

**IN THE UNITED STATES DISTRICT COURT
FOR THE SOUTHERN DISTRICT OF TEXAS
BROWNSVILLE DIVISION**

WILLIAM E. KENON, JR. &
MARINE SALVAGE & SERVICES, INC.
PLAINTIFFS,

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VS.

CIVIL ACTION NO. _____

STEPHEN GOLDFINCH,
DEFENDANT.

PLAINTIFFS' ORIGINAL COMPLAINT

COME NOW Plaintiffs, William E. Kenon, Jr. and Marine Salvage & Services, Inc., and for cause of action against Defendant Stephen Goldfinch, would respectfully show as follows:

I. PARTIES

1.1 Plaintiff William E. Kenon, Jr. ("Mr. Kenon"), is a United States citizen and a citizen and resident of Port Isabel, Texas, within the Brownsville Division of the Southern District of Texas.

1.2 Plaintiff Marine Salvage & Services, Inc., is a corporation organized and existing under the laws of the State of Texas with its principal place of business in Port Isabel, within the Brownsville Division of the Southern District of Texas.

1.3 Defendant, Stephen Goldfinch ("Goldfinch"), is an individual who is also an attorney. Goldfinch is a United States citizen who is a citizen and resident of, and who maintains his principal law office in the State of South Carolina.

II. SUBJECT MATTER JURISDICTION

2.1 The Court has diversity jurisdiction pursuant to 28 U.S.C. § 1332(a)(2) because the suit is between, on the one hand, a citizen and a corporation of one state and, on the other hand, a

citizen of another state. Additionally, the amount in controversy exceeds \$75,000.00, excluding interest and costs.

III. PERSONAL JURISDICTION

3.1 Defendant Goldfinch is a resident of and licensed to practice law in South Carolina, but he conducts business on a regular and systematic basis Texas, as more fully described in paragraph VI below, and as evidenced by his business dealings which are unrelated to this case. See, e.g., as a matter of judicial notice, *United States of America vs. Stephen Goldfinch*, 4:13-cr-00738, in the U.S. District Court for the Southern District of Texas, Houston Division. Therefore, this Court has general jurisdiction over the Defendant. In addition, this Court has specific jurisdiction over the Defendant because he solicited Plaintiffs in Texas - by phone - as clients and in furtherance of a business venture; he involved and induced Plaintiffs to participate in a financial transaction in which Defendant appropriated and maintained a financial interest; and Defendant committed the torts, breaches of duty and breaches of contract described below through phone calls and emails directed to Plaintiffs in Texas.

IV. VENUE

4.1 Venue is proper in this district pursuant to 28 U.S.C. § 1391(a)(2), because a substantial part of the events or omissions giving rise to this claim occurred in this district.

V. CONDITIONS PRECEDENT

5.1 All conditions precedent have been performed or have occurred.

VI. FACTS

6.1 Plaintiff, Mr. Kenon, is a marine Salvor based in Port Isabel, Texas. He has a few small Texas companies which own and operate the vessels used to salvage derelict, distressed or sunken shipwrecks and artifacts. As pertains to this case, one of the vessels he owns, the RIO BRAVO, which is home-ported in Port Isabel, is specially equipped for searching and salvaging

sunken shipwrecks. RIO BRAVO has a unique system to blow silt, sand and mud from the ocean floor to uncover shipwrecks and artifacts. The vessel is equipped for dive teams to narrow the hunt for, and retrieve artifacts. Through his years of experience and information accumulated, Mr. Kenon is able to direct the Captain and crew of the vessel from his office in Port Isabel.

6.2 In June 2012, the RIO BRAVO was working offshore South Carolina, exploring the shipwreck known as *The North Carolina*. At his office in Port Isabel, Mr. Kenon received a cold-call from Defendant Goldfinch, who Mr. Kenon had never met nor heard of. In that phone call, Goldfinch told Mr. Kenon he was a lawyer and state legislator who was also a diver and treasure hunter. Goldfinch had seen the RIO BRAVO and somehow obtained Mr. Kenon's phone number. Goldfinch told Mr. Kenon he knew of two other (unknown) shipwrecks which could be salvaged, and he had a money-making proposition for Mr. Kenon: Goldfinch could provide Mr. Kenon with his secret knowledge about the wrecks, provide divers for the RIO BRAVO, and Goldfinch and Mr. Kenon could make a lot of money. Goldfinch would act as the lawyer to put the deal together and associate a local diver, Kent Rogerson, to help with operations. Goldfinch solicited Mr. Kenon to meet with him to finalize the details.

6.3 Goldfinch followed up with a few more calls to Mr. Kenon and in September, 2012, a meeting took place. Goldfinch reiterated he was a South Carolina lawyer and influential state legislator who was very knowledgeable about shipwrecks and diving, and he had a knack for business deals. He bragged about making \$5 Million Dollars off the sale and distribution of stem cells in Texas. He told Mr. Kenon he could make a lot of money on two (2) shipwrecks no one knew about, because he and Kent Rogerson had already recovered several valuable artifacts from those two (2) wrecks. Goldfinch represented he would provide the coordinates of the wrecks and show Mr. Kenon the artifacts he recovered from them as long as Mr. Kenon signed an agreement giving Goldfinch and Rogerson a percentage of the sale of any artifacts recovered. To induce

Mr. Kenon into signing the Agreement, Goldfinch told Mr. Kenon reiterated he would take care of all legal aspects of the transaction and make sure Mr. Kenon's legal protection was "taken care of". Goldfinch also told Mr. Kenon that due to his position and influence as a powerful lawyer and state legislator, he could obtain the necessary approvals for Mr. Kenon to explore state inland waters and rivers when offshore conditions were unfavorable. Based on these representations and others, which Mr. Kenon relied upon, Mr. Kenon was persuaded to represent him in the venture and sign an agreement.

6.4 The agreement, which was signed on September 15, 2012, is entitled "Finders Salvage Agreement". See *Exhibit 1*. The Agreement reflects that Mr. Kenon's Texas company, MS&S, was the "Salvor" which would provide the salvage vessel, insurance, equipment, fuel and crew for exploration, and that MS&S would retain title to any artifacts recovered and sold. *Id.*, p. 1. On the other hand, Goldfinch, was the "Finder", whose only real obligation was to provide "approximate coordinates" to shipwrecks "unknown to others", and to provide diving and recovery services "at their convenience". *Id.* In exchange for Goldfinch's "services", he was to receive a sliding scale percentage of any artifacts recovered and sold. *Id.*, p. 2. The Agreement also provided that Finders may wish to incorporate in the future and "adopt this agreement as a new entity. *Id.* Mr. Kenon understood the latter term to mean that he would own the new entity and Goldfinch would receive the same sliding-scale percentage (set forth in the Agreement) of any revenue generated from the sale of artifacts. And because Goldfinch was acting as Mr. Kenon's lawyer and told Mr. Kenon he would "take care of him", Mr. Kenon had no real concerns. Mr. Kenon understood from Goldfinch that the purpose of a new entity was to establish ownership of any artifacts recovered and prevent poaching by other treasure hunters; to insulate Mr. Kenon from any personal liability; and to keep the salvage effort separated from any other business.

6.5 Shortly after the agreement was signed, Goldfinch disclosed the coordinates of a shipwreck known as *The Carolyne* (although the actual ship's official name may have been *The Raleigh*, according to Goldfinch). In reliance on the information provided by Goldfinch, Mr. Kenon directed the RIO BRAVO's efforts to explore *The Carolyne*. In a phone call to Mr. Kenon in Port Isabel, Goldfinch advised Mr. Kenon that in order for Mr. Kenon to protect his rights, title and the value of the propeller, as well as artifacts from the two (2) shipwrecks that were originally planned, it was time for Mr. Kenon to incorporate. During that phone call, Goldfinch told Mr. Kenon he would prepare the incorporation for him and "it would be just like the (Finders) Agreement". Based on these representations, Mr. Kenon authorized Goldfinch to prepare the incorporation papers, and he asked Goldfinch to send him the incorporation papers for review.

6.6 Goldfinch also made another recommendation in that phone call to Mr. Kenon. He told Mr. Kenon that to prevent poaching from other Salvors and protect any artifacts of value recovered from *The Carolyne* and two (2) other wrecks known as *The Bottle Wreck* and *The Copper Pot*, (the latter being a wreck Mr. Kenon was salvaging before he even met Goldfinch), Mr. Kenon needed to file an admiralty arrest of the three (3) wrecks. Goldfinch told Mr. Kenon he was not an admiralty lawyer, and he recommended/referred Mr. Kenon to a Georgia admiralty lawyer to file the arrest – in Federal Court in Georgia – of the three (3) wrecks located in South Carolina and North Carolina. According to Goldfinch, Georgia federal courts had more experience with arrests of sunken shipwrecks.

6.7 Sometime in February 2013, Goldfinch told Mr. Kenon by telephone he had prepared the incorporation papers and the name of the new company was *Lowcountry Marine Salvage, LLC* ("the LLC"). Mr. Kenon was unhappy the LLC had been formed without having personally reviewed the proposed documents as he had originally requested, so he again asked Goldfinch to send him the incorporation papers for his review. Goldfinch told Mr. Kenon he would send him

the papers forthwith, but Goldfinch did not do so. In subsequent phone conversations, whenever Mr. Kenon asked about the status of the incorporation papers, Goldfinch told Mr. Kenon he had already sent the papers to him and if Mr. Kenon hadn't received them, Goldfinch would send them again. But Goldfinch never sent the papers.

6.8 Meanwhile, with respect to Goldfinch's recommendation of the admiralty arrest of the three (3) shipwrecks, Goldfinch made the initial arrangements with the Georgia lawyer he recommended to Mr. Kenon. On February 12, 2013, the Georgia admiralty lawyer sent an attorney engagement agreement to the LLC, care of Goldfinch. Goldfinch, in turn, forwarded the agreement by email to Mr. Kenon, in Port Isabel, for execution. On behalf of the LLC - for which Mr. Kenon had no paperwork and was relying on Goldfinch's representations that the LLC structure was consistent with the original Finders Salvage Agreement - Mr. Kenon promptly executed the attorney engagement agreement and returned it to the Georgia admiralty lawyer. *See Exhibit 2.* The Georgia admiralty lawyer then filed and perfected the arrest of the three (3) wrecks on behalf of the LLC. As a matter of judicial notice, see the following admiralty actions pending in the U.S. District Court for the Southern District of Georgia, Savannah Division: *4:2013-cv00059, 4:2013-cv-00060 and 4:2013-cv-00061*, each styled, *Lowcountry Marine Salvage LLC vs. (the various shipwrecks designated by coordinates).*

6.9 Goldfinch continued to give Mr. Kenon the run-around every time Mr. Kenon asked him for copies of the incorporation papers, and Mr. Kenon became increasingly concerned. Finally, on March 4, 2013, Goldfinch sent to Mr. Kenon in Port Isabel, by email, a 1-page "Certificate of Existence" for the LLC - but nothing else. *See Exhibit 3.* Because the 1-page LLC Certificate mentions nothing about the basic structure or details of the LLC, Mr. Kenon again repeated his requests for documentation to Goldfinch. Once again, Goldfinch stalled, delayed, made up stories and told Mr. Kenon not to worry - he was "taking care of him".

6.10 Because Goldfinch would not let Mr. Kenon inspect the LLC papers, and also to deal with other issues related to his dissatisfaction with Goldfinch's services (the other issues will likely come up in this lawsuit, but are omitted now for the sake of brevity), Mr. Kenon traveled to South Carolina to meet with Goldfinch, Kent Rogerson, and the Georgia admiralty lawyer. The meeting took place on June 26, 2013, and at that meeting, Mr. Kenon demanded to see the LLC papers. Goldfinch finally relented, and provided Mr. Kenon with an unsigned copy of two (2) documents, each entitled "LLC Operating Agreement", but both had different terms. *See Exhibit 4.* When Mr. Kenon asked why there were two (2) LLC Operating Agreements, Goldfinch responded that "one of them really isn't an operating agreement; it's just the company papers", or words to that effect. Although Mr. Kenon was pressured to sign the Agreements, he refused to do so.

6.11 As evidenced by the two (2) LLC Operating Agreements Goldfinch prepared for Mr. Kenon, Goldfinch did not "adopt" the Finders Agreement in the LLC Operating Agreement.¹ In fact, Goldfinch drafted the papers to: (1) make himself and Rogerson full owning-members of the LLC (15% each, for a total of 30%), leaving Mr. Kenon with 70%; and (2) to provide that a majority of members – even if those members owned a small minority of the membership units – had the power to take action and control of the entire LLC, to the disadvantage of the majority owning-member. In other words, if either one of the LLC Operating Agreements had been signed, Goldfinch and Rogerson could have taken control of the entire LLC from Mr. Kenon. *Id.* Clearly, the structure and terms of the draft LLC Operating Agreements (both versions) bore no relation to the Finders Agreement Goldfinch originally represented it would be based on. *For comparison, see Ex. 1.* Of course, Mr. Kenon refused to sign either of the draft LLC Operating Agreements.

¹ One of the Operating Agreements (the first), does refer the Finders Agreement as an Exhibit. However, the Operating Agreement to which it is attached contains terms which are different than the Operating Agreement. *Id.*, at Exhibits "A" & "B".

6.12 Over the the ensuing months, Mr. Kenon repeatedly requested Goldfinch re-draft the Operating Agreement to be consistent with the original Finders Agreement, but Goldfinch refused to do so. Instead, Goldfinch emphasized that he was a very powerful lawyer and legislator in South Carolina, and if Mr. Kenon wanted Goldfinch out of the picture, it was going to cost Mr. Kenon money to take him out. Concerned with Goldfinch's influence and threats, Mr. Kenon, on December 6, 2013, asked Goldfinch, by phone, what it would take to buy him out. Goldfinch refused to give Mr. Kenon a figure. Frustrated with Goldfinch's cavalier attitude, Mr. Kenon was fed up. He advised Goldfinch he was going to be left with no choice but to sue Goldfinch to correct the wrongs Goldfinch committed. Later that day on December 6, 2013, Goldfinch sent to Mr. Kenon, in Port Isabel, a self-serving email which attempted to paint Mr. Kenon as an extortionist for exercising his right to sue Goldfinch. He advised Mr. Kenon he would spend less money paying Goldfinch off than suing him. Goldfinch further threatened to ruin Mr. Kenon's reputation if Mr. Kenon didn't "take the deal". See Exhibit 5, Goldfinch's 12/7/13 email, Mr. Kenon's reply and Goldfinch's response.

VII. COUNTS 1 & 2 – FRAUD & MISREPRESENTATION

7.1 Plaintiffs incorporate the preceding paragraphs to establish the facts giving rise to Plaintiffs' separate claims for fraud and misrepresentation claims against Defendants.

7.2 Defendant committed fraud in the inducement, actual fraud and made material misrepresentations as follows:

- (a). By representing he would prepare incorporation (LLC) papers to adopt the terms of the Finders Agreement;
- (b). By preparing the LLC Operating Agreement to make himself and another *owning* Members, with the power to outvote Plaintiff, the majority-owning Member;
- (c). By recommending and arranging for the arrest of the three (3) wrecks in the LLC's name in Federal Court while concealing his attempt to provide himself and another with an ownership interest in the LLC and thus, ownership and title to the wrecks;
- (d). In attempting to extract a payment from Plaintiff for an ownership interest that Defendant never had to begin with or alternatively, obtained through wrongful acts

as set forth herein;

7.3 The above list is not exclusive, and is intended to give fair notice to Defendant. In each of the instances above, Plaintiff, in good faith, detrimentally relied on the words, emails and documents initiated by Defendant, and Plaintiffs proximately sustained damages as a result thereof, as more fully described below.

VIII. COUNT 3 – BREACH OF FIDUCIARY DUTY

8.1 Plaintiffs incorporate the preceding paragraphs to establish the facts giving rise to Plaintiffs' breach of fiduciary claim against Defendant.

8.2 From the time Plaintiff and Defendant first met, Defendant represented himself as a lawyer and legislator; that he would prepare the legal documents for the transaction; that he would handle Plaintiffs' legal affairs (and later, the new entity to be formed); and he would otherwise take care of Plaintiffs. As a lawyer representing a client, a special relationship of trust was formed. Similarly, as a party to the Finders Agreement, a separate relationship of trust was created. From those special relationships of trust, Defendant owed fiduciary duties to Plaintiff. Defendant breached his fiduciary duties to Plaintiffs, as follows:

- (a). By taking or attempting to take interests in financial transactions involving a client for which he prepared the same transactions.
- (b). By representing he would prepare incorporation (LLC) papers to adopt the terms of the Finders Agreement;
- (c). By preparing the LLC Operating Agreement to make himself and another owning members, with the power to outvote Plaintiff, the majority-owning Member;
- (d). By recommending and arranging for the arrest of the three (3) wrecks in the LLC's name in Federal Court, while concealing his attempt to provide himself and another with an ownership interest in the LLC and thus, ownership and title to the wrecks;
- (e). In attempting to extract a payment from Plaintiff for an ownership interest that Defendant never had to begin with or alternatively, obtained through wrongful acts as set forth herein, for the purpose of obtaining an unfair advantage over Plaintiff;
- (f). By inappropriately attempting to intimidate Plaintiff with Defendant's alleged position, power and influence, and/or the deceitful manner in which Defendant

prepared the Finders Agreement and LLC Operating Agreement which were adverse to Plaintiffs' Interests;

8.3 The above list is not exclusive, and is intended to give fair notice to Defendant. Because of Defendant breaches of his fiduciary duties, Plaintiffs seek damages which were proximately and/or producingly caused by Defendant's breaches, as well as disgorgement and/or forfeiture of any and all benefits, rights and privileges Defendant obtained by reason of such breaches. Such benefits include, but are not limited to, any financial gain and any rights or interests conferred to Defendant by any of the agreements, documents or actions he prepared or initiated, either by himself or at his direction.

IX. COUNT 4 – REQUEST FOR DECLARATORY JUDGMENT

9.1 Plaintiffs also bring suit for a declaratory judgment pursuant to Federal Rule of Civil Procedure 57 and 28 U.S.C. §§ 2201 and 2202. Plaintiffs incorporate the preceding paragraphs to establish the facts giving rise to this dispute and to establish the case-or-controversy requirement.

9.2 Plaintiffs seek a declaration that the Finders Agreement is terminated and declared Null and Void by virtue of Defendant's various wrongful acts as set forth above, and failure to cure same.

9.3 Plaintiffs seek a declaration that the LLC Operating Agreement is of no effect as it was never signed by Plaintiff

9.4 In the alternative to the declaration of rights sought in paragraph 9.3, Plaintiffs seek a declaration that the terms of the LLC Operating Agreement providing for Defendant and Rogerson to own membership interests and superior voting rights are declared null and void, and that Defendants have no rights or interests in and to the LLC.

9.5 The declaratory relief is necessary from this Court because Defendant has asserted rights and interests to the LLC – the LLC he prepared for his client and prospective business associate.

X. COUNT 6 – BREACH OF CONTRACT

10.1 Plaintiffs incorporate the preceding paragraphs to establish the facts giving rise to Plaintiffs' contract claim against Defendant. This cause of action is pled in the alternative.

10.2 Defendant breached the Finders Agreement by forming by forming an entity (the LLC), which did not adopt the terms of the Finders Agreement and specifically, completely disregarded the fact that Plaintiff shall have title to all artifacts and Defendants interests were limited to a percentage of the artifacts sold. By reason of Defendant's breaches of contract, Plaintiffs proximately sustained damages as described below.

XI. COUNT 5 – CONVERSION

11.1 Plaintiffs incorporate the preceding paragraphs to establish the facts giving rise to Plaintiffs' conversion claim against Defendant. This cause of action is pled in the alternative.

11.2 There is no question the Finders Agreement conferred all right and title in the artifacts to Plaintiff, with Defendant only receiving a percentage of any items sold. Defendant wrongfully converted Plaintiff's rights when he formed the LLC and attempted made himself and Rogerson owning members of the LLC with voting rights superior to Plaintiffs', and then recommending and arranging for the arrest of the wrecks in the name of the LLC. These acts constitute the wrongful appropriation, possession and control of Plaintiff's property.

11.3 Defendants' acts of conversion proximately and/or producingly caused damages to Plaintiffs in an amount to be determined by the trier of fact.

XII. DAMAGES

12.1 Plaintiffs seek actual damages constituting the sum of money Plaintiffs have expended in the exploration and recovery of the wrecks mentioned herein – and in reliance on the wrongful actions of Defendant as described and pled above, as well as all consequential damages flowing therefrom. Plaintiffs are presently calculating these damages which will be determined by the trier of fact, but these damages are, at a minimum, in excess of \$250,000. These damages were

proximately and/or producingly caused by Defendants' torts, breaches of fiduciary duty and/or contract, as described above.

12.2 Plaintiffs also seek damages for lost business opportunities and lost profit they could have made on other projects, instead of wasting valuable time, effort and expense in the scheme cooked up by Defendant. These damages, which will be determined by the trier of fact, were proximately and/or producingly caused by Defendants' torts, breaches of fiduciary duty and/or contract, as described above.

12.3 Finally, Plaintiffs seek exemplary damages by virtue of Defendants' intentional, malicious and extreme conduct in committing the fraud, misrepresentations, breaches of fiduciary duties and conversion described above.

XIII. ATTORNEY FEES & COSTS

13.1 Plaintiff is entitled to recover reasonable and necessary attorney fees under Texas Civil Practice & Remedies Code, Chapter 38, because this is a suit involves a breach of contract.

13.2 Plaintiffs are further entitled to recover reasonable and necessary attorney fees because this is also a suit for declaratory relief, and the Court can award attorney fees in a diversity suit for declaratory relief when applicable state law would provide for such an award.

XIV. PRAYER

14.1 For these reasons, Plaintiff asks for judgment against Defendants for the following:

- (a). Actual and consequential damages as described above;
- (b). Exemplary damages to be awarded by the trier of fact;
- (c). Prejudgment and postjudgment interest;
- (d). Declarations from this Court as requested herein;
- (e). Return of Plaintiff's property and/or correction of the LLC Operating Agreement terms;
- (f). Reasonable attorney fees and expenses;
- (g). Costs of suit;
- (h). All other relief, both legal and equitable to which Plaintiffs may show themselves justly entitled.

Respectfully submitted,

By: /s/ James H. Hunter, Jr.
James H. Hunter, Jr.
State Bar No. 00784311
Federal ID No. 15703
Mauricio M. Chavez
Texas State Bar No. 24051782
Federal ID No. 901042
E-Mail: jim.hunter@roystonlaw.com
E-Mail: mauricio.chavez@roystonlaw.com

**ATTORNEYS FOR PLAINTIFFS
WILLIAM E. KENON, JR. &
MARINE SALVAGE & SERVICES,
INC.**

OF COUNSEL:

ROYSTON, RAYZOR, VICKERY & WILLIAMS, L.L.P.
55 Cove Circle
Brownsville, Texas 78521
(956) 542-4377 (Telephone)
(956) 542-4370 (Facsimile)

FINDERS SALVAGE AGREEMENT

This agreement ("The Agreement"), between Stephen Goldfinch and Kent Rogerson (Finders) and Marine Salvage and Services, Inc. (Salvor), is for finders' services and salvage assistance services provided by Finders to Salvor. The purpose of this agreement is to define the terms under which each party is duty bound and entitled to certain lost, discarded or abandoned artifacts that may be recovered as a result of salvage operations. The following terms and conditions apply:

First: The Finders shall provide approximate coordinates to shipwrecks, barges, and other unspecified underwater structure known and unknown to others.

Second: The Finders shall provide diving and recovery services at their convenience to the Salvor.

Third: The Finders shall provide any expertise, knowledge, research or artifacts previously recovered from said shipwrecks, barges, or other unspecified underwater structure, for the sole purpose of helping to identify the dive site, and not for ownership transfer. Any artifacts previously recovered personally by the Finders shall remain in the sole ownership of the Finders, irrespective of whether they are being used by the Salvor for identification or preservation. Finders retain the right under a separate agreement to sell artifacts recovered previously by them, to Salvor or to a third party.

Fourth: The Salvor shall provide a salvage vessel, equipment intended for salvage and treasure hunting operations, fuel and crew.

Fifth: The Salvor shall provide legal title to artifacts sold to Finders and or to third parties.

Sixth: If necessary and or applicable, the Salvor shall be responsible for applying for proper permitting and licensing.

Seventh: This agreement shall be governed by the laws of South Carolina and applicable maritime laws, if any.

Eighth: Both Parties agree to mediate any dispute that may arise, and shall do so in a convenient location, to be agreed upon by both parties, located within 25 miles of Murrells Inlet, SC.

Ninth: Salvor agrees to take reasonable precautions and follow all applicable regulations with regards to environmental damage. Salvor agrees to full responsibility as the owner/operator of the salvage vessel, for environmental negligence, and fully exculpates finders from any environmental damage that may occur.

Parties Initial Here

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MSL

EXHIBIT

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Tenth: Salvor covenants that he is adequately insured for the business of salvage, and hereby agrees to exculpate Finders from any personal, corporate, environmental or miscellaneous damage or injury that may occur while salvage, recovery, or preservation of artifacts is underway.

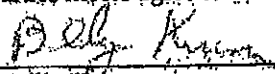
Eleventh: The Parties' services are to be performed on the following basis:

- Finders shall receive an 18% minimum distribution, either through sale of items recovered, or through the personal recovery and or direct transfer of items; to be elected by Finders at their convenience,
- Finders shall receive a sliding scale from the minimum 18% up to a maximum 30% based upon recovery proceeds or appraisals. The sliding scale shall be set as detailed below:
 - o From \$0 - \$50,000.00, Finders shall receive the minimum 18%
 - o From \$50,001.00 - \$100,000, Finders shall receive 21.5%
 - o From \$100,001.00 - \$150,000.00, Finders shall receive 25%
 - o From \$150,001.00 - \$200,000.00, Finders shall receive 27.5%
 - o And From \$200,000.00 to infinity, Finders shall receive the maximum of 30%
- Salvor shall take the remainder as he sees fit.
- Finders shall be paid in accordance with the above schedule, within 30 days of Salvor, Salvor's assigns, parent, sister, or affiliates being paid.

Twelfth: Salvor acknowledges that Finders may wish to incorporate or organize a business, and thus adopt this agreement as a new entity. Salvor hereby agrees to the adoption of this agreement by any new proposed entity that Finders may incorporate or organize.

Thirteenth: Finders and Salvors shall have the right to alter, amend and revoke this agreement upon mutual agreement in writing with 30 days notice.

The Parties hereto agree to the above terms on this 15 day of Sept, 2012.



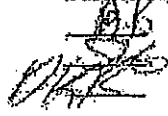
Salvor-Billy Keenan
For: Marine Salvage and Services, Inc.



Stephen Goldfinch


Kent Rogerson

Parties Initial Here



I have personally witnessed the signing of each individual above, and certify that his or her signature is a true and correct statement acknowledging the terms above.

Witness Signature: Nicole Williamson Witness Phone No: 772-617-2354
Witness Print: Nicole Williamson

Parties Initial Here

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BR
FLG
WLR

Maritime Law Group, LLC

Gary E. English # / Charles A. George / Renee M. Anderson
Admitted in SC & GA

February 12, 2013

[via email: Stephen@boydgoldfinch.com]
Lowcountry Marine Salvage, LLC
ATTN: Mr. Stephen L. Goldfinch, Jr.
Boyd Goldfinch, LLC
P.O. Box 823
Murrells Inlet, SC 29576

**RE: Arrest of Unidentified Shipwrecked Vessel or Vessels a/k/a
CAROLYNE and a second vessel TBD
Our File No.: 2006.01**

Dear Stephen:

Maritime Law Group, LLC appreciates the opportunity to represent Lowcountry Marine Salvage, LLC (LMS) in the above matter. This letter is intended to set forth our understanding of the representation we will provide, the attorneys who will be working on the matter, and the arrangements for billing.

1. Professional Undertaking. You have engaged our firm to provide legal services in connection with the above to arrest an unidentified shipwreck vessel or vessels a/k/a CAROLYNE and a second vessel TBD matter.
2. Scope of Services. The scope of our services is limited to traditional legal services, including the review and preparation of legal documents and pleadings, advice and counsel regarding compliance with applicable laws, representation in court, and the rendering of legal opinions. Once we have completed this matter, and unless we are asked to do so, we do not assume responsibility to advise you of subsequent changes in applicable law, which could affect the matters on which we had previously worked.
3. Fees, Costs, and Billings. We will submit directly to you monthly statements for fees and disbursements in any month in which the level of activity warrants an invoice. These statements will be presented in our usual and customary detailed format, and we would appreciate payment within 21 days from receipt. Our fees and costs will be billed as follows:

The arrest of the Unidentified Shipwreck Vessel or Vessels a/k/a CAROLYNE for a fee of \$3,000.00. The arrest of a second Unidentified Shipwreck Vessel or Vessels a/k/a TBD for a fee of \$1000.00.

If additional services are required after each individual vessel has been arrested, LMS will be billed at the following hourly rates:

☎ (404) 441-3100

✉ P.O. Box 354
Mount Pleasant, SC 29465-0354

✉ charles@maritimelg.com

EXHIBIT

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Scan of this page is not in final file.

Maritime Law Group, LLC

Gary E. English # / Charles A. George / Renee M. Anderson
Admitted in SC & GA

If the foregoing proposed basis of our representation is agreeable, I would appreciate your indicating by signing the attached copy of this letter in the space indicated below and returning it to me.

With kind regards, I remain

Sincerely,



Charles A. George, Esquire

I have read the forgoing letter and hereby consent to Maritime Law Group, LLC's representation as stated above.

BY:

William E. Kenon Jr.

Dated: 3-5-2013

William E. Kenon Jr. President for
Marine Salvage and Service Inc.

Lowcountry Marine Salvage LLC,
Trustee as per conversation with
Stephen Goldfinch

① - A/K/A Carolyne

② - A/K/A Copper wreck

③ - A/K/A Bottle wreck

The State of South Carolina




Office of Secretary of State Mark Hammond

Certificate of Existence

I, Mark Hammond, Secretary of State of South Carolina Hereby certify that:

LOWCOUNTRY MARINE SALVAGE LLC, A Limited Liability Company duly organized under the laws of the State of South Carolina on February 19th, 2013, with a duration that is at will, has as of this date filed all reports due this office, paid all fees, taxes and penalties owed to the Secretary of State, that the Secretary of State has not mailed notice to the company that it is subject to being dissolved by administrative action pursuant to section 33-44-809 of the South Carolina Code, and that the company has not filed articles of termination as of the date hereof.

Given under my Hand and the Great
Seal of the State of South Carolina this
22nd day of February, 2013.


Mark Hammond, Secretary of State

EXHIBIT

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**NOTICE: THIS AGREEMENT IS SUBJECT TO ARBITRATION
PURSUANT TO THE SOUTH CAROLINA UNIFORM
ARBITRATION ACT, SECTION 15-48-10 ET SEQ. OF THE CODE
OF LAWS OF SOUTH CAROLINA.**

**OPERATING AGREEMENT
of
LOWCOUNTRY MARINE SALVAGE, LLC**

a South Carolina limited liability company

This Operating Agreement (the "Agreement") of Lowcountry Marine Salvage, LLC, a South Carolina limited liability company (the "Company"), is executed effective the ___ day of _____ 2013, by the Company and the individuals listed as the members in Exhibit A attached hereto (the "Members").

Preliminary Statement

The Company was formed in _____ 2013 for the purpose of engaging in any business permitted by the South Carolina Limited Liability Company Act of 1996, as amended (the "Act"). As of the date hereof, the Company and the Members of the Company desire to execute this Agreement to govern the conduct of the business and affairs of the Company and its members. To the extent not otherwise addressed in this Agreement, the terms and conditions of the Act shall be deemed to govern relations among the Members and the Company. If the provisions of the Act conflict in any way with the terms of this Agreement, however, the terms of this Agreement shall control to the fullest extent permitted by the Act and applicable South Carolina law.

1. Members.

The names and addresses of the Members are reflected on Exhibit A attached hereto. For all purposes, the Members shall be deemed admitted as members of the Company as of the date hereof.

Additional members of the Company ("Additional Members") may only be admitted upon the written consent of the Majority of Members of the Company as set forth in Section 3. On the admittance of an Additional Member, the Members will execute a written amendment to this Agreement to reflect the relative rights and preferences of the Members and Additional Members (collectively, "Total Members") and their respective Membership Interests (as defined hereinbelow).

Any attempted admission of an Additional Member not in compliance with this Section shall be null, void, and without effect.

2. Management & Majority Vote of Members.

All decisions concerning the affairs of the Company shall be made by the Members. Except as set forth herein, all actions of the Company require the consent or approval of a majority of the Members, including without limitation those matters set forth in § 33-44-404(c) of the Act. Whenever any matter is required or allowed to be approved by a majority of the Members, such matter shall be considered approved or consented to upon the receipt of the affirmative approval or consent of all the Members.

Assignees not made Members shall not be entitled to vote for the purpose of determining a Majority of the Members.

3. Duration.

The Company shall be deemed to be at-will with no termination date.

4. Initial Contributions and Capital Accounts.

Upon execution of this Agreement, the Members shall make the capital contribution (the "Initial Capital Contribution") described for the Member on Exhibit A by the terms specified. The value of the Initial Capital Contribution shall be as set forth on Exhibit A.

Subject to the written consent of the Majority of the Members, an interest or additional interest in the Company may be issued to an Additional Member or Members in exchange for anything of value, including but not limited to cash, property, services rendered, a promissory note, or other written obligations to contribute cash or property or to perform services (collectively with the Initial Capital Contribution and any subsequent capital contributions to the Company made by any one or more of the Members, the "Capital Contributions", and individually a "Capital Contribution").

No interest shall accrue on any Capital Contribution, and Members shall not have the right to withdraw or be repaid any of its Capital Contribution. Initially, the Members' capital accounts shall be equal to the Members' Initial Capital Contributions. Each of the Members' capital accounts (the "Capital Accounts") shall be adjusted in accordance with the applicable rules and regulations of the Internal Revenue Code of 1986, as amended (the "Code").

5. Allocations of Net Profits and Net Losses.

Except as may be required by § 704(c) of the Code and other applicable sections and regulations, net profits, net losses, and other items of income, gain, loss, deduction and credit shall be apportioned among the Members in accordance with the Code, and shall be governed by ("The Contract"). The Contract shall be set forth on Exhibit B. Expenses will be allocated in accordance with Members' capital accounts, and in accordance with The Contract. Except as that which may be unlawful, where the Code and The Contract disagree, The Contract shall govern.

At the conclusion of each quarter, the Managers may elect to make cash distributions to cover any Members' estimated tax deposits. At the end of each financial year, at the discretion of the Members, the partnership will make a cash distribution to compensate Members for taxes incurred unless such distribution would cause the entity to be insolvent.

6. Distributions.

The Company upon a vote of the Majority of Members may at any time make distributions to the Members in accordance with Code and The Contract.

7. Assignment/Pledge.

Any attempted assignment of a Membership Interest, or any part thereof, not in compliance with this Section is null and void. No Membership Interest shall be assigned unless the written consent of a Majority of Members to such assignment and an Amendment to this Agreement to reflect the relative rights and preferences of the Members and their respective Membership Interests, is obtained, which consent may be withheld by any Member for any or no reason.

Members may not pledge or grant a security interest, lien, or other encumbrance in or against any Membership Interest of the Members without the prior written consent of a Majority of Members, which consent may be withheld by any Member for any or no reason.

For purposes hereof, "Membership Interests" shall mean the rights of a Member in the Company. In the case of a permitted assignee of a Membership Interest who has not been admitted as an Additional Member, "Membership Interests" shall mean distributions and allocations of the profits, losses, gains, deductions, and credits of the Company. Members are prohibited from assigning any other interest than stated above and, should Members attempt to assign a greater interest in the Company, such assignment shall be null and void.

8. Options to Purchase Members' Interests.

In the event of the death of any of the Members or the dissociation of any of the Members from the Company ("Leaving Member"), for any reason, any remaining Members, the Company or their assignees shall have an option to purchase the Membership Interest of the Leaving Member upon payment of the Purchase Price (as defined hereinbelow). Members shall have the first right of refusal to purchase the Leaving Member's Membership Interest on a pro rata basis.

Should the Leaving Member's Membership Interest not be purchased, the Leaving Member shall either (a) continue as Members with all the same rights, benefits and obligations, of any of the other Members or (b) transfer the Membership Interest to any person or entity designated by such Leaving Member or the Leaving Member's estate.

9. Purchase Price

For the purposes hereof, "Purchase Price" shall be equal to the selling Members Capital Account as of the date of death or dissociation plus any goodwill of the Company. Goodwill may be determined by comparing the Company to other companies engaged in similar industries, cash flow, cost of shares or interest in similar companies comparing to earnings, and other relevant factors reasonably taken into account when computing the goodwill of a company. The accountant who regularly services the Company's book shall prepare a complete financial statement as of the date of death or dissociation. The Purchase Price shall be paid, without interest, within thirty (30) days after the exercise of the option or after the computation referred above, whichever is later.

10. Governing Law.

This Agreement shall be governed and construed in accordance with the laws of the State of South Carolina.

11. Amendment or Modification of Agreement.

This Agreement may be amended or modified from time to time by consent of the Majority of Members. Such amendment shall be effective only upon the execution of a written instrument by each of the Members (or their attorney-in-fact) memorializing such amendment. Each of the parties hereto hereby grants the Members representing the Majority of Members at the time of the approval of such amendment, or their designees, a power of attorney to execute any such written instrument, and any agreements, certificates,

instruments, or other documents related thereto, as each such party's attorney-in-fact.

Members shall have any vested rights in the Agreement which may not be modified through an amendment to the Agreement.

12. Notices.

Any notice, request, approval, consent, demand or other communication shall be effective upon the first to occur of the following: (i) upon receipt by Members to whom such notice, request, approval, consent, demand or other communication is being given; or (ii) three (3) business days after being duly deposited in the United States mail, registered or certified, return receipt requested, and addressed as provided in Exhibit A.

The parties hereto may change their respective addresses by notice in writing given to the other parties to this Agreement.

13. Severability.

If any provision, sentence, phrase or word of this Agreement or the application thereof to any person or circumstance shall be held invalid, the remainder of this Agreement, or the application of such provision, sentence, phrase, or word to persons or circumstances, other than those as to which it is held invalid, shall not be affected thereby.

IN WITNESS WHEREOF, the parties have executed this Operating Agreement to be effective as of the date set forth above.

WITNESSES:

MEMBERS:

EXHIBIT A

<u>Member</u>	<u>Initial Capital Contribution</u>	<u>Initial Sharing Ratio</u>
Billy Kennon 416 West Southshore Drive Port Isabel, TX 78578	Billy has provided all capital contributions up to this point, as the financial backer of this project. That includes a salvage vessel, maintenance, fuel, salaries of crew, etc...	70%
Stephen L. Goldfinch Jr. PO BOX 823 Murrells Inlet, SC 29576	Sweat Equity <i>information & knowledge of wreck sites</i>	15%
Kent Rogerson 8171-C Ocean Highway Pawleys Island, SC 29585	Sweat Equity	15%

*orig deal - was to provide coordinates & info on other
wreck sites.
Spear fishing reefs*

EXHIBIT B

FINDERS SALVAGE AGREEMENT

This agreement ("The Agreement"), between Stephen Goldfinch and Kent Rogerson (Finders) and Marine Salvage and Services, Inc. (Salvor), is for finders' services and salvage assistance services provided by Finders to Salvor. The purpose of this agreement is to define the terms under which each party is duty bound and entitled to certain lost, discarded or abandoned artifacts that may be recovered as a result of salvage operations. The following terms and conditions apply:

First: The Finders shall provide approximate coordinates to shipwrecks, barges, and other unspecified underwater structure known and unknown to others.

Second: The Finders shall provide diving and recovery services at their convenience to the Salvor.

Third: The Finders shall provide any expertise, knowledge, research or artifacts previously recovered from said shipwrecks, barges, or other unspecified underwater structure, for the sole purpose of helping to identify the dive site, and not for ownership transfer. Any artifacts previously recovered personally by the Finders shall remain in the sole ownership of the Finders, irrespective of whether they are being used by the Salvor for identification or preservation. Finders retain the right under a separate agreement to sell artifacts recovered previously by them, to Salvor or to a third party.

Fourth: The Salvor shall provide a salvage vessel, equipment intended for salvage and treasure hunting operations, fuel and crew.

Fifth: The Salvor shall provide legal title to artifacts sold to Finders and or to third parties.

Sixth: If necessary and or applicable, the Salvor shall be responsible for applying for proper permitting and licensing.

Seventh: This agreement shall be governed by the laws of South Carolina and applicable maritime laws, if any.

Eighth: Both Parties agree to mediate any dispute that may arise, and shall do so in a convenient location, to be agreed upon by both parties, located within 25 miles of Murrells Inlet, SC.

Ninth: Salvor agrees to take reasonable precautions and follow all applicable regulations with regards to environmental damage. Salvor agrees to full responsibility as the owner/operator of the salvage vessel, for environmental negligence, and fully exculpates finders from any environmental damage that may occur.

Parties Initial Here

1



Tenth: Salvor covenants that he is adequately insured for the business of salvage, and hereby agrees to exculpate Finders from any personal, corporate, environmental or miscellaneous damage or injury that may occur while salvage, recovery, or preservation of artifacts is underway.


Eleventh: The Parties' services are to be performed on the following basis:

- Finders shall receive an 18% minimum distribution, either through sale of items recovered, or through the personal recovery and or direct transfer of items; to be elected by Finders at their convenience.
- Finders shall receive a sliding scale from the minimum 18% up to a maximum 30% based upon recovery proceeds or appraisals. The sliding scale shall be set as detailed below:
 - o From \$0 - \$50,000.00, Finders shall receive the minimum 18%
 - o From \$50,001.00 - \$100,000, Finders shall receive 21.5%
 - o From \$100,001.00 - \$150,000.00, Finders shall receive 25%
 - o From \$150,001.00 - \$200,000.00, Finders shall receive 27.5%
 - o And From \$200,000.00 to infinity, Finders shall receive the maximum of 30%
- Salvor shall take the remainder as he sees fit.
- Finders shall be paid in accordance with the above schedule, within 30 days of Salvor, Salvor's assigns, parent, sister, or affiliates being paid.


Twelfth: Salvor acknowledges that Finders may wish to incorporate or organize a business, and thus adopt this agreement as a new entity. Salvor hereby agrees to the adoption of this agreement by any new proposed entity that Finders may incorporate or organize.

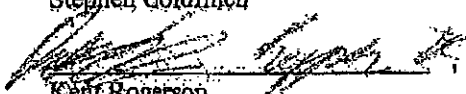
Thirteenth: Finders and Salvors shall have the right to alter, amend and revoke this agreement upon mutual agreement in writing with 30 days notice.

The Parties hereto agree to the above terms on this 15 day of Sept, 2013.



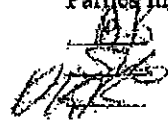
Salvor-Billy Keenan
For: Marine Salvage and Services, Inc.



Stephen Goldfinch


Kent Rogerson

Parties Initial Here



I have personally witnessed the signing of each individual above, and certify that his or her signature is a true and correct statement acknowledging the terms above.

Witness Signature: Nicole Williamson Witness Phone No: 772-617-2354
Witness Print: Nicole Williamson

Parties Initial Here

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BR
FLC
WLR

OPERATING AGREEMENT
Of
LOWCOUNTRY MARINE SALVAGE, LLC

A South Carolina Limited Liability Company

This is Limited Liability Operating Agreement (the "Agreement") is executed effective this ____ day of _____ 2013. The individuals listed as the members are as follows:

Billy Kenon of 416 West Southshore Drive, Port Isabel TX 78578
Stephen L. Goldfinch, Jr., of PO Box 823, Murrells Inlet, SC 29576
Kent Rogerson 8171-C Ocean Highway Pawley's Island, SC 29585

The Managing Members and the Non-Managing Members are referred to herein collectively as the "Members".

The Members have formed the Company by causing a Certificate of Formation (the "Certificate") conforming to the requirements of the South Carolina Revised Limited Liability Company Act (the "Act") to be filed in the Office of the Secretary of State for the State of South Carolina.

In consideration of the mutual covenants herein contained and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Members executing this Agreement hereby agree to the terms and conditions of this Agreement, as it may be amended from time to time. It is the express intention of the Members that this Agreement shall be the sole statement of agreement among them, and, except to the extent a provision of this Agreement expressly incorporates matters by express reference, this Agreement shall govern.

If the provisions of the Act conflict in any way or are inconsistent with or different from the provisions of the Act or any other provision of law, the terms of this Agreement shall control to the fullest extent permitted by the Act and applicable South Carolina law.

As of the date hereof, the Company and the Members of the Company desire to execute this Agreement to govern the conduct of the business and affairs of the Company and its members. The Members to this Agreement agree to the following:

Name:

This Limited Liability Company will be known as Lowcountry Marine Salvage, LLC, a South Carolina limited liability company (the "Company"), filed with the South Carolina Secretary of State on February 19, 2013 and became effective on February 19, 2013.

The LLC:

The Members have formed a Limited Liability Company.
The terms and conditions of their LLC will be outlined in this Agreement.

The LLC's principal office of business will be 416 West Southshore Drive, Port Isabel TX 78578. The LLC shall be deemed to be at-will with no termination date.

The LLC will be governed under the laws of the state of South Carolina and applicable Maritime Laws, if any.

The LLC's primary purpose is to identify and salvage wrecks and any other lawful activity located along the SC and NC Coasts. The company was

The Company was formed in February 2013 for the purpose of engaging in any business permitted by the South Carolina Limited Liability Company Act of 1996, as amended (the "Act"). As of the date hereof, the Company and the Members of the Company desire to execute this Agreement to govern the conduct of the business and affairs of the Company and its members. To the extent not otherwise addressed in the Agreement, the terms and conditions of the Act shall be deemed to govern relations among the Members and the Company. If the provisions of the Act conflict in any way with the terms of the Agreement, however, the terms of this Agreement shall control to the fullest extent permitted by the Act and applicable South Carolina law.

control possession of the three arrested wrecks and any artifacts salvaged from those wrecks. The wrecks are identified by the following:

1. The Caroline
2. The Bottle Wreck
3. The Copper Pot

Registered Office and Agent:

The Registered Agent is Kent Rogerson and the Registered Office is located at 8171-C Ocean Highway, Pawley's Island, SC 29585

Duration:

The Company shall be deemed to be at-will with no termination date.

Members:

For all purposes, the Members shall be deemed admitted as members of the Company as of the Operating Agreement execution date above with Billy Kenon ("Manager") designated as the sole Manager for the Company.

New Members:

Additional members of the Company ("Additional Members") may only be admitted upon unanimous written consent of all the members designated above. On the admittance of an Additional Member, the Members will execute a written amendment to this Agreement to reflect the relative rights and preferences of the Members and Additional Members (collectively, "Total Members") and their respective Membership Interests (as defined herein below).

Management:

Manager will control all decisions for the salvage operation of the three vessels as follows:

- Shall provide all funding decisions for salvage operation;
- Marine Salvage and Services, Inc. shall be the sole company for the entire salvage operation providing to include salvage vessel, equipment intended for salvage and treasure hunting operations, fuel and crew
- Shall provide legal title of salvaged items and salvaged artifacts sold to Members and or to third parties
- Shall be responsible for applying proper permitting and licensing.
- Shall maintain adequate insurance for the business of salvage.
- Shall take reasonable precautions and follow all applicable regulations with regards to environmental damage.

Contributions:

The Members will/have make/made an initial contribution to the LLC as follows:

- Billy Kenon will/has provide(d) capital contributions for the salvage operation. This is to include a salvage vessel, maintenance, fuel, salaries of crew, etc.
- Stephen L. Goldfinch, Jr., will/has provide(d) sweat equity to include diving and recovery service at his convenience.
- Kent Rogerson will/has provide(d) sweat equity and limited capital contributions to include diving and recovery service at his convenience.

~~The value of the Initial Capital Contribution shall be as set forth on Exhibit A.~~

All contributions are ongoing until salvage operation of the three named vessels is complete.

Subject to the written consent of the Majority of the Members, an interest or additional interest in the Company may be issued to an Additional Member or Members in exchange for anything of value, including but not limited to cash, property, services rendered, a promissory note, or other written obligations to contribute cash or property or to perform services (Collectively with the Initial Capital Contribution and any subsequent capital contributions to the Company made by any one or more of the Members, the "Capital Contributions", and individually a "Capital Contribution").

No interest shall accrue on any Capital Contribution, and Members shall not have the right to withdraw or be repaid any of their Capital Contribution. Initially, the Members' capital accounts shall be equal to the Members' Initial Capital Contributions. Each of the Members' capital accounts (the "Capital Accounts") shall be adjusted in accordance with the applicable rules and regulations of the Internal Revenue Code of 1986, as amended (the "Code").

Interest:

The Members ongoing ownership interests in the LLC are as follows:

- Billy Kenon shall have 70% interest.

- Stephen L. Goldfinch, Jr. shall have 15% interest.
- Kent Rogerson shall have 15% interest

Title to Property/Artifacts From Salvage Operation:

All artifacts from the salvage operation will be owned by the Company and shall be owned by the Company as an entity and no Member shall have any ownership interest in such property in its individual name or right, and each Member's interest in the Company shall be deemed personal property for all purposes. Except as otherwise provided in this Agreement, the Company shall hold all of the artifacts in the name of the Company and not in the name of any Member.

Profits and Losses:

Profits shall be distributed upon the sale of salvaged items according to the following distribution plan.

- Non-manager members shall receive an xx% minimum distribution either through the sale of items recovered or through the personal recovery and or direct transfer of items; to be elected by non-manager members at their convenience.
- Non-manager members shall receive a sliding scale from the minimum xx% up to a maximum xx% based upon a recovery proceeds or appraisals. The sliding scale shall be set as detailed below:
 - From \$0 - \$50,000, non-manager members shall receive the minimum xx% to distribute equally and the manager-member shall receive xx%.
 - From \$50,001 - \$100,000, non-manager members shall receive xx% to distribute equally and the manager member shall receive xx%.
 - From \$100,001.00 - \$150,000.00, non-manager members shall receive xx% to distribute equally and the manager member shall receive xx%.
 - From \$150,001.00 - \$200,000.00, non-manager members shall receive xx% to distribute equally and the manager member shall receive xx%.
 - And from \$200,000.00 to infinity, non-manager members shall receive the maximum of xx% and the manager member shall receive xx%.

Manager member shall take the remainder as he sees fit.

Non-manager members shall be paid in accordance with the above schedule, within 30 days of Manager - member paying assigns, parent, sister, or affiliates.

Tax Accounting and Reports:

The Managing Members shall cause the Company's United States federal tax return and South Carolina tax return to be prepared and delivered in a timely manner to the Non-Managing Members (but in no event later than 45 days after the close of each of the Company Fiscal Years).

Supervision; Inspection of Books:

Proper and complete books of account of the of the Company [including the checkbook(s) and a tally of artifacts recovered from the wrecks] shall be kept under the supervision of the Managing Member(s) at the principal office of the Company. Such books shall be open to inspection by a Non-Managing Member, at any reasonable time, upon reasonable notice, during normal business hours.

Confidentiality:

All information provided to Non-Managing Members under this agreement shall be used by Non-Managing Members in furtherance of their interests as Non-Managing Members and, subject to disclosures required by applicable law, each Non-Managing Member hereby agrees to maintain the confidentiality of such financial statements and other information provided to Non-Managing Members hereunder.

Members and Manager:

- The liability of the Members is limited according to the Limited Liability statutes for the state of South Carolina.
- No Member shall be an agent of any other Member by reason of being a Member of the Company.

Liability of Members and Manager:

All debts, obligations and liabilities of the LLC, whether arising in contract, shall be solely the debts, obligations and liabilities of the LLC, and no Member shall be obligated personally for any such debt, obligation or liability of the LLC solely by reason of being a Member. Every Member will be solely liable for any personal tort committed during participation of Salvage operation that would be committed under the laws of South Carolina or Admiralty Law.

Withdrawal or Death:

The Members hereby reserve the right to withdraw from the LLC at any time. Should a Member from the LLC because of choice or death ("Leaving Member"); the remaining Members will have the first option to buy out the remaining shares of the LLC. Should the Members agree to buy out the shares, all Members will buy the shares in equal amounts. The Members agree to hire an outside firm to assess the value of the remaining shares as defined in Purchase Price (as defined herein below). The Members have 60 days to decide if they want to buy the remaining shares together and disperse them equally. If all Members do not agree to buy the shares, individual Members will then have the right to buy the shares individually. If more than one Member requests to buy the remaining shares, the shares will be split equally among those Members wishing to purchase the shares. If all members agree by unanimous vote, the LLC may choose to allow a non-Member to buy the shares thereby replacing the previous Member,

however the non-Member must become a Member by unanimous vote of Members before the purchase may be finalized.

If no individual Member(s) finalize a purchase agreement by 60 days, the LLC will be dissolved.

Purchase Price:

For the purposed hereof, "Purchase Price" shall be equal to the selling Members Capital Account as of the date of death or dissociation plus any goodwill of the Company. Goodwill may be determined by comparing the Company to other companies engaged in similar industries, cash flow, cost of shares or interest in similar companies comparing to earnings, and other relevant factors reasonably taken into account when computing the goodwill of a company. The accountant who regularly services the Company's book shall prepare a complete financial statement as of the date of death or dissolution. The Purchase Price shall be paid, without interest, within thirty (30) days after the exercise of the option or after the computation referred above, whichever is later.

Powers of Legal Representative:

If a Member who is an individual dies or a court of competent jurisdiction adjudges the Member to be incompetent to manage his or her person or property, the Member's personal representative, administrator, guardian, conservator, trustee or other legal representative shall have all the rights of an assignee of the Member's interest.

Dissolution:

Should the LLC be dissolved by majority vote or otherwise, the LLC will be liquidated and the debts will be paid. All remaining funds after debts have been paid will be distributed based on the percentage of ownership interest outlined in this Agreement. An assignment or sale of a Member's interest in the Company does not result in the dissolution of the Company. For the avoidance of doubt, the granting of a lien on any amount of Member interest is not deemed to be an assignment.

Liquidation:

Upon dissolution of the Company, the Manager or one of the members that the Company selects, shall liquidate the Company's assets and shall do so as promptly as is consistent with obtaining fair value for them, and shall apply and distribute the assets of the Company as follows:

1. First, to the payment and discharge of all the Company's debts and liabilities to creditors of the Company other than the Members;
2. Second, to the payment and discharge of all of the Company's debt and liabilities to creditors of the Company that are Members;

3. Third, to the Members in accordance with their capital accounts, after giving effect to all contributions, distributions and allocation for all periods.

Amendments:

Amendments may be made hereto upon the unanimous and written consent of all Members. Amendments must be expressly written and have the original signature of all Members.

Settling Disputes:

All Members agree to enter into mediation before filing suit against any other Member or the LLC for any dispute arising from this Agreement or LLC. Members agree to mediate before filing suit at a convenient location with agreement of both parties, within 25 miles of Murrells Inlet, South Carolina. If any Member does not attend mediation, or the dispute is not settled after one session of mediation, the Members are free to file suit. Any lawsuits will be under the jurisdiction of the state of South Carolina.

No State Law Partnership:

The Members intend that the Company not be a partnership (including, without limitation, a limited partnership) or joint venture, and that no Member or Manager be a partner or joint venturer of any other Member or Manager, for any purposes other than federal and state tax purposes, and this Operating Agreement may not be construed to suggest otherwise.

Choice of Law and Severability:

This Agreement shall be construed in accordance with the internal law of the state of South Carolina. If any provision of this Agreement shall be contrary to the internal laws of the state of South Carolina or any other applicable law, at the present time or in the future, such provisions of this Agreement. This Agreement shall be deemed to modified and amended so as to be in compliance with applicable law and this Agreement shall then be construed in such a way as will best serve the intention of the parties at the time of the execution of this Agreement.

Notices:

Any notice or other communication that a Member desires to give to another Member shall be in writing and shall be deemed effectively given upon personal delivery or upon deposit in any United States mail box, by registered or certified mail, postage prepaid, or upon transmission by telegram or telecopy, addressed to the other Member at the address shown in the exhibits attached to this Agreement or at such other address as a Member may designate by 30 days advance written notice to the other Members.

Power of Attorney:

By signing this Agreement, each Non-Managing Member designates and appoints each of the Managing Members as its true and lawful attorney, in its name, place and stead to make, execute, sign and file such instruments, documents or certificates that may from time to time be required of the Company by the laws of the United States and the laws of the State of South Carolina or any other state in which the Company shall conduct its activities in order to qualify or otherwise enable the Company to conduct its lawful undertakings in such jurisdictions; provided, however, that in no event shall the Managing Members be deemed to have the authority under this Paragraph to take any action that would result in any Non-Managing Member losing the limitation on liability afforded hereunder.

Amendment Procedure:

This Agreement (and any exhibits to this Agreement) may be amended only with the written consent of the Managing Members. No amendment shall, however, (i) enlarge the obligations of any Member under this Agreement without the written consent of such Member, (ii) dilute the relative interest of any Member in the Net Income, Net Loss, distributions or capital of the Company without the written consent of such Member (except such dilution as may result from additional capital contributions from the Members or the admission of Additional Members as specifically permitted pursuant to this Agreement or as a result of a termination or withdrawal of a Non-Managing Member), or (iii) alter or waive the terms of this Paragraph or Paragraphs **Limitation of Liability of Members and Taxation**. The Managing Members shall promptly furnish copies of any amendments to this Agreement and the Company Certificate to all Members.

Effective Date:

This Agreement shall be effective on the date set forth in the ??? paragraph of this Agreement.

Exculpation:

Neither the Managing Members nor their Affiliates shall be liable to a Non-Managing Member or the Company for honest mistakes of judgment, for action or inaction taken reasonably and in good faith for a purpose that was reasonably believed to be in the best interests of the Company, for losses due to such mistakes, action or inaction, or to the negligence, dishonesty or bad faith of any employee or other agent of the Company, the Managing Members or their Affiliates provided that such employee or agent was selected, engaged or retained and supervised with reasonable care, provided that this Paragraph shall not extend to any action which constitutes fraud, willful misconduct or gross negligence. The Managing Member(s) may consult with counsel and accountants in respect of Company and be fully protected and justified in any action or inaction that is taken in accordance with the advice or opinion of such counsel or accountants, provided that they shall have been selected with reasonable care. Notwithstanding any of the foregoing to the contrary, the provisions of this Paragraph and of the following Paragraph concerning indemnification hereof shall not be construed so as to relieve (or attempt to relieve) any person of any liability by reason of recklessness or intentional wrongdoing or to the extent

(but only to the extent) that such liability may not be waived, modified or limited under applicable law, but shall be construed so as to effectuate the provisions of this Paragraph and of the following Paragraph concerning indemnification to the fullest extent permitted by law.

Indemnification:

The Company agrees to indemnify, out of the assets of the Company only, the Managing Member(s) and their Affiliates (and their agents), to the fullest extent permitted by law and to save and hold them harmless from and in respect of all (a) reasonable fees, costs, and expenses paid in connection with or resulting from any claim, action or demand against the Managing Member(s), their Affiliates or any agent thereof, the Company or their agents that arise out of or in any way relate to the Company, its properties, business or exploration activities and (b) such claims, actions and demands and any losses or damages resulting from such claims, actions and demands, including amounts paid in settlement or compromise of any such claim, action or demand; provided, however, that this indemnity shall not extend to conduct not undertaken in good faith nor to any fraud, willful misconduct or gross negligence. Any person receiving an advance with respect to expenses shall be required to agree to return such advance to the Company in the event it is subsequently determined that such person was not entitled to indemnification hereunder. Any indemnified party shall promptly seek recovery under any other indemnity or any insurance policies by which such indemnified party may be indemnified or covered or from any portfolio company in which the Company has an investment, as the case may be. No payment or advance may be made to any person under this Paragraph to any person who may have a right to any other indemnity (by insurance or otherwise) unless such person shall have agreed, to the extent of any other recovery, to return such payments or advances to the Company.

Limitation of Liability of Members:

Except as otherwise expressly provided herein or as required by South Carolina law, no Member shall be bound by, nor be personally liable for, the expenses, liabilities or obligations of the Company in excess of the balance of such Members Capital Commitment to the Company.

Withholding:

The Company shall at all times be entitled to make payments with respect to any Member in amounts required to discharge any obligation of the Company to withhold or make payments to any governmental authority with respect to any federal, state, local or other jurisdictional tax liability of such Member arising as a result of such Members interest in the Company. Any such withholding payment shall be charged to the Members Capital Account.

Entire Agreement:

This Agreement constitutes the entire agreement among the Members regarding the terms and operations of the Company, except for any amendments to this Agreement adopted in accordance with the terms herein. This Agreement supersedes all prior and contemporaneous agreement, statements, understanding, and representations of the parties regarding the terms and operation of the Company, except as provided in the preceding sentence.

All Members signed hereto agree to the above stated Agreement.

IN WITNESS WHEREOF, the parties have executed this Operating Agreement to be effective as of the date set forth above.

MANAGING MEMBERS

NON-MANAGING MEMBERS

Authorized Signature

Authorized Signature

Print Name and Title

Print Name and Title

Authorized Signature

Authorized Signature

Print Name and Title

Print Name and Title

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Subject: Phone call tonight
From: Stephen Goldfinch <stephen@boydgoldfinch.com>
Date: Fri, Dec 06, 2013 4:49 pm
To: "<billy@marineservice.us>" <billy@marineservice.us>
Cc: kent.lcf@gmail.com

Billy,
After the extortion scheme you presented to me today, I have no desire to help you dissolve our company, nor do I want to be involved with you in a business relationship anymore. You're a liar and a cheat and I have very little use for you after today. It's really unfortunate considering the possibilities. With that said, I resign from any duties, if I had any to begin with. Furthermore, I expect full compensation from you for the value of my services and partnership interest. In exchange for the value of those services, I will withdraw from the partnership. The value of the services and partnership interest can be determined at a later date. You and Kent can work out the remainder of the partnership. You obviously want a way to get me out, so here's a very reasonable way that will cost you less than the litigation you threatened me with (which would have to be brought in Georgetown county SC). Considering that you agreed to the partnership agreement by your own signature, and considering that I have emails from you approving the LLC documentation, I would seriously consider this offer if I were you. Think it over.

ps, if you don't take this deal, I'll make sure everyone in this industry knows the truth about you.

Stephen

Sent from my iPhone

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EXHIBIT

5

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Subject: shipwrecks

From: billy@marineservice.us

Date: Sat, Dec 07, 2013 11:37 am

To: "Stephen Goldfinch" <stephen@boydgoldfinch.com>

Stephen,

Putting your other comments aside for the moment I gues I need to know what the value of your services and partnership interest are. Thank you.

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Subject: Re: shipwrecks
From: Stephen Goldfinch <stephen@boydgoldfinch.com>
Date: Sat, Dec 07, 2013 12:43 pm
To: "<billy@marineservice.us>" <billy@marineservice.us>

I assume all of this relates to the North Carolina. Is that correct? Tell me what's going on and why the urgency and that will help me evaluate the value of the partnership. Do you have a deal going with some other operator or investor? Remember, you have a fiduciary duty to share openly and honestly with the other partners. If there's something going on that I need to know, I would suggest telling me. I have no problem being reasonable and giving you what you want, but I need to know all the details of what you're trying to do so we can make this a valid and legal arm's length transaction that isn't going to come back and bite you.

Thanks,
S

Sent from my iPhone

On Dec 7, 2013, at 12:37 PM, <billy@marineservice.us> wrote:

Stephen,

Putting your other comments aside for the moment I gues I need to know what the value of your services and partnership interest are. Thank you.

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