U.S.C. § 1033(c); and money laundering conspiracy, in violation of 18 U.S.C. § 1956(h). (Doc. No. 1). Defendant pled guilty to Count One (conspiracy to commit crimes in connection with the insurance business, wire fraud, and investment advisor fraud) and Count Thirteen (money laundering conspiracy) pursuant to a written plea agreement. As part of his plea agreement, Defendant agreed to pay restitution to victims of the conduct charged in the indictment and to the appointment of a special master to "identify, receive, apportion, and distribute funds for restitution, and perform any other related tasks as ordered by the Court."

On December 5, 2024, the United States and Defendant jointly moved the Court to enter an order appointing a special master. (Doc. No. 54). The Court entered the Appointment Order on

[1] This Order is captioned "preliminary" as it precedes sentencing in this matter. At sentencing, this Court will incorporate this Order, in its present form or in a subsequently modified form, into the Judgment in this Criminal Case.

January 23, 2025. (Doc. No. 56). Among other powers and duties, the Appointment Order empowers the Special Master to: (a) verify and quantify the losses suffered by each victim and any amounts already received by each victim to compensate for such losses; and (b) fashion a proposed restitution order.

As set forth in the Appointment Order, in order to “fashion a restitution order, the Court must consider and determine: (a) which entities and individuals are properly considered “victims” pursuant to 18 U.S.C. § 3663A(a)(2); (b) the proper amount of restitution owed to each victim pursuant to 18 U.S.C. §§ 3663A(b) and 3664(e); and (c) an appropriate payment schedule pursuant to, among other sections, 18 U.S.C. § 3664(i).” On March 20, 2026, the Special Master filed his Report and Recommendations Regarding Restitution (Doc. No. 106) (together, with a Supplement to the report filed on May 15, 2026 (Doc. No. ___), the “Restitution Report”). ~~(Doc. No. ___).~~ The Restitution Report focuses on the first two of the foregoing three determinations and seeks a preliminary order of restitution establishing: (1) who the payees of restitution are in this action; and (2) the amount of restitution ordered for each payee. The Special Master seeks to defer issues concerning the timing or priority of payments to the payees of restitution until a later time.

Based on the Court’s review of the Restitution Report and the record in this action, the Court’s finds and concludes that cause exists for entry of a preliminary order establishing the payees and amounts of restitution.

IT IS, THEREFORE ORDERED that:

Defendant shall make restitution to the following payees in the amounts listed below.

EXHIBIT A

NAME OF PAYEE	RESTITUTION AMOUNT
Colorado Bankers Life Insurance Company	$821,000,000
Bankers Life Insurance Company	$21,000,000
Southland National Insurance Company	$131,000,000
Southland National Reinsurance Corporation	$0.00
Northstar Financial Services (Bermuda) Ltd.	$~~159~~179,000,000
Omnia Ltd.	$43,000,000
PB Life and Annuity Co., Ltd. / Universal Life Ins. Co.	$~~406~~416,000,000
PB Investment Holdings Ltd.	$44,000,000
TOTAL	**$1,~~625~~655,000,000**

The recovery of any victims or other payees is limited to the amount of their loss, and Defendant's liability under this Order ceases if and when the victim(s) or other payee(s) receive full restitution. Without limiting the foregoing, to avoid an impermissible double recovery, PBLA's $~~406~~416,000,000 shall be reduced by the ultimate value received by ULICO for certain preferred equity in one of the primary restitution assets that Defendant previously agreed to transfer to ULICO upon the liquidation of such preferred equity.

The Court reserves for future order how partial restitution payments through the Special Master should be applied, including whether partial restitution payments should be divided proportionately among the foregoing payees or whether some payees should receive some priority in payment over other payees.

Defendant shall notify the Court, the Special Master, the U.S. Attorney's Office, and, during any period of supervised release, the U.S. Probation Office of any material change in Defendant's economic circumstances that might affect Defendant's ability to pay restitution.

Pursuant to 18 U.S.C. § 3664(i), all nonfederal victims must be paid before the United States is paid.

Nothing in this order shall impair, limit, or alter the civil rights otherwise available to any person, including, without limitation, any right to enforce judgments, contractual obligations, or other claims against Defendant for dollar amounts that may exceed the restitution assigned herein.

Defendant shall receive a credit reducing the foregoing restitution amounts for: (i) all future cash payments made to the foregoing payees by Defendant, through the Special Master or otherwise, with respect to the same loss(es); (ii) for all cash received by any of the foregoing payees from any of the "Primary Restitution Assets" or "Secondary Restitution Assets," as those terms are defined in the Appointment Order; and (iii) for all civil damages recovered by the foregoing payees as compensation for the same loss(es). The foregoing restitution amounts already account for monetary recoveries realized by the payees prior to the entry of this Order.

Defendant shall remain responsible for paying all Court-approved fees, expenses, and other compensation incurred by the Special Master in fulfilling the Special Master's duties under the Appointment Order. Defendant shall not receive a credit reducing the foregoing restitution amounts for the Court-approved administrative expenses incurred by the Special Master and paid by Defendant. Defendant shall not receive a credit reducing the foregoing restitution amounts for any incurred expenses of any kind by any party (including resulting income taxes) incidental to liquidating any of the "Primary Restitution Assets" or "Secondary Restitution Assets."

The restitution ordered herein shall be enforceable as a judgment of the United States pursuant to 18 U.S.C. §§ 3664 and 3613. At the request of any payee named in this Order, the Clerk of Court shall issue an abstract of judgment certifying that a judgment has been entered in favor of such payee in the amount specified above. Likewise, at the request of the Special Master, the Clerk of Court shall issue an abstract of judgment certifying that a judgment has been entered in favor of the Special Master in the aggregate amount of restitution imposed by this Order.

EXHIBIT A

This Order is subject to amendment by the Court sua sponte or upon application by any interested party, including the Special Master. Within sixty (60) days following sentencing, the Special Master shall: further investigate whether any adjustments to the restitution amounts awarded herein should be made on account of those outstanding items specifically identified in the Restitution Report supplement, being (i) prior recoveries on "non-IALA assets," (ii) prior recoveries on "zero coupon bonds," (iii) those payments itemized on page 22 of Defendant's response to the Restitution Report (Doc. No. 132 at 22), and (iv) transfers to entities known as "SFL" and "SASL"; and move the Court to amend this order or enter a final restitution order to the extent of any adjustments the Special Master deems appropriate upon such further investigation. The Court retains jurisdiction over all matters covered by, or related to, this Order.

The restitution ordered herein shall be due and payable immediately.

SO ORDERED.

Signed: ________________ ____, 2026

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Max O. Cogburn Jr.
United States District Judge