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November 1, 2023

City of Beaumont
c/o Jennifer Ustation
550 E. 6th St.
Beaumont, CA 92223

Dear Ms. Ustation:

In September 2023, the owners of Public Trust Advisors, LLC (“Public Trust” or the “firm”) agreed to recapitalize the firm with a new strategic partner – Flexpoint Ford, LLC (“Flexpoint Ford”). Flexpoint Ford is committed to helping Public Trust develop and offer new products and services to more completely serve the firm’s clients nationwide.

In 2019, Public Trust closed an agreement with Bear Creek Products 2019-2 (PTA-E), LLLP (“Bear Creek”) whereby Bear Creek acquired a 42% non-controlling ownership interest in the firm. This transaction provided Public Trust with a capital partner committed to the firm’s succession planning and certain capital-intensive strategic initiatives to better position Public Trust and the clients we serve. As summarized below, through the new strategic partnership, Flexpoint Ford will purchase a majority ownership in the firm, including the equity previously held by Bear Creek. Public Trust’s founders, together with key employees of the firm’s management team, will retain an equity interest in the firm of approximately 31%, further aligning them with the overarching goals of the firm.

Flexpoint Ford is a private equity investment firm that manages over \$7.8 billion of assets under management and specializes in privately negotiated investments in the healthcare and financial services industries. In addition, asset management is one of Flexpoint Ford’s core competencies, leading to its interest in partnering with Public Trust. Founded in 2005, Flexpoint Ford employs more than 40 dedicated investment professionals and has invested in over 30 financial services businesses. Flexpoint Ford’s strategy is predominantly focused on investing in successful founder-operated businesses to accelerate their growth and add additional services and products to better support their clients. Our hope is that this new partnership will allow Public Trust to offer the City of Beaumont more and better services over the coming years.

To move forward with this transaction, on September 18, 2023, the owners of

Public Trust entered into a definitive agreement with an affiliate of Flexpoint Ford (the "Purchase Agreement"). Upon the satisfaction or waiver of customary closing conditions in the Purchase Agreement, Public Trust will become a wholly owned subsidiary of this affiliate, and, through their ownership of this new entity, Public Trust's management and founders will continue to retain an indirect equity interest in Public Trust (such sale and contribution is referred to as the "Transaction"). Upon closing the Transaction, Bear Creek Products 2019-2 (PTA-E), LLLP which currently maintains a non-controlling 42% equity ownership interest in the firm will no longer have an ownership interest in Public Trust. Public Trust's management and founders who currently hold an approximately 58% equity ownership interest in the firm will, together with additional key employees, own approximately 31% of Public Trust. It is anticipated that the remaining 69% of Public Trust's equity interests will be owned by Flexpoint Ford funds and related entities. At this time, it is anticipated that each Public Trust founder and member of Public Trust's senior management will continue with the firm following the closing of the Transaction. Certain other Public Trust employees will be offered the opportunity to acquire equity interests, but it is not expected that any such acquisition would materially change the relative concentration of Flexpoint Ford's ownership of Public Trust.

Upon Closing, the Transaction will result in Flexpoint Ford's acquisition of a controlling interest in Public Trust, as defined by the U.S. Securities and Exchange Commission. This change of control would constitute an "assignment", of the firm's investment advisory agreements within the meaning of the Investment Advisers Act of 1940. Such an assignment requires client consent for Public Trust to continue to perform services under its investment advisory agreements. Accordingly, Public Trust respectfully requests the consent of the City of Beaumont.

In addition to retaining an ownership interest in Public Trust upon consummation of the Transaction, the founders of Public Trust will have representation on the board of managers of a parent entity for Public Trust, along with specified governance rights.

Under the post-Transaction operating agreement of Public Trust, Flexpoint Ford may have the right to acquire the equity interests of the other owners of the business under certain circumstances (including such owner's retirement, death or disability or violation of certain applicable restrictive covenants). In the event of the exercise of such right, Flexpoint Ford's proportional ownership will increase above the 69% held as of the closing of the Transaction.

Obtaining your consent is among the conditions that are required to be satisfied



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to close the Transaction. Members of the Public Trust management team will be reaching out to you personally to answer any questions you may have regarding your consent to the Transaction. We value our relationship with you, and we sincerely believe that our partnership with Flexpoint Ford will greatly benefit the firm and its clients for years to come.

Thank you.

Very truly yours,

A handwritten signature in blue ink, appearing to read "Todd W. Alton", with a stylized flourish at the end.

Todd W. Alton, Chief Executive Officer
CC: Public Trust Advisors Founders; R.
Palomba, T. Jordan, T. Tight, C. DeBow, J.
Grady

Client Consent

In connection with the acquisition of a controlling ownership interest in Public Trust Advisors, LLC ("Public Trust Advisors") by Flexpoint Ford, LLC ("Flexpoint Ford"), as described in the foregoing letter from Public Trust Advisors, the undersigned authorized representative of the City of Beaumont hereby consents to the assignment of Public Trust Advisors' obligations under the Agreement (the "Agreement"), between Public Trust Advisors and the City of Beaumont, to any successor entity to Public Trust Advisors resulting from the acquisition of a controlling ownership interest in Public Trust Advisors by Flexpoint Ford.



Signature

Elizabeth M Gibbs

Printed Name

City of Beaumont

Entity Name

12/6/23

Date