

STATE OF NORTH CAROLINA
COUNTY OF WAKE

IN THE GENERAL COURT OF JUSTICE
SUPERIOR COURT DIVISION
26CV007937-910

ARTHUR DISKIN,)
)
Plaintiff and Counterclaim-Defendant,)
)
v.)
)
MICHAEL J. SHELLEY and SPANDS)
ORBIT, LLC)
)
Defendants and Counterclaim-)
Plaintiffs,)
)
v.)
)
ANCHORPOINT VENTURES 25, LLC and)
RECONXX, LLC,)
)
Third-Party Plaintiffs,)
)
)
COASTLINE CORDAGE GROUP, LTD.)
and MATTHEW D. MOORE,)
)
Third-Party Defendants.)
)
_____)

**AFFIRMATIVE DEFENSES, ANSWER,
AND COUNTERCLAIM/THIRD-
PARTY COMPLAINT**

Defendants Michael J. Shelley (“Shelley”) and Spands Orbit, LLC (“Spands Orbit”) (collectively, “Defendants”), by and through undersigned counsel, assert affirmative defenses and answer the Complaint filed by Plaintiff Arthur Diskin (“Diskin” or “Plaintiff”), as follows:

FIRST DEFENSE – IMPROPER VENUE / MOTION TO TRANSFER VENUE

Pursuant to Rule 12(b)(3) of the North Carolina Rules of Civil Procedure, Defendants respectfully move the Court to dismiss this action for improper venue and/or to transfer the venue of this action from Wake County to Mecklenburg County or Iredell County.

In support of this motion, Defendants show the Court that Diskin's own Complaint invokes a forum selection clause contained in a Secured Promissory Note (the "Note"). That forum selection clause provides for exclusive jurisdiction and venue in Mecklenburg County. Diskin nevertheless filed in Wake County, a venue with no alleged connection to the acts or omissions at issue. Defendants therefore move to dismiss for improper venue and/or to transfer venue to Mecklenburg County, pursuant to the forum selection clause in the Note.

In the alternative, if the forum-selection clause is held to be unenforceable, Iredell County is the proper forum because the subject real property at 245 Orbit Road in Statesville, North Carolina (the "Property"), and the relevant acts and omissions occurred in Iredell County.

**SECOND DEFENSE - RESPONSES TO ENUMERATED
PARAGRAPHS**

1. Admitted, upon information and belief.
2. Admitted.
3. Admitted.
4. The allegations in paragraph 4 of the Complaint set forth legal conclusions to which no response is required. To the extent a response is required, it is admitted the superior court has subject matter jurisdiction over this case.
5. The allegations in paragraph 5 of the Complaint set forth legal conclusions to which no response is required. To the extent a response is required, admitted.
6. The allegations in paragraph 6 of the Complaint set forth legal conclusions to which no response is required. To the extent a response is required, denied. Defendants further allege and state the Note referred to in paragraph 6 of the Complaint speaks for itself. To the extent the allegations in paragraph 6 of the Complaint are inconsistent therewith, they are denied.

7. The Note and Pledge Agreement referred to in paragraph 7 of the Complaint speak for themselves. To the extent the allegations in paragraph 7 of the Complaint are inconsistent therewith, they are denied.
8. Defendants incorporate by reference each of their responses set forth above as if fully set forth herein.
9. It is admitted that on or about May 13, 2025, Shelley executed the Note. Defendants further allege and state that the Note referred to in paragraph 9 of the Complaint speaks for itself. To the extent the allegations in paragraph 9 of the Complaint are inconsistent therewith, they are denied.
10. The Note referred to in Paragraph 10 of the Complaint speaks for itself. To the extent the allegations in Paragraph 10 of the Complaint are inconsistent therewith, they are denied.
11. The Note referred to in Paragraph 11 of the Complaint speaks for itself. To the extent the allegations in Paragraph 11 of the Complaint are inconsistent therewith, they are denied.
12. The Note referred to in Paragraph 12 of the Complaint speaks for itself. To the extent the allegations in Paragraph 12 of the Complaint are inconsistent therewith, they are denied.
13. The Note referred to in Paragraph 13 of the Complaint speaks for itself. To the extent the allegations in Paragraph 13 of the Complaint are inconsistent therewith, they are denied.
14. Denied.
15. It is admitted that Shelley and Matthew D. Moore executed and delivered multiple Draw Requests pursuant to the Note, in the amounts and on around the dates alleged in paragraph 15 of the Complaint. Except as expressly admitted herein, the allegations in paragraph 15 of the Complaint are denied.

16. It is admitted that on or about May 13, 2025, Shelley executed the Pledge Agreement. Defendants further allege and state that the Pledge Agreement referred to in paragraph 16 of the Complaint speaks for itself. To the extent the allegations in paragraph 16 of the Complaint are inconsistent therewith, they are denied.
17. The Note referred to in Paragraph 17 of the Complaint speaks for itself. To the extent the allegations in Paragraph 17 of the Complaint are inconsistent therewith, they are denied.
18. It is admitted that Spands Orbit executed a written Consent and Acknowledgement. Defendants further allege and state that the Consent and Acknowledgement referred to in paragraph 18 of the Complaint speaks for itself. To the extent the allegations in paragraph 18 of the Complaint are inconsistent therewith, they are denied.
19. It is admitted that Shelley executed a written Irrevocable Proxy. Defendants further allege and state that the Irrevocably Proxy referred to in paragraph 19 of the Complaint speaks for itself. To the extent the allegations in paragraph 19 of the Complaint are inconsistent therewith, they are denied
20. It is admitted Spands Orbit, LLC owned the Property until around December 22, 2025. Except as expressly admitted herein, the allegations in paragraph 20 of the Complaint are denied.
21. Admitted.
22. Admitted.
23. Admitted.
24. The Note referred to in Paragraph 24 of the Complaint speaks for itself. To the extent the allegations in Paragraph 24 of the Complaint are inconsistent therewith, they are denied.

25. Denied. Defendants further allege and state that Plaintiff accepted \$133,144.50 in accord and satisfaction of Defendants' entire indebtedness to Plaintiff.

26. Denied

27. Defendants admit that Plaintiff provided a document purporting to be a written Notice of Default and Acceleration to Shelley on around January 14, 2026. The document referred to in Paragraph 27 of the Complaint speaks for itself. To the extent the allegations in Paragraph 27 of the Complaint are inconsistent therewith, they are denied.

28. Denied. Defendants further allege and state that Plaintiff accepted \$133,144.50 in accord and satisfaction of Defendants' entire indebtedness to Plaintiff, prior to January 14, 2026.

29. It is admitted that Defendants caused a payment of \$133,144.50 to be made to Plaintiff following the sale of the Property and that Plaintiff accepted this \$133,144.50 in accord and satisfaction of Defendants' entire indebtedness to Plaintiff. Except as expressly admitted herein, the allegations in paragraph 29 of the Complaint are denied.

30. Denied.

31. Denied.

32. Denied.

FIRST CLAIM FOR RELIEF

33. Defendants incorporate by reference each of their responses set forth above as if fully set forth herein.

34. Admitted.

35. Defendants admit that Plaintiff advanced the amounts alleged in paragraph 15 of the Complaint, on around the dates alleged in paragraph 15, pursuant to the Note. Except as expressly admitted herein, the allegations in paragraph 35 of the Complaint are denied.

36. Denied.

37. Denied.

38. Denied.

SECOND CLAIM FOR RELIEF

39. Defendants incorporate by reference each of their responses set forth above as if fully set forth herein.

40. The allegations in Paragraph 40 of the Complaint set forth legal conclusions to which no response is required. To the extent a response is required, the allegations in paragraph 40 of the Complaint are denied to the extent they are inconsistent with applicable law.

41. Denied.

42. Denied.

43. Denied.

44. The allegations in Paragraph 44 of the Complaint set forth allegations characterizing his claim for relief, to which no response is required. To the extent the allegations are directed at Defendants and/or to the extent a response is required, denied.

THIRD CLAIM FOR RELIEF

45. Defendants incorporate by reference each of their responses set forth above as if fully set forth herein.

46. The Note referred to in Paragraph 46 of the Complaint speaks for itself. To the extent the allegations in Paragraph 46 of the Complaint are inconsistent therewith, they are denied.

47. It is admitted that Spands Orbit received net proceeds from the sale of the Property in the amount of approximately \$1,233,342.88. Except as expressly admitted herein, the allegations in paragraph 47 of the Complaint are denied.

48. Denied.

FOURTH CLAIM FOR RELIEF

49. Defendants incorporate by reference each of their responses set forth above as if fully set forth herein.

50. Denied.

FIFTH CLAIM FOR RELIEF

51. Defendants incorporate by reference each of their responses set forth above as if fully set forth herein.

52. Denied.

53. Denied.

54. Denied.

THIRD DEFENSE: ACCORD AND SATISFACTION

The debt or claim alleged in the Complaint should be discharged under the affirmative defense of accord and satisfaction.

As detailed further in the Counterclaim and Third-Party Complaint (below), Defendants dispute liability for repaying the full amount of the balance advanced by Plaintiff pursuant to the Note, including certain amounts advanced by Plaintiff through APV to Third-Party Defendants Coastline Cordage Group, Ltd. and Matthew D. Moore.

Plaintiff agreed, in writing, to settle his claims against Defendants for payment of \$133,144.47, that is, a different performance than originally contemplated under the Note (\$133,144.47 is a lesser amount than the full balance advanced by Plaintiff pursuant to the Note). Plaintiff's agreement to settle his claims against Defendants for payment of \$133,144.47 from the proceeds of the closing on the sale of the Property constitutes an accord. Spands Orbit's payment

of the \$133,144.47 shortly after and from the proceeds of the closing of the sale of the Property constitutes performance of that agreement, i.e., a satisfaction. Plaintiff accepted this accord and satisfaction by knowingly accepting the tender of \$133,144.47 as payment in full of Defendants' obligations under the Note.

FOURTH DEFENSE: WAIVER

The doctrines of waiver, consent, and estoppel are pled in bar to all of Plaintiff's claims for relief.

FIFTH DEFENSE: OFFSET

To the extent that Plaintiff is entitled to any monetary relief against Defendants, which is expressly denied, then any such relief is limited by applicable setoff, offset, and/or recoupment, and Defendants plead they are entitled to a credit, offset, and/or recoupment from Plaintiff and/or Third-Party Defendants Coastline Cordage Group, Ltd. and/or Matthew D. Moore.

SIXTH DEFENSE: FAILURE TO MITIGATE

Defendants allege that Plaintiff has failed to mitigate his alleged damages in the manner required by law. Accordingly, his claim should be reduced and/or barred.

SEVENTH DEFENSE: UNCLEAN HANDS

Plaintiff's claims are barred or abated substantially by the doctrine of unclean hands.

EIGHTH DEFENSE: FURTHER DEFENSES

Because no discovery has yet occurred in this action, Defendants reserve the right to assert further defenses as appropriate. Defendants hereby reserve any and all further defenses that may be discovered at any time during this action.

Defendants will rely upon all proper defenses lawfully available that may be disclosed by evidence and reserve the right to amend this Answer to state such defenses.

COUNTERCLAIM AND THIRD-PARTY COMPLAINT

NOW COME Counterclaim-Plaintiffs Shelley and Spands Orbit, together with Third-Party Plaintiffs AnchorPoint Ventures 25, LLC (“APV”) and Reconxx, LLC (“Reconxx”), pursuant to Rules 12 and 14 of the North Carolina Rules of Civil Procedure, complaining and alleging against Counterclaim Defendant Diskin and Third-Party Defendants Coastline Cordage Group, Ltd. (“Coastline”) and Matthew D. Moore (“Moore”), as follows:

1. APV is a Delaware limited liability company with its principal office located at the Property in Iredell County, North Carolina. Shelley is the sole member of APV.
2. Reconxx, LLC is a North Carolina limited liability company with its principal office located at the Property in Iredell County, North Carolina. Shelley is the sole member of Reconxx, a third-party logistics and fulfillment company focused on ecommerce.
3. This Third-Party Complaint will refer to each of Shelley, Spands Orbit, Reconxx, and APV as the “Shelley Entities.”
4. Coastline is a foreign entity with a principal place of business in Nova Scotia, Canada. Coastline is a rope manufacturer.
5. Plaintiff Diskin is a minority stakeholder in Coastline. At all relevant times, Diskin has owned a 40% interest in Coastline, and he has described himself as a director of Coastline.
6. Moore is also a stakeholder in Coastline. At all relevant times, Moore has represented he is Coastline’s sole director. Upon information and belief, Moore is an adult resident of Canada.
7. This Court has personal and subject-matter jurisdiction over this dispute and each of the Counterclaim Defendants and Third-Party Defendants.

8. Diskin's Complaint constitutes an unjustified attempt to avoid responsibility by Diskin for the role he and Coastline played in an unrealized three-way joint venture to manufacture and sell rope products, among Diskin, Moore (including in his capacity on behalf of Coastline), and Shelley (including in his capacity on behalf of Reconxx).
9. The parties contemplated using APV as the vehicle for their joint venture, with membership and economic interests to be allocated one-third each among Diskin, Moore, and Shelley. However, APV was originally established by Shelley as a single-member LLC, and no final multi-member operating agreement was ever executed.
10. Diskin, Moore, and Shelley informally operated APV from around May 2025 to December 2025. During this period, Moore had access to APV's fund and the ability to transfer funds from APV to Coastline. Moore, in fact, transferred funds from APV to Coastline, in the amounts specified below.
11. During this period, it was the intent of Diskin, Moore, and Shelley to draft and execute an operating agreement and transfer membership interests in APV to each of the parties to reflect a one-third equal partnership.
12. Prior to execution of a formal operating agreement, Coastline and Reconxx received operating capital through advances from Diskin to APV, pursuant to a \$500,000 line of credit and the terms of the Note.
13. Exhibit A is a true and correct copy of the Note, Pledge Agreement, and Irrevocable Proxy, as those terms are used in the Complaint.
14. Pursuant to the Note, Shelley and Moore were required to sign and authorize all draw requests on the line of credit, which were then approved and funded by Diskin. The form used by the parties to memorialize these draw requests specified the "subsidiary"

requesting the funds (i.e., whether Coastline, Moore, and/or Reconxx), an itemized use of funds, and the total amount requested.

15. Once approved, Diskin funded a draw request by depositing funds into a Mercury Savings “APV Internal Funding” account ending in -1309.
16. APV then advanced the proceeds of the draw request to Coastline, Moore, and/or Reconxx, as applicable, and to record the transfer as an account receivable (loan) from the “subsidiary” (i.e., Coastline, Moore, and/or Reconxx).
17. Coastline, Moore, and Reconxx each promised to repay to APV all amounts advanced (loaned) by APV to each respective party, by repaying the principal amount together with 7% annual interest over the course of twelve (12) monthly payments (the “APV Loan Agreement”).

Draw Request #1

18. On or about May 15, 2025, Shelley and Moore executed and delivered a written Draw Request to Diskin pursuant to the Note. Exhibit B is a true and correct copy of this Draw Request (hereinafter, “Draw #1”)¹.
19. Of the \$264,017.47 requested in Draw #1, \$225,295.00 of the itemized use of funds was characterized as “CoastLine/General Ops,” including \$10,000 received directly by Moore in a line item, “Matt (employee support)”; \$19,722.47 was characterized as “Reconxx”; and \$19,000 was characterized as “AnchorPoint Ventures Direct.”

¹ Draw #1 itself refers to three draws (numbered 1, 2, and 3). This Counterclaim/Third-Party Complaint refers to each of this subsidiary draws as “Draw #1,” while reserving the terms Draw #2 and Draw #3 to refer to subsequent draws on August 5, 2025 and October 28, 2025, respectively.

20. From this Draw #1, APV received and retained \$19,000. APV used most of these funds on legal fees related to the negotiation and drafting of an operating agreement to reflect the three-part ownership structure, as detailed above.
21. APV advanced the remaining amount from Draw #1 to Coastline, Moore, and Reconxx. Coastline and Moore collectively received \$225,295.00 from Draw #1 (including \$25,000 on around April 16, 2025), and Reconxx received \$19,722.47 from Draw #1.
22. Draw #1 memorializes the agreement by Coastline, Moore, and Reconxx to each repay to APV the respective amounts advanced to them under the Note. It was the parties' intent for this same agreement to continue with each subsequent advance thereafter, as made pursuant to the Note.

Draw Request #2

23. On or about August 5, 2025, Shelley and Moore executed and delivered a written Draw Request to Diskin pursuant to the Note. Exhibit C is a true and correct copy of this Draw Request (hereinafter, "Draw #2").
24. Of the \$58,132.93 requested in Draw #2, \$33,794.93 of the itemized use of funds was characterized as "Subtotal – Coastline."
25. From this Draw #2, APV advanced \$33,794.93 to Coastline, and Reconxx received \$24,338.00.

Draw Request #3

26. On or about October 28, 2025, Shelley and Moore executed and delivered a written Draw Request to Diskin pursuant to the Note. Exhibit D is a true and correct copy of this Draw Request (hereinafter, "Draw #3").

27. Of the \$63,701.00 requested in Draw #3, APV retained \$14,525.00 for additional legal fees related to the setting up of the three-way partnership. APV also advanced to Reconxx \$49,176.00 from Draw #3.
28. A reconciliation performed by a certified public accountant on around November 14, 2025, confirms that Coastline received \$259,089.93 of the total funded advances. This reconciliation also reallocated \$10,000 from Reconxx to APV, such that (as reconciled), Reconxx received a total of \$83,236.47 and APV received a total of \$43,525.00. Exhibit E includes a true and correct copy of this reconciliation dated November 14, 2025.
29. In addition to the foregoing, Diskin advanced an additional \$27,856.84 to Coastline through APV on around December 4, 2025 (hereinafter, “Draw #4”).
30. In a departure from the practice for Draws #1, #2, and #3, no written Draw Request accompanied Draw #4.
31. As late as around December 11, 2025, Moore confirmed his intent to move forward with execution of an APV operating agreement to reflect one-third ownership of APV.
32. Moore then abruptly reversed course and abandoned the APV venture.
33. Upon information and belief, Moore backed out of the planned APV venture shortly after Coastline learned it had received and/or would soon receive a six-figure grant from the Canadian government (hereinafter, the “ACOA Grant”). Flush with cash from the ACOA Grant, Coastline no longer believed it had a need for operating capital or support from the APV venture.
34. By the end of December 2025, Moore unequivocally repudiated his intent to move forward with the APV venture.

35. In response, in late December 2025, the parties negotiated a binding and enforceable agreement to wind down their half-baked joint venture and to reallocate responsibility for repayment of advances made by Diskin (hereinafter, “the Allocation Agreement”).
36. Pursuant to the Allocation Agreement, the parties agreed to the following material terms:
- a. Moore/Coastline would repay directly to Diskin the principal and interest on all Coastline-directed advances from Diskin, including all amounts they had received on the line of credit, in the principal amount of \$259,089.93, together with Draw #4.
 - b. From the proceeds of the sale of the Property, Spands Orbit would repay to Diskin the principal and interest on all amounts any of the Shelley Entities had received on the line of credit, in the amount of \$133,144.47 (of which \$126,761.47 was principal and the remaining amount was interest).
 - c. Notably, Spands Orbit’s agreement to pay this amount (\$133,144.47) from the proceeds of the sale of the Property to Diskin reflected Shelley’s agreement to repay amounts advanced to both Reconxx and APV, notwithstanding the fact the parties contemplated executing an operating agreement for APV (in which each party would be responsible for equal capital contributions to match the equal one-third ownership structure of APV). Shelley graciously agreed to absorb the costs incurred on behalf of all three of him, Diskin, and Moore, by agreeing to repay all amounts advanced by Diskin to APV, without setoff or adjustment.
 - d. In exchange for this payment (of \$133,144.47), Diskin agreed he would have no further claim to repayment from any of the Shelley Entities.

37. In an email thread with Diskin and Shelley on December 4, 2025, Moore represented that the partial ACOA grant would be distributed by mid-December and that “CC [Coastline] will be sending interest payments and principal payments to this LOC [line of credit].” Diskin replied “approved.” Exhibit F is a true and correct copy of this email thread.
38. In another email, Diskin wrote that “Matthew [Moore] has agreed to wire the funds forwarded to Coastline in the draws plus prorated interest to me, including draw number four [i.e., Draw #4].” Exhibit G is a true and correct copy of this email.
39. Separately, Diskin wrote that Moore was focused on determining how Coastline could position itself to satisfy its portion of the draws. Diskin expressly affirmed his intent to disclaim any responsibility Spands Orbit might have for repaying monies on the LOC advanced to Coastline, based on the parties’ agreement for Coastline to repay its share of the draws. Exhibit H includes a true and correct copy of these written communications.
40. Spands Orbit sold the Property on around December 22, 2025.
41. Spands Orbit performed in full under the Allocation Agreement, by paying to Diskin \$133,144.47 from the closing on the sale of the Property. Said amount includes the entire principal balance with interest of all advances from Diskin on the LOC, except for amounts that benefitted only Coastline and Moore.
42. In equity and fairness, Coastline and Moore should be responsible for repaying advances that benefitted only them.
43. Diskin accepted this payment of \$133,144.47 from Spands Orbit in satisfaction of all amounts due from any of the Shelley Entities under the Note, and he did not reject, return, or immediately condition that payment.

44. Based on Diskin's several representations, including without limitation as found in his December 24 and December 27, 2025 emails (see Exhibits E and I), Defendants reasonably understood the payment of \$133,144.47 to satisfy, in full, any and all liabilities by the Shelley Entities, leaving Coastline/Moore solely responsible for repayment of the remaining Coastline-directed portions of the Diskin advances.
45. Shortly after accepting this \$133,144.47, in full and complete satisfaction of his claims against any of the Shelley Entities, Diskin attempted to reverse course and renegotiate the Allocation Agreement, in bad faith.
46. Diskin has an economic incentive to shift the Coastline-directed advances from Coastline to Shelley because Diskin holds a 40% equity interest in Coastline. If Coastline was required to repay the Coastline-directed advances, as agreed, Diskin would bear part of that economic burden through his Coastline ownership. This conflict explains Diskin's later attempt to disregard the Allocation Agreement and to pursue Defendants for funds received and used solely by Coastline/Moore.
47. Stated otherwise, Diskin attempted to pull a bait-and-switch on the Allocation Agreement—and inequitably hold Shelley liable for funds received by Coastline—because Diskin has an ownership stake in Coastline. If Diskin was to properly hold *Coastline* liable for repaying the amounts advanced by him *to Coastline*, Diskin would effectively receive repayment of only 60 cents on the dollar (based on Diskin owning a 40% equity stake in Coastline).
48. In breach of the parties' agreement, Diskin attempted to renegotiate on his acceptance of \$133,144.47 in accord and satisfaction of any liability by the Shelley Entities.

FIRST CAUSE OF ACTION: BREACH OF CONTRACT
(ALLOCATION AGREEMENT)

Brought by the Shelley Parties Against Diskin/Coastline/Moore

49. Defendants and Third-Party Plaintiffs hereby reallege and incorporate all the other allegations in this Counterclaim/Third-Party Complaint by reference as if set forth in full hereunder.
50. The Allocation Agreement is a valid and enforceable contract between and among all parties to this litigation.
51. The Shelley Parties fully performed under the Allocation Agreement by causing \$133,144.47 to be paid to Plaintiff from the proceeds of the sale of the Property.
52. Diskin breached the December Agreement by continuing to pursue liability from Shelley and Spands Orbit, even after having received payment of \$133,144.47 from the proceeds of the sale of the Property.
53. Coastline and Moore breached the December Agreement by failing to repay to Diskin their portion of the amounts advanced to Coastline under the line of credit.
54. As a direct and proximate result of these breaches, the Shelley Parties have been damaged in an amount not less than \$25,000.00, plus accrued and accruing interest, costs of enforcement, and such additional amounts as may be proven at trial.

SECOND CAUSE OF ACTION: BREACH OF CONTRACT
(APV LOAN AGREEMENT)

Brought by APV Against Coastline/Moore

55. APV hereby realleges and incorporates all the other allegations in this Third-Party Complaint by reference as if set forth in full hereunder.

56. In addition to and/or in the alternative to the First Cause of Action, if the Allocation Agreement is unenforceable (which is expressly denied), the APV Loan Agreement is a binding and enforceable contract between and among Coastline/Moore, on the one hand, and APV, on the other, pursuant to which Coastline/Moore each promised to repay to APV all principal amounts advanced by APV to them, together with 7% annual interest over the course of twelve (12) monthly payments.
57. Coastline/Moore have breached the APV Loan Agreement by failing to repay to APV any of the amounts advanced by APV to Coastline/Moore, notwithstanding APV's written demands for payment.
58. As a direct and proximate result of these breaches, APV has been damaged in an amount not less than \$25,000.00, plus accrued and accruing interest, costs of enforcement, and such additional amounts as may be proven at trial.

THIRD CAUSE OF ACTION: BREACH OF CONTRACT
(MANAGEMENT SERVICES AGREEMENT)

Brought by APV Against Coastline

59. APV hereby realleges and incorporates all the other allegations in this Third-Party Complaint by reference as if set forth in full hereunder.
60. Effective as of August 18, 2025, APV and Coastline entered into a Management Services Agreement (hereinafter, the "MSA"), a true and correct copy of which is attached hereto as Exhibit I.
61. Acting on behalf of Coastline, Moore marked up and executed the MSA on behalf of Coastline, pursuant to a Written Consent of the Sole Director dated August 18, 2025.
62. Pursuant to the MSA, APV (as the Service Provider) promised to provide specialized executive, supply-chain, logistics, finance and brand-management services to Coastline (as

the Company), in consideration for the Company's promise to reimburse certain expenses to Service Provider (as detailed in Section 5.1) and to pay certain management and performance fees (as detailed in Section 5.2).

63. In turn, APV accepted the terms of the MSA through performance and otherwise.

64. The MSA is a binding and enforceable contract between APV and Coastline.

65. In recognition of the validity of the APV, Diskin (in his capacity as an agent of Coastline) advised Shelley to keep receipts for eligible expenses incurred by APV under the MSA.

66. APV has performed in full under the MSA.

67. Pursuant to the MSA, APV provided an itemized list of reimbursable expenses to Coastline and demanded payment of the fees. In breach of the MSA, Coastline has failed to make the contractual payments to APV.

68. The original term of the MSA was five years from its effective date of August 18, 2025. Pursuant to Section 5.2.4 of the MSA, Coastline has the right to terminate the MSA for convenience by payment of "the greater of (i) three (3) times the aggregate Base + Performance Fees paid in the twelve (12) months immediately preceding notice of termination, or (ii) the net present value (8% discount) of all such fees through the scheduled end of the current Term."

69. To the extent Coastline claims it has terminated the MSA for convenience, APV is further entitled to the termination fees specified in Section 5.2.4 of the MSA.

70. As a direct and proximate result of these breaches, APV has been damaged in an amount not less than \$25,000.00, plus accrued and accruing interest, costs of enforcement, and such additional amounts as may be proven at trial.

FOURTH CAUSE OF ACTION: UNJUST ENRICHMENT

Brought by the Shelley Parties Against Coastline

71. Defendants and Third-Party Plaintiffs hereby reallege and incorporate all the other allegations in this Third-Party Complaint by reference as if set forth in full hereunder.
72. This claim is pleaded in the alternative to the breach-of-contract claims (the First, Second, and Third Causes of Action) and to the extent any of the Allocation Agreement, the APV Loan Agreement, and/or the Management Services Agreement are held to be unenforceable.
73. From approximately April 2025 through December 2025, Coastline knowingly accepted substantial benefits conferred by APV, Spands Orbit, Reconxx, and/or Shelley in connection with the parties' contemplated APV venture.
74. Those benefits included, without limitation:
- a. cash and working capital advanced to or for the benefit of Coastline;
 - b. payment or funding of Coastline operating expenses, raw materials, yarn, freight, tariffs, rent, machinery-move expenses, and other Coastline business expenses;
 - c. use of APV Mercury bank accounts and APV financial infrastructure to receive, allocate, and transfer funds for Coastline's benefit;
 - d. Reconxx warehousing, 3PL, operational, sales, business-development, website, fulfillment, and administrative support;
 - e. services and infrastructure related to the planned relocation, staging, commissioning, or commercialization of Coastline machinery and rope-manufacturing operations in North Carolina;

- f. APV/Reconxx business-development efforts, including supplier/customer contacts, trade-show activity, lead generation, sales infrastructure, and market-development work for Coastline rope products;
 - g. legal, accounting, governance, and structuring work undertaken to create the APV venture and integrate Coastline into that structure; and
 - h. any other benefit shown by discovery to have been accepted or retained by Coastline.
75. At all relevant times, Coastline has stored on the Property its equipment and inventory, without paying any rent to the Property's former owner, Spands Orbit, and/or to the Property's current lessor, Reconxx.
76. Spands Orbit and Reconxx have conferred a benefit on Coastline, and that benefit was not conferred gratuitously.
77. In addition, APV conferred a benefit on Coastline (i.e., advances), and that benefit was not conferred gratuitously. It was always the intent of APV and Coastline that Coastline would account for and/or otherwise repay the advances to APV, e.g., in consideration for the transfer of a one-third membership interest in APV to Coastline.
78. Coastline understood that APV recorded and the transfers it received from APV as advances, internal loans, receivables, or capital-support items for which Coastline would account, repay, contribute value, or provide equivalent consideration in connection with the contemplated APV venture.
79. Coastline accepted those benefits and retained them. Coastline used line-of-credit-funded advances and relates support from the Shelley Entities to fund its inventory, operations,

raw materials, freight, tariffs, machinery movement, business development, and other Coastline business needs in the United States.

80. Coastline has not repaid any of the Shelley Entities for the Coastline-directed line-of-credit advances or other benefits that Coastline received. Nor has Coastline provided the agreed or contemplated consideration for those benefits, including but not limited to an executed APV ownership interest, contribution of assets or value to APV, repayment of the Coastline-directed LOC portion, or any other equivalent compensation.
81. Coastline's retention of those benefits without accounting, repayment, or equivalent compensation would be inequitable, particularly because Coastline now seeks to characterize some of the same LOC-funded expenses as alleged "damages" or amounts owed by Spands Orbit and Shelley, personally.
82. To the extent Diskin is found entitled to recover from Shelley or Spands Orbit any amounts corresponding to LOC funds advanced to or for Coastline's benefit, Coastline has been unjustly enriched at the expense of the Shelley Entities and is liable over to them for restitution in an amount to be proven at trial.
83. The reasonable value of the benefits conferred on Coastline includes, without limitation, the Coastline-directed LOC advances, the value of APV/Reconxx services and operational support provided to Coastline, the value of storage/use of facilities and systems, and any other measurable benefits established through discovery, less any amounts Coastline can prove it repaid or otherwise satisfied.
84. Defendants and Third-Party Plaintiffs are therefore entitled to restitution, disgorgement, setoff, recoupment, and/or such other equitable relief as the Court deems just and proper.

WHEREFORE, Defendants and Counterclaim Plaintiffs Michael J. Shelley and Spands Orbit, LLC and Third-Party Plaintiffs AnchorPoint Ventures 25, LLC and Reconxx, LLC respectfully move this Court for the following relief:

- a. that the Complaint be dismissed for improper venue pursuant to Rule 12(b)(3) of the North Carolina Rules of Civil Procedure, or in the alternative, that venue of this civil action be transferred from Wake County Superior Court to Mecklenburg County Superior Court (or Iredell County Superior Court);
- b. that the Complaint otherwise be dismissed with prejudice;
- c. that Plaintiff have and recover nothing from Defendants;
- d. that the Counterclaim-Plaintiffs and Third-Party Plaintiffs have and recover compensatory damages from the Counterclaim-Defendant and Third-Party Defendants, in an amount exceeding \$25,000;
- e. that the costs of this action be taxed against the Counterclaim-Defendant and/or the Third-Party Defendants;
- f. that all issues of fact be tried by jury; and
- g. for such other and further relief as the Court may deem just and proper.

This, the 26th day of May, 2026.

/s/ Eric Spengler
Eric Spengler
N.C. State Bar No. 47165
SPENGLER & AGANS, PLLC
352 N. Caswell Road
Charlotte, NC 28204
(704) 910-5469 (phone)
(704) 730-7861 (fax)
eric@s-a.law

*Attorney for Michael J. Shelly, Spands
Orbit, LLC, Anchor Point Ventures 25, LLC,
and Reconxx, LLC*

CERTIFICATE OF SERVICE

The undersigned hereby certifies that, on this day, he served a copy of the foregoing by operation of the Court's electronic filing system.

Keith A. Satsky, Esq
SATISKY & SILVERSTEIN, LLP
ksatsky@satiskysilverstein.com
Attorney for Arthur Diskin

This, the 26th day of May, 2026.

/s/ Eric Spengler



SECURED PROMISSORY NOTE

Date: May 13, 2025 5/14/2025

Principal Amount (up to): Five Hundred Thousand U.S. Dollars (US \$500,000) (*drawn in tranches*)

Lender: Arthur Diskin ("Lender")

Borrower: Michael Shelley ("Borrower")

Borrower has requested, and Lender has agreed to make, an unsecured-advance, secured-repayment revolving credit facility in a maximum aggregate principal amount not to exceed the Principal Amount to provide working capital for *AnchorPoint Ventures* on the terms set forth below.

This Note is secured by a pledge of Borrower's membership interest in **Spands Orbit LLC** (the "**Collateral**") pursuant to that certain **Collateral Pledge Agreement** of even date herewith (as amended, the "**Pledge Agreement**").

1. Definitions

"Applicable Rate." Term SOFR (30-Day CME) + 2.11% p.a. (rounded to five decimal places), adjusted monthly; provided, however, Lender may adjust the Applicable Rate at any time to match changes in the rate charged to Lender by Lender's own line of credit provider, upon written notice to Borrower.

"Maturity Date and Renewal." 24 months from the date hereof (the 'Maturity Date'), automatically renewing for an additional 24 months unless either party provides written notice to terminate at least 60 days prior to expiration.

"Commitment Termination Date." Same as Maturity Date, unless accelerated.

"Draw Request." A request substantially in the form of *Exhibit A* executed by Borrower and countersigned by *Matthew Moore*.

2. Advances; Use of Proceeds

2.1 Availability. Borrower may request one or more Advances in minimum increments of US \$25,000 until the Commitment Termination Date; aggregate Advances shall not exceed the Principal Amount. The parties acknowledge that \$25,000 has already been advanced as of the date hereof and shall constitute the initial outstanding principal under this Note.

2.2 Draw Mechanics. Borrower may deliver a Draw Request at any time; unless Lender rejects the request in writing within one (1) Business Day, the Advance shall be deemed approved and funded on the second Business Day after delivery.

2.3 Purpose. Borrower shall use Advances exclusively for working capital and ordinary operating expenses of AnchorPoint Ventures. These funds shall not serve as the primary means for factoring. If temporarily used for factoring purposes, funds must be replenished immediately upon completion of product manufacture or the securing of an alternative, formal factoring arrangement.

3. Interest and Payments

3.1 Accrual. Outstanding principal shall bear interest at the Applicable Rate from the date of each Advance until paid in full.

3.2 Payments. Accrued interest is due **quarterly in arrears** on the first Business Day of each calendar quarter and on the Maturity Date.

3.3 Maturity. All unpaid principal, accrued interest, and any other amounts owing hereunder are due on the Maturity Date.

3.4 Default Rate. Upon an Event of Default, the rate shall equal the Applicable Rate + 3 %.

3.5 Prepayment. Borrower may prepay all or any portion of the outstanding balance without premium or penalty upon five (5) Business Days' prior written notice.

4. Events of Default

- (a) Non-payment within five (5) Business Days after due.
- (b) Breach of any covenant herein or in the Pledge Agreement.
- (c) Transfer or further encumbrance of Collateral without Lender's consent.
- (d) Sale of 245 Orbit Road without full repayment as required by § 6.1.

Acceleration of Debt. Upon the occurrence of any Event of Default described above, Lender may, by written notice to Borrower, accelerate and declare the entire unpaid principal amount, all accrued and unpaid interest, and any other amounts owed hereunder to be immediately due and payable. Upon such notice, the Commitment Termination Date shall be deemed to have occurred. Lender may thereafter immediately proceed under the Pledge Agreement and exercise all other rights and remedies available at law or in equity..

5. Conversion Right (Refinance Scenario)

If Borrower (or Spands Orbit LLC) elects to lease and refinance 245 Orbit Road, then, in lieu of cash repayment, Lender may, at its sole option, convert the then-outstanding principal and

accrued interest into equity of *Spands Orbit LLC* at a valuation to be agreed in good faith within thirty (30) days after Borrower's written notice of such refinance.

6. Repayment from Sale Proceeds

6.1 Mandatory Repayment. Upon any sale of 245 Orbit Road, net sale proceeds shall be applied first to pay Lender all outstanding principal and accrued interest hereunder before any distribution is made to members of Spands Orbit LLC or to Borrower personally.

7. Governing Law; Jurisdiction

This Note shall be governed by and construed in accordance with the laws of the State of North Carolina without regard to conflict-of-law principles. Borrower submits to the exclusive jurisdiction of the state and federal courts located in Mecklenburg County, NC.

8. Miscellaneous

Amendments. No amendment is effective unless in writing signed by both parties.

Assignments. Borrower may not assign this Note without Lender's prior written consent. Lender may assign after notice to Borrower.

Headings. Headings are for convenience only.

<p>BORROWER: _____ Michael Shelley</p>	<p>DocuSigned by: <i>Michael J Shelley</i> 015690E71F61424...</p>	<p>5/14/2025</p>
<p>LENDER: _____ Arthur Diskin</p>	<p>DocuSigned by: <i>Arthur Diskin</i> E6FEEB55EDF946C...</p>	<p>5/14/2025</p>

COLLATERAL PLEDGE AGREEMENT

(Membership-Interest Security Agreement – Blank Form)

Date: May 13, 2025

Pledgor: Michael Shelley ("Pledgor")

Secured Party: Arthur Diskin ("Secured Party")

Operating Agreement: Amended and Restated Operating Agreement of **Spands Orbit LLC**, dated October 2, 2020 (as may be further amended, the "**OA**").

1. Grant of Security Interest

Pledgor hereby pledges, assigns, and grants to Secured Party a first-priority continuing security interest in all of Pledgor's right, title, and interest, whether now owned or hereafter acquired, in and to one hundred percent (100 %) of the membership interests of Spands Orbit LLC, and all proceeds and distributions thereon (collectively, the "Collateral"), to secure (a) the Obligations (as defined below) and (b) all costs of collection and enforcement.

Acknowledgment of Senior Security Interest:

"Borrower expressly represents and Lender acknowledges that the Collateral (Borrower's membership interest in Spands Orbit LLC) is currently subject to a prior perfected first-priority security interest held by Stormfield Capital, LLC, documented by a UCC-1 financing statement previously recorded. Lender's security interest under this Note is therefore expressly subordinate to Stormfield's interest unless and until Stormfield's lien is released or subordinated.

2. Obligations

"**Obligations**" means all present and future indebtedness, liabilities, and obligations of Borrower to Secured Party under the Secured Promissory Note dated May 13, 2025 (the "Note") and any extensions or renewals thereof.

3. Representations and Warranties

Pledgor represents that:

- (a) Pledgor is sole legal and beneficial owner of the Collateral, free of liens.
- (b) The OA permits the grant of this security interest and substitution of a secured party as member upon foreclosure.
- (c) The Collateral constitutes **100 %** of the issued and outstanding membership interests of Spands Orbit LLC.

4. Perfection

Simultaneously with execution hereof, Pledgor shall:

- deliver any membership certificates, duly endorsed, if issued;
- execute an irrevocable proxy in favor of Secured Party (Exhibit B);
- authorize filing of UCC-1 financing statements in Delaware (*or NC—confirm*); and
- cause Spands Orbit LLC to deliver a written acknowledgment and consent (Exhibit C).

5. Covenants

- (a) No further liens or transfers of Collateral without Secured Party’s consent.
- (b) Pledgor shall cause Spands Orbit LLC to remain in good standing and to comply with the OA.
- (c) All distributions on Collateral shall be paid to Pledgor until Event of Default; thereafter to Secured Party.

6. Events of Default; Remedies

An “Event of Default” occurs upon any Event of Default under the Note. Upon default, Secured Party may exercise all rights of a secured party under Article 9 of the UCC, including (a) public or private sale of the Collateral, (b) credit-bid, and (c) application of proceeds to the Obligations.

7. Termination

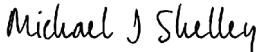
This Agreement shall terminate upon indefeasible payment in full of the Obligations and release of the Note.

8. Miscellaneous

- **Governing Law.** North Carolina.
- **Amendments.** Writing signed by both parties.
- **Counterparts.** Electronic signatures acceptable.

PLEDGOR: _____

Michael Shelley


DocuSigned by:
 _____

5/14/2025

015690E71F61424...

SECURED PARTY: _____

Arthur Diskin

DocuSigned by:
 _____

5/14/2025

E6FEEB55EDF946C...

Exhibit A – Form of Draw Request

(To: Arthur Diskin)

Date: _____

Pursuant to § 2 of the Note, the undersigned requests an Advance in the amount of \$[_____] to be funded on _____. The undersigned certifies that the conditions precedent in § 2 are satisfied and that the proceeds will be used solely for working-capital purposes of AnchorPoint Ventures.

Signed: _____

Michael Shelley, Borrower

Approved: _____

Matthew Moore

Exhibit B – Irrevocable Proxy

IRREVOCABLE PROXY

For valuable consideration, the undersigned, Michael Shelley ("Member"), irrevocably appoints Arthur Diskin ("Proxy Holder") as Member's true and lawful proxy and attorney-in-fact, with full power of substitution, solely in connection with Member's 100% membership interest in Spands Orbit LLC (the "LLC Interest").

This proxy grants the Proxy Holder the right, upon the occurrence and during the continuance of an Event of Default as defined in that certain Secured Promissory Note and Collateral Pledge Agreement dated [insert date], to exercise all voting and management rights associated with the LLC Interest, including the right to vote on amendments, elections, distributions, transfers, and any other matters requiring approval or action by the LLC members.

This proxy is irrevocable, coupled with an interest, and will remain in effect until the secured obligations under the Collateral Pledge Agreement have been fully and indefeasibly satisfied.

Executed by:

DocuSigned by:
Michael J Shelley
015690E71F61424...

Michael Shelley

Member

5/14/2025

Date: _____, 2025

Exhibit C – LLC Consent and Acknowledgment

Spands Orbit LLC

CONSENT AND ACKNOWLEDGMENT OF MEMBERSHIP INTEREST PLEDGE

Date: May 13, 2025

The undersigned, **Spands Orbit LLC** ("LLC"), acting through its authorized representative, hereby explicitly:

1. **Acknowledges** receipt and review of the **Collateral Pledge Agreement** (the "Pledge Agreement") dated [insert date], entered into between Michael Shelley ("Pledgor") and Arthur Diskin ("Secured Party"), pursuant to which Pledgor has pledged 100% of his membership interests in LLC (the "Membership Interest") as collateral security.
2. **Consents** explicitly to the pledge of Membership Interest and the creation of a security interest in favor of Secured Party pursuant to the Pledge Agreement, including all enforcement rights described therein.
3. **Agrees** to honor and abide by the terms of the Pledge Agreement and to recognize Secured Party (or any successor or assignee) as a substituted member in LLC in the event Secured Party exercises its rights pursuant to the Pledge Agreement following an Event of Default.
4. **Confirms** that the execution, delivery, and performance of the Pledge Agreement by Pledgor and Secured Party does not violate or conflict with LLC's operating agreement or any other internal LLC governance document.

Executed by LLC:

Spands Orbit LLC

DocuSigned by:

Michael J Shelley

By: _____

Name: Michael J Shelley

Title: Manager (or authorized representative)

Date: 5/14/2025

Draw Request



To: Arthur Diskin

Date: 5/15/2025

Pursuant to § 2 of the Note, the undersigned requests an Advance in the amount of \$264,017.47 to be funded on 5/15/2025. The undersigned certifies that the conditions precedent in § 2 are satisfied and that the proceeds will be used solely for working-capital purposes of AnchorPoint Ventures.

Signed: _____ DocuSigned by: *Michael J Shelley* 5/15/2025
015690E71F61424...

Michael Shelley, Borrower

Approved: _____ DocuSigned by: *Matthew Moore* 5/15/2025
12EE241BACFC413...

Matthew Moore

Total Requested: \$264,017.47

Draw #1 - CoastLine/General Ops

Titan Textiles (FCL shipment) HT Polyester	\$53,900.00
Providence Yarns (Polyester Yarn) HT Polyester Colors	\$12,100.00
Freight Costs (future deliveries inbound and outbound)	\$19,580.00
Rent (April and May)	\$15,715.00
Matt (employee support)	\$10,000.00
Commercial Insurance Annual Costs	\$4,650.00
Tariffs for SGT Knots Consignment	\$5,000.00
Lead Raw Materials (Turkey incl import duties)	\$58,200.00
Selected CoastLine machinery move to NC	\$18,500.00
Heat Shrink & Dyneema Thread (3-month supply)	\$2,650.00
Additional Allocation April 13 advance	\$25,000.00

Draw #2 - Reconxx

Forklift payoff	\$4,596.47
AG Barr Inventory Purchase	\$8,332.00
Shipping supplies - volume pricing	\$6,794.00

Draw #3 - AnchorPoint Ventures Direct

Legal fees - set-up and Orbit Rd agreement	\$16,000.00
Accounting / Backoffice - CFO oversight / accounting set-up	\$3,000.00

^{DS}
MJS

^{DS}
MDM

Draw #1 - CoastLine/General Ops

Loan Terms:

Loan Amount: \$225,295.00

Interest Rate (Annual): 7%

Monthly Interest Rate: 0.5833%

Number of Payments: 12

Monthly Payment (incl. principal + interest): \$19,494.04

First Payment Due: In 45 days

Draw Request Summary:

Description	Amount (USD)
Titan Textiles (FCL shipment) HT Polyester	\$53,900.00
Providence Yarns (Polyester Yarn) HT Polyester Colors	\$12,100.00
Freight Costs (future deliveries inbound and outbound)	\$19,580.00
Rent (April and May)	\$15,715.00
Matt (employee support)	\$10,000.00
Commercial Insurance Annual Costs	\$4,650.00
Tariffs for SGT Knots Consignment	\$5,000.00
Lead Raw Materials (Turkey incl import duties)	\$58,200.00
Selected CoastLine machinery move to NC	\$18,500.00
Heat Shrink & Dyneema Thread (3-month supply)	\$2,650.00
Additional Allocation April 13 advance	\$25,000.00

Amortization Schedule:

Payment #	Principal	Interest	Total Payment	Remaining Balance
1.0	\$18,179.82	\$1,314.22	\$19,494.04	\$207,115.18
2.0	\$18,285.87	\$1,208.17	\$19,494.04	\$188,829.31
3.0	\$18,392.54	\$1,101.50	\$19,494.04	\$170,436.77
4.0	\$18,499.83	\$994.21	\$19,494.04	\$151,936.94

5.0	\$18,607.74	\$886.30	\$19,494.04	\$133,329.19
6.0	\$18,716.29	\$777.75	\$19,494.04	\$114,612.90
7.0	\$18,825.47	\$668.58	\$19,494.04	\$95,787.44
8.0	\$18,935.28	\$558.76	\$19,494.04	\$76,852.15
9.0	\$19,045.74	\$448.30	\$19,494.04	\$57,806.41
10.0	\$19,156.84	\$337.20	\$19,494.04	\$38,649.57
11.0	\$19,268.59	\$225.46	\$19,494.04	\$19,380.99
12.0	\$19,380.99	\$113.06	\$19,494.04	\$0.00

Draw #2 - Reconxx

Loan Terms:

Loan Amount: \$19,722.47

Interest Rate (Annual): 7%

Monthly Interest Rate: 0.5833%

Number of Payments: 12

Monthly Payment (incl. principal + interest): \$1,706.52

First Payment Due: In 45 days

Draw Request Summary:

Description	Amount (USD)
Forklift payoff	\$4,596.47
AG Barr Inventory Purchase	\$8,332.00
Shipping supplies - volume pricing	\$6,794.00

Amortization Schedule:

Payment #	Principal	Interest	Total Payment	Remaining Balance
1.0	\$1,591.47	\$115.05	\$1,706.52	\$18,131.00
2.0	\$1,600.76	\$105.76	\$1,706.52	\$16,530.24
3.0	\$1,610.09	\$96.43	\$1,706.52	\$14,920.14
4.0	\$1,619.49	\$87.03	\$1,706.52	\$13,300.66

5.0	\$1,628.93	\$77.59	\$1,706.52	\$11,671.72
6.0	\$1,638.44	\$68.09	\$1,706.52	\$10,033.29
7.0	\$1,647.99	\$58.53	\$1,706.52	\$8,385.29
8.0	\$1,657.61	\$48.91	\$1,706.52	\$6,727.69
9.0	\$1,667.28	\$39.24	\$1,706.52	\$5,060.41
10.0	\$1,677.00	\$29.52	\$1,706.52	\$3,383.41
11.0	\$1,686.78	\$19.74	\$1,706.52	\$1,696.62
12.0	\$1,696.62	\$9.90	\$1,706.52	\$0.00

Draw #3 - AnchorPoint Ventures Direct

Loan Terms:

Loan Amount: \$19,000.00

Interest Rate (Annual): 7%

Monthly Interest Rate: 0.5833%

Number of Payments: 12

Monthly Payment (incl. principal + interest): \$1,644.01

First Payment Due: In 45 days

Draw Request Summary:

Description	Amount (USD)
Legal fees - set-up and Orbit Rd agreement	\$16,000.00
Accounting / Backoffice - CFO oversight / accounting set-up	\$3,000.00

Amortization Schedule:

Payment #	Principal	Interest	Total Payment	Remaining Balance
1.0	\$1,533.17	\$110.83	\$1,644.01	\$17,466.83
2.0	\$1,542.12	\$101.89	\$1,644.01	\$15,924.71
3.0	\$1,551.11	\$92.89	\$1,644.01	\$14,373.59
4.0	\$1,560.16	\$83.85	\$1,644.01	\$12,813.43
5.0	\$1,569.26	\$74.75	\$1,644.01	\$11,244.17
6.0	\$1,578.42	\$65.59	\$1,644.01	\$9,665.75

7.0	\$1,587.62	\$56.38	\$1,644.01	\$8,078.13
8.0	\$1,596.89	\$47.12	\$1,644.01	\$6,481.24
9.0	\$1,606.20	\$37.81	\$1,644.01	\$4,875.04
10.0	\$1,615.57	\$28.44	\$1,644.01	\$3,259.47
11.0	\$1,624.99	\$19.01	\$1,644.01	\$1,634.47
12.0	\$1,634.47	\$9.53	\$1,644.01	\$0.00

Authorization Signatures

Approved by:

DocuSigned by:
Michael J Shelley
015690E71F61424...

5/15/2025

Mike Shelley Reconxx LLC
Founder / Manager

DocuSigned by:
Matthew Moore
12EE241BACFC413...

5/15/2025

Matt Moore CoastLine Cordage Group Ltd
President

APV Draw #2 on LOC

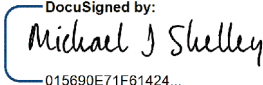


Form of Draw Request

(To: Arthur Diskin)

Date: August 05, 2025

Pursuant to § 2 of the Note, the undersigned requests an Advance in the amount of \$58,132.93 to be funded on August 05, 2025. The undersigned certifies that the conditions precedent in § 2 are satisfied and that the proceeds will be used solely for working-capital purposes of AnchorPoint Ventures.

Signed:  8/5/2025
015690E71F61424...

Michael Shelley, Borrower

Approved:  8/5/2025
12EE241BACFC413...

Matthew Moore

Description	Amount (USD)
Coastline:	
Providence Yarns MFP (for \$100k order)	\$7,200.00
Rent (September)	\$8,148.00
Reels / Packaging	\$3,600.00
Transport Freight In	\$2,250.00
Natural Polyester Yarn (Barnett)	\$12,596.93
Subtotal - Coastline	\$33,794.93
Reconxx (Orbit Rd Move):	

APV Draw #2 on LOC

Truck Rental	\$3,000.00
Overtime Pay for Staff	\$2,500.00
Fire & Safety Certification	\$1,250.00
Internet / Alarm Setup	\$750.00
Stormfield Loan Payment	\$16,838.00
Subtotal - Reconxx	\$24,338.00
AnchorPoint:	None
Total Draw Request #2	\$58,132.93



To: Arthur Diskin

Date: October 28, 2025

Pursuant to § 2 of the Note, the undersigned requests an Advance in the amount of \$63,701.00 to be funded on October 28, 2025. The undersigned certifies that the conditions precedent in § 2 are satisfied and that the proceeds will be used solely for working-capital purposes of AnchorPoint Ventures.

Signed: Michael J Shelley
DocuSigned by:
015690E71F61424...
Michael Snelley, Borrower

Use of Funds – Draw Request #3

Table with 2 columns: Description, Amount (USD). Rows include Reconxx (Stormfield Loan Payment, Equipment Purchase, etc.) and AnchorPoint (Legal – Robinson Bradshaw) with a total draw request of \$63,701.00.

Cc: Matthew Moore <matthew.m@coastlinegroup.ca>, Steve Stern <steve@stevesterncpa.com>

approved



Sent from my iPhone

[Quoted text hidden]

[Quoted text hidden]

<Billing Statement (6).pdf>

Steve Stern <steve@stevesterncpa.com>

Thu, Nov 13, 2025 at 1:47 PM

Reply-To: steve@stevesterncpa.com

To: Mike Shelley <mike@reconxx.com>, ARTHUR DISKIN <scubaart56@aol.com>

Cc: Matthew Moore <matthew.m@coastlinegroup.ca>

Hello to all,

The following is an accounting of the amounts due on the LOC.

4/16/25	Coastline Cordage Group	\$25,000.00
5/19/25	AnchorPoint Ventures	\$239,017.00
8/7/25	AnchorPoint Ventures	\$50,000.00
8/8/25	AnchorPoint Ventures	\$8,132.93
11/7/25	AnchorPoint Ventures	\$63,701.00
	Interest to date	<u> \$7,536.31</u>
	Total Due	\$393,386.31

Steven Stern CPA, PA

5401 Polk Street

Hollywood, FL 33021

Phone: 954-309-3982

Fax: 954-894-1166

Email: steve@stevesterncpa.com

[Quoted text hidden]

Mike Shelley <mike@reconxx.com>

Fri, Nov 14, 2025 at 2:50 PM

To: steve@stevesterncpa.com

Cc: ARTHUR DISKIN <scubaart56@aol.com>, Matthew Moore <matthew.m@coastlinegroup.ca>

Steve, Arthur, and Matt,

Attached below is the updated reconciliation for all LOC-funded advances to AnchorPoint Ventures, including a full breakdown of how funds were deployed across Coastline Cordage, Reconxx, and AnchorPoint. This version also includes one correction: the \$10,000 Wound About Rope equipment purchase has been reclassified from Reconxx to AnchorPoint.

Summary of LOC Advances (per Steve's ledger)

- 4/16/25 – Coastline Cordage Group: **\$25,000.00**
 - 5/19/25 – AnchorPoint Ventures: **\$239,017.00**
 - 8/7/25 – AnchorPoint Ventures: **\$50,000.00**
 - 8/8/25 – AnchorPoint Ventures: **\$8,132.93**
 - 11/7/25 – AnchorPoint Ventures: **\$63,701.00**
- Total Funded: \$385,850.93**

Summary of Use of Funds:

Coastline Cordage: \$259,089.93

Reconxx: \$83,236.47

AnchorPoint Ventures: \$43,525.00

Total Deployed: \$385,851.40

(\$0.47 rounding variance from CPA ledger)

Breakdown by Draw

Draw #1 – \$264,017.47

- Coastline: \$225,295.00
- Reconxx: \$19,722.47
- AnchorPoint: \$19,000.00

Draw #2 – \$58,132.93

- Coastline: \$33,794.93
- Reconxx: \$24,338.00
- AnchorPoint: \$0.00

Draw #3 – \$63,701.00

- Coastline: \$0.00

Hi Steve,

I wanted to confirm that **Draw Request #4** in the amount of **\$27,856.84** has been received from the LOC and transferred to **Coastline Cordage**.

This draw relates to:

- **Metron Turkey** – \$21,264.00 (70% balance of lead for incoming container)
- **Providence Yarns** – \$6,592.84 (25% of discount on natural polyester offer)

With Draw #4 applied, the updated internal balances of LOC-funded advances are as follows:

- **Coastline Cordage:** \$286,946.77
- **Reconxx:** \$83,236.47
- **AnchorPoint Ventures:** \$43,525.00

Total deployed across the three entities is **\$413,708.24**, which ties to the LOC-funded total of **\$413,707.77**, with the same **\$0.47 rounding variance** against the CPA ledger that we noted previously.

Thanks,
Mike

Mike Shelley
Founder & CEO
Reconxx 3PL
[Book a Meeting](#)
www.reconxx.com



Single parcel or large-scale fulfillment, we've got you covered!

This email and any attachments are confidential and intended solely for the recipient. It does not constitute an offer or contract. No binding agreement is created by this email unless expressly stated in a written agreement signed by authorized representatives. Reconxx assumes no liability for any damage caused by this email, including any errors. Unauthorized use, disclosure, or distribution is prohibited.

[Quoted text hidden]

Steve Stern <steve@stevesterncpa.com>
Reply-To: steve@stevesterncpa.com
To: Mike Shelley <mike@reconxx.com>
Cc: ARTHUR DISKIN <scubaart56@aol.com>, Matthew Moore <matthew.m@coastlinegroup.ca>

Wed, Dec 10, 2025 at 1:03 PM

Hi Mike,

Thank you for the confirmation.

Steven Stern CPA, PA

5401 Polk Street

- Reconxx: \$39,176.00
- AnchorPoint: \$24,525.00 (includes reclassified \$10,000 equipment purchase)



Status

All internal draws now fully reconcile to the actual LOC-funded advances.
The updated totals align with the CPA ledger with only a minor rounding difference.

Thanks,

Mike

Mike Shelley

Founder & CEO

Reconxx 3PL

[Book a Meeting](#)

www.reconxx.com



Single parcel or large-scale fulfillment, we've got you covered!

This email and any attachments are confidential and intended solely for the recipient. It does not constitute an offer or contract. No binding agreement is created by this email unless expressly stated in a written agreement signed by authorized representatives. Reconxx assumes no liability for any damage caused by this email, including any errors. Unauthorized use, disclosure, or distribution is prohibited.

[Quoted text hidden]

Matthew Moore <matthew.m@coastlinegroup.ca>

To: Mike Shelley <mike@reconxx.com>

Cc: ARTHUR DISKIN <scubaart56@aol.com>, Steve Stern <steve@stevesterncpa.com>

Thu, Dec 4, 2025 at 7:16 AM

Draw Request #4

Summary

This document outlines the funding request for two items.

1. Metron Turkey

- Amount: \$21,264 USD
- Purpose: 70% balance of lead for container arriving next week
- Related Orders: \$147,101 CAD in orders to complete December–early January

2. Providence Yarns

- Amount: \$6,592.84 USD
- Purpose: 25% of discount on natural polyester offer
- Relates to \$76,785 CAD orders completed December- early January

Total: \$27,856.84 USD

Additional Note

Please note the partial ACOA grant will be distributed by mid-December, where CC will be sending interest payments and principal payments to this LOC. We will discuss this further on our call.

Many thanks,

Matt

[Quoted text hidden]

--

Best regards,



Matt Moore

President, CoastLine Cordage Group Ltd.

902-835-2253 | 902-718-7673

www.coastlinegroup.ca

matthew.m@coastlinegroup.ca

380 Bluewater Road, Unit 101 | 902-835-1627

This email and any files transmitted with it are confidential and intended solely for the use of the individual or entity to whom they are addressed. If you have received this email in error, please notify the system manager. Please note that any views or opinions presented in this email are solely those of the author and do not necessarily represent those of the organization. Finally, the recipient should check this email and any attachments for the presence of viruses. The organization accepts no liability for any damage caused by any virus transmitted by this email.



Please consider your environmental responsibility. Before printing this e-mail message, ask yourself whether you really need a hard copy.

ARTHUR DISKIN <scubaart56@aol.com>
To: Matthew Moore <matthew.m@coastlinegroup.ca>
Cc: Mike Shelley <mike@reconxx.com>, Steve Stern <steve@stevesterncpa.com>

Thu, Dec 4, 2025 at 8:54 AM

approved

Sent from my iPhone

On Dec 4, 2025, at 7:16 AM, Matthew Moore <matthew.m@coastlinegroup.ca> wrote:

[Quoted text hidden]

Matthew Moore <matthew.m@coastlinegroup.ca>
To: ARTHUR DISKIN <scubaart56@aol.com>
Cc: Mike Shelley <mike@reconxx.com>, Steve Stern <steve@stevesterncpa.com>

Thu, Dec 4, 2025 at 3:15 PM

Thank you. Steve, if this could be sent to the APV Mercury bank account I can send over to CC Canada account.

[Quoted text hidden]

Mike Shelley <mike@reconxx.com>
To: Steve Stern <steve@stevesterncpa.com>
Cc: ARTHUR DISKIN <scubaart56@aol.com>, Matthew Moore <matthew.m@coastlinegroup.ca>
Bcc: Melissa Gelbart <melissa@gelbart-law.com>

Wed, Dec 10, 2025 at 11:38 AM

The closing itself was delayed due to the buyer navigating a 1031 exchange. The property ultimately closed the afternoon of December 23, 2025. Less than 24 hours after closing, I requested the payoff statement and wire instructions necessary to satisfy the LOC. Despite multiple requests, I still have not received that information.

7. Required path forward: immediate return of funds or direct borrower-lender arrangement

Accordingly, Coastline's ownership/authorized representatives must, immediately and without equivocation, take one of the following actions:

- A) Return all APV-originated funds deployed into Coastline (either to the APV Mercury account for same-day remittance, or directly to the lender pursuant to wiring instructions), thereby enabling satisfaction of the LOC; or
- B) Enter into a direct, documented repayment arrangement with the lender sufficient to satisfy the portion of the LOC attributable to Coastline's receipt/use of proceeds, without reliance on me or Reconxx as an intermediary.

8. Reconciliation record produced

To facilitate prompt reconciliation and eliminate ambiguity, I am providing a link to a Google Drive folder containing the relevant record set (including bank statements, LOC draw requests—expressly including Draw #4—transactional support, and email correspondence): <https://drive.google.com/drive/folders/1YAEurK7SoK9y8BirxwHefjntXTuzLdK?usp=sharing>

9. Deadline; preservation and escalation

Arthur has stated, and I agree, that the LOC must be paid in full or a documented alternate arrangement must be reached no later than close of business Monday, December 29, 2025.

If the LOC is not satisfied in full, or if the lender and the responsible borrower(s) do not execute a written alternative arrangement by that deadline, I will instruct counsel to immediately: (i) issue formal preservation demands to all relevant financial institutions and counterparties, and (ii) pursue all available reporting and legal remedies to ensure preservation of transaction records and to expedite resolution—including with respect to any significant international wire activity undertaken in reliance on representations made at the time of transfer.

Regards,

Mike

Mike Shelley

Founder & CEO

Reconxx 3PL

[Book a Meeting](#)

www.reconxx.com



Single parcel or large-scale fulfillment, we've got you covered!

This email and any attachments are confidential and intended solely for the recipient. It does not constitute an offer or contract. No binding agreement is created by this email unless expressly stated in a written agreement signed by authorized representatives. Reconxx assumes no liability for any damage caused by this email, including any errors. Unauthorized use, disclosure, or distribution is prohibited.

[Quoted text hidden]

ARTHUR DISKIN <scubaart56@aol.com>

Sat, Dec 27, 2025 at 7:23 PM

To: Mike Shelley <mike@reconxx.com>

Cc: Matthew Moore <matthew.m@coastlinegroup.ca>, Steve Stern <steve@stevesterncpa.com>, Melissa Gelbart <melissa@gelbart-law.com>

Mike

I appreciate all the details below but I do not manufacture rope, I do not do eCommerce and I do not do 3 PL. My role has been advice and to try to jump start this venture. The line of credit should have been repaid at exactly the time of closing along with the other loan on the property. All parties should've been notified if you had any intent whatsoever to not utilize the proceeds of the closing to close out the line of credit.

With that said, in order to avoid further controversy that directly involves me, Matthew has agreed to wire the funds forwarded to Coastline in the draws plus prorated interest to me, including draw number four. This will come directly to my bank account in Miami to be forwarded to the lender. Steve will coordinate. I expect you to do the same with the remainder of the balance plus interest on the LOC Monday as well. Once the LOC has been repaid, I will consider the matter closed from my end

Please make sure this occurs Monday. I will leave it to you to draft any documents. I am working in the emergency department 12 hours a day for the next three days and I understand the emergency department has been quite crazy so I am not sure of my ability to jump out and communicate.

I will then leave it to you and Matthew to work out what is going to happen moving forward with equipment, inventory, operations, and any cash flow between you etc. I have no interest in participating in those discussions.

Steve - Please provide wiring instructions to CNB (please note that Steve will be leaving for vacation for seven days on a cruise ship on Monday afternoon so it is imperative that we get all of this settle Monday morning).

Best of luck to all moving forward.

Art

Sent from my iPhone

On Dec 27, 2025, at 9:52 AM, Mike Shelley <mike@reconxx.com> wrote:

[Quoted text hidden]

Mike Shelley <mike@reconxx.com>

Sat, Dec 27, 2025 at 7:57 PM

To: ARTHUR DISKIN <scubaart56@aol.com>, Steve Stern <steve@stevesterncpa.com>, Matthew Moore <matthew.m@coastlinegroup.ca>, Melissa Gelbart <melissa@gelbart-law.com>

Art, Steve, Matt, and Melissa,

Understood, and I agree the priority is to have the LOC satisfied Monday.

To execute cleanly and eliminate any remaining ambiguity, I need the following from Steve as soon as possible:

1. Formal payoff statement showing the total amount due (principal + accrued interest/fees) through the payoff date;
2. Payoff wiring instructions (lender name, account name, ABA/routing, account number, and any reference/loan number to include); and
3. Written confirmation of the allocation expected for Monday's wires:

Cc: Steve Stern <steve@stevesterncpa.com>, Melissa Gelbart <melissa@gelbart-law.com>

Art,

Understood, and I agree your position is clear: the property has sold and you need the LOC satisfied by close of business Monday (or a documented alternate arrangement).

A key point for the record: the group was well aware of the pending closing. Our last scheduled call intended to address the APV agreements and cash flow was derailed by unrelated issues, and afterward you and Matthew suggested we pause further APV discussions until after the New Year. As a result, the governance and cash flow matters were not resolved prior to closing—despite my efforts over the past 6+ months to get these items finalized.

To keep this organized and avoid mixing issues, I want to separate the workstreams:

1) LOC payoff is the immediate priority.

Matt's operational questions and the broader APV/Coastline working arrangement are important, but they are not prerequisites to paying off the LOC. The LOC must be resolved first.

2) Reconciliation must occur before any ongoing structure is discussed.

Whether repayment is made directly to the lender or the liability was to be assumed under Spands Orbit LLC, we still need to reconcile—clearly and in writing—the funds allocated to each entity and the corresponding payoff obligations. That reconciliation is the foundation for any next-step operating or management agreements.

To move this forward quickly, I will provide a Google Drive link with all supporting documentation needed to reconcile funds deployed by entity (APV / Coastline / Reconxx / APV 25). Once shared, we can use it to confirm exact amounts and ensure the payoff is executed cleanly.

What I need from you/Steve to complete payoff mechanics:

- current payoff statement (principal + accrued interest/fees through payoff date), and
- wire instructions for the payoff.

Once I have those, I will coordinate execution of the payoff ASAP. Any remaining questions from Matt regarding operations, historical flows, or longer-term structure can be addressed immediately after the LOC is satisfied and the reconciliation schedule is agreed.

Mike

Mike Shelley
 Founder & CEO
 Reconxx 3PL
[Book a Meeting](#)
www.reconxx.com



Single parcel or large-scale fulfillment, we've got you covered!

This email and any attachments are confidential and intended solely for the recipient. It does not constitute an offer or contract. No binding agreement is created by this email unless expressly stated in a written agreement signed by authorized representatives. Reconxx assumes no liability for any damage caused by this email, including any errors. Unauthorized use, disclosure, or distribution is prohibited.

[Quoted text hidden]

Mike Shelley <mike@reconxx.com>

To: ARTHUR DISKIN <scubaart56@aol.com>, Matthew Moore <matthew.m@coastlinegroup.ca>, Steve Stern <steve@stevesterncpa.com>

Cc: Melissa Gelbart <melissa@gelbart-law.com>

Sat, Dec 27, 2025 at 9:51 AM

Arthur, Matt, and Steve,

Given the immediacy of the outstanding Line of Credit ("LOC") obligation, I am addressing this correspondence to the full group to memorialize the relevant facts, delineate responsibility, and provide the documentation necessary to reconcile and satisfy the obligation without further delay.

1. Prior services provided; no compensation; termination of further work

For the avoidance of doubt, I have previously assisted Coastline, without compensation, in a limited capacity related to brand building, strategy, and business development. In addition, my company, Reconxx, has subsidized Coastline's U.S. efforts by providing business support and 3PL services—again, without receiving a single dollar of compensation. Going forward, to be clear, neither I nor Reconxx will perform any further services for Coastline. This decision is based on Coastline management's conduct and the written and verbal statements by Coastline's President, Matthew Moore, repeatedly indicating an intention not to proceed with any arrangement with APV.

2. Allocation of roles and responsibility (lender/borrower; deployment into Coastline)

The LOC was advanced by Arthur and, as structured and implemented, Arthur is effectively situated as both the lender and the party directing/benefiting from the borrowing and deployment of proceeds into Coastline's operations. While Arthur has described himself as a minority owner, LOC proceeds have nonetheless been deployed into Coastline. I do not have—and have never had—access to Coastline's day-to-day finances, nor any governance authority, oversight, or control over Coastline's internal accounting, cash management, or operational expenditures. My prior requests for clarity and accounting concerning the use of LOC proceeds deployed into Coastline have not been substantively addressed.

3. GAAP and structural necessity: tracing deposits and uses of funds

Understanding precisely where LOC proceeds were deposited and how they were deployed across entities is not ancillary—it is fundamental to the structure of this funding mechanism and is also necessary to satisfy GAAP requirements for intercompany accounting, subsidiary loan treatment, and proper reconciliation of liabilities and reimbursements.

4. Draw #4 — deviation from agreed process and timing context

For the record, Draw #4 was initiated by Matthew via email without my authorization or approval and without following the agreed process for initiating a draw request. That draw request was approved immediately by Arthur.

Within days of that transaction, we held a Google Meet (recorded) during which Matthew stated multiple times that he had no intention of moving forward with an APV agreement. This sequence is relevant to the present reconciliation and repayment posture because it underscores the need for strict accounting, governance discipline, and prompt return of funds where agreements were not executed and where authority and process were not observed.

5. No authority; no duty to manage Coastline's internal affairs

I am not an officer, manager, authorized agent, or fiduciary of Coastline and have no legal, operational, or contractual obligation to administer Coastline's internal finances, respond on Coastline's behalf, or negotiate Coastline's operational cash management. **To date, Matthew has not engaged on the substance of the repayment logistics despite multiple communications.**

6. Coastline was on notice; closing was known; immediate repayment obligation triggered

Over the past several months, I stated in writing that if Coastline elected not to move forward with an APV agreement, then all funds deployed into Coastline through the APV structure would need to be returned immediately. Coastline management has also been well aware of the pending closing at 245 Orbit Rd, which, upon occurrence, triggered the need to satisfy the LOC.

The closing itself was delayed due to the buyer navigating a 1031 exchange. The property ultimately closed the afternoon of December 23, 2025. **Less than 24 hours after closing, I requested the payoff statement and wire instructions necessary to satisfy the LOC. Despite multiple requests, I still have not received that information.**

7. Required path forward: immediate return of funds or direct borrower-lender arrangement

Accordingly, Coastline's ownership/authorized representatives must, immediately and without equivocation, take one of the following actions:

- A) Return all APV-originated funds deployed into Coastline (either to the APV Mercury account for same-day remittance, or directly to the lender pursuant to wiring instructions), thereby enabling satisfaction of the LOC; or
 B) Enter into a direct, documented repayment arrangement with the lender sufficient to satisfy the portion of the LOC attributable to Coastline's receipt/use of proceeds, without reliance on me or Reconxx as an intermediary.

8. Reconciliation record produced

To facilitate prompt reconciliation and eliminate ambiguity, I am providing a link to a Google Drive folder containing the relevant record set (including bank statements, LOC draw requests—expressly including Draw #4—transactional support, and email correspondence): <https://drive.google.com/drive/folders/1YAEurK7SoK9y8BirxwHefjntXTuzLdK?usp=sharing>

9. Deadline; preservation and escalation

Arthur has stated, and I agree, that the LOC must be paid in full or a documented alternate arrangement must be reached no later than close of business Monday, December 29, 2025.

If the LOC is not satisfied in full, or if the lender and the responsible borrower(s) do not execute a written alternative arrangement by that deadline, I will instruct counsel to immediately: (i) issue formal preservation demands to all relevant financial institutions and counterparties, and (ii) pursue all available reporting and legal remedies to ensure preservation of transaction records and to expedite resolution—including with respect to any significant international wire activity undertaken in reliance on representations made at the time of transfer.

Regards,
 Mike
 Mike Shelley
 Founder & CEO
 Reconxx 3PL
[Book a Meeting](#)
www.reconxx.com



Single parcel or large-scale fulfillment, we've got you covered!

This email and any attachments are confidential and intended solely for the recipient. It does not constitute an offer or contract. No binding agreement is created by this email unless expressly stated in a written agreement signed by authorized representatives. Reconxx assumes no liability for any damage caused by this email, including any errors. Unauthorized use, disclosure, or distribution is prohibited.

[Quoted text hidden]

ARTHUR DISKIN <scubaart56@aol.com>

Sat, Dec 27, 2025 at 7:23 PM

To: Mike Shelley <mike@reconxx.com>

Cc: Matthew Moore <matthew.m@coastlinegroup.ca>, Steve Stern <steve@stevesterncpa.com>, Melissa Gelbart <melissa@gelbart-law.com>

Mike

I appreciate all the details below but I do not manufacture rope, I do not do eCommerce and I do not do 3 PL. My role has been advice and to try to jump start this venture. The line of credit should have been repaid at exactly the time of closing along with the other loan on the property. All parties should've been notified if you had any intent whatsoever to not utilize the proceeds of the closing to close out the line of credit.

With that said, in order to avoid further controversy that directly involves me, Matthew has agreed to wire the funds forwarded to Coastline in the draws plus prorated interest to me, including draw number four. This will come directly to my bank account in Miami to be forwarded to the lender. Steve will coordinate. I expect you to do the same with the remainder of the balance plus interest on the LOC Monday as well. Once the LOC has been repaid, I will consider the matter closed from my end

Please make sure this occurs Monday. I will leave it to you to draft any documents. I am working in the emergency department 12 hours a day for the next three days and I understand the emergency department has been quite crazy so I am not sure of my ability to jump out and communicate.

I will then leave it to you and Matthew to work out what is going to happen moving forward with equipment, inventory, operations, and any cash flow between you etc. I have no interest in participating in those discussions.

Steve - Please provide wiring instructions to CNB (please note that Steve will be leaving for vacation for seven days on a cruise ship on Monday afternoon so it is imperative that we get all of this settle Monday morning).

Best of luck to all moving forward.

Art

Sent from my iPhone

On Dec 27, 2025, at 9:52 AM, Mike Shelley <mike@reconxx.com> wrote:

[Quoted text hidden]

Mike Shelley <mike@reconxx.com>

Sat, Dec 27, 2025 at 7:57 PM

To: ARTHUR DISKIN <scubaart56@aol.com>, Steve Stern <steve@stevesterncpa.com>, Matthew Moore <matthew.m@coastlinegroup.ca>, Melissa Gelbart <melissa@gelbart-law.com>

Art, Steve, Matt, and Melissa,

Understood, and I agree the priority is to have the LOC satisfied Monday.

To execute cleanly and eliminate any remaining ambiguity, I need the following from Steve as soon as possible:

1. Formal payoff statement showing the total amount due (principal + accrued interest/fees) through the payoff date;
2. Payoff wiring instructions (lender name, account name, ABA/routing, account number, and any reference/loan number to include); and
3. Written confirmation of the allocation expected for Monday's wires:



Management Agreement

Aug 18/2025

This MANAGEMENT SERVICES AGREEMENT (this "Agreement") is made and entered into as of [date] (the "Effective Date"), by and between APV, a Delaware limited liability company (the "Service Provider"), and CC, a Canada limited liability company (the "Company"). Service Provider and the Company are sometimes referred to herein individually as a "Party" and collectively as the "Parties."

Canadian Ltd 756239521

WHEREAS, the Company desires to retain Service Provider to provide certain management and administrative services to the Company, and Service Provider is willing to provide such management and administrative services to the Company, upon the terms and conditions set forth in this Agreement.

WHEREAS, APV possesses specialized executive, supply-chain, logistics, finance and brand-management expertise that Company wishes to utilise..."

WHEREAS, CC's board approved this Agreement on Aug 18 2025;

NOW, THEREFORE, in consideration of the foregoing, the terms and conditions hereinafter set forth, and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Parties hereto hereby agree as follows:

1. Retention of Service Provider; Services. The Company hereby retains Service Provider, and Service Provider hereby agrees, to provide to the Company certain management and administrative support services (the "Services") which include, without limitation, the following:

- (i) C-suite leadership, US purchasing leverage, logistics optimisation, finance & compliance back-office, brand and marketing strategy
general management oversight and administration of the Company's business,
- (ii) services of the Service Provider's corporate accounting and internal controls personnel,
- (iii) use of Service Provider's North Carolina office/manufacturing space (the "Office"),
- (iv) all necessary business supplies for use at the Office,
- (v) use of the Service Provider's communication systems and telephone equipment,
- (vi) use of the Service Provider's information systems services, and
- (vii) such other management and administrative services which the parties shall mutually determine are necessary for the efficient operation of the Company's business and affairs.

The Parties agree that the Services shall be provided by the employees of Service Provider listed on Schedule A hereto or their replacements (the "Employees"), or third party providers hired by Service Provider.

2. Relationship of the Parties. At no time shall the Employees, any independent contractors engaged by Service Provider and/or the employees of any such independent contractors be considered employees of the Company. Service Provider shall be responsible for complying with all federal, state and local labor and tax laws and regulations with respect to Employees. This Agreement is not one of agency between Service Provider and the Company, but one in which Service Provider is engaged to provide management oversight and administration support services as an independent contractor. All employment arrangements are therefore solely Service Provider's concern, and the Company shall not have any liability with respect thereto except as otherwise expressly set forth herein.

3. Duties of Service Provider.

3.1 Service Provider will perform, or cause to be performed, the Services hereunder with not less than the degree of care, skill and diligence with which it performs or would perform similar services for itself consistent with past practices (including, without limitation, with respect to the type, quantity, quality and timeliness of such services). If the Service Provider is required to engage third parties to perform one or more of the Services required hereunder, Service Provider shall use all commercially reasonable efforts to cause such third parties to deliver such Services in a competent and timely fashion.

3.2 Service Provider shall maintain books, records, documents and other written evidence, consistent with its normal accounting procedures and practices, sufficient to accurately, completely and properly reflect the performance of the Services hereunder and the amounts due in accordance with any provision of this Agreement (collectively, the "***Services Evidence***").

4. Term.

4.1 The term of this Agreement shall commence as of the Effective Date and shall continue in effect for five years (the "***Initial Term***"), and thereafter shall be automatically renewed upon the same terms and conditions set forth herein for subsequent one year terms (each, a "***Renewal Term***"). The Initial Term and any Renewal Terms are referred to herein collectively as the "***Term***". Either Party may terminate without cause on 180 days' notice, provided Company first pays an **Early-Termination Fee equal to the greater of (i) 3 × total Fees paid in the preceding 12 months or (ii) NPV of Fees through the end of the then-current Term (8 % discount)*. Either the Company or Service Provider will have the right to terminate this Agreement following a breach of a material term of this Agreement by the other party hereto and a failure to cure such breach within 30 days following written notice thereof.

4.2 Notwithstanding Section 4.1, the Parties agree that this Agreement will terminate upon (i) the liquidation or dissolution of the Company, (ii) the sale of all or substantially all of the assets of the Company to a third party or (iii) the sale of control the Company, whether by sale of membership interests, merger, reorganization, consolidation or otherwise, to a third party.

4.3 No suspension, amendment, or termination of this Agreement shall be effective without the prior unanimous written consent of Service Provider.”

5. Compensation.

5.1 Reimbursement of Expenses. As consideration for the performance of the Services, the Company shall reimburse Service Provider for the following expenses incurred by Service Provider (collectively, the “*Expenses*”):

5.1.1 **Employee Expenses.** Beginning on the Effective Date and continuing through the second anniversary (the “Start-Up Period”), Company shall reimburse Service Provider 95% of (i) gross base salary, (ii) employer payroll taxes, (iii) health & welfare benefit costs, and (iv) 401(k) match attributable to the employees listed on Schedule A (prorated for any partial month). After the Start-Up Period, reimbursement increases to 100% of such costs.

5.1.2 **Facilities & Overhead.** During the Start-Up Period, Company shall reimburse Service Provider 95% of:

- rent (or use fee) for the North Carolina facility space used by CC;
- A. communications, IT, and information-systems support;
- B. business supplies and materials; and
- C. maintenance and repair services relating to that facility and CC
- D. production equipment.
- E. Fees compensate APV for supplying C-suite talent, purchasing power, logistics, finance, brand management, etc.

Thereafter reimbursement is 100 % of such costs.

5.1.3 **Other Direct Costs.** Company shall reimburse Service Provider for any other out-of-pocket costs incurred exclusively in providing the Services, provided such costs are (i) included in the then-current operating budget approved by Company, or (ii) pre-approved in writing by Company’s CEO or CFO.

5.1.4 **Invoicing.** Service Provider will issue a monthly invoice detailing reimbursable expenses; Company shall pay each invoice within five (5) business days of receipt. Late payments bear interest at Prime + 3 %.

5.2 Management & Performance Fees

\$8,333

5.2.1 **Base Management Fee.** Company shall pay Service Provider a quarterly USD \$ ~~8,333~~ per month. The fee is an operating expense payable prior to, and in preference to, any dividend or distribution to the Company's shareholders.

5.2.2 **Performance Fee.** In addition, Company shall pay Service Provider a quarterly Performance Fee equal to ~~20-40%~~ of Adjusted EBITDA or 100% of "Owner Distributable Cash" (cash from ops minus WC reserve and other agreed deductions - main limiter)

5.2.3 **Exit Fee.** On a Change of Control or sale of substantially all CC assets, Company shall pay Service Provider ~~20%~~ of Net Proceeds within 5 business days of closing.

5.2.4 **Early-Termination Fee.** If Company terminates this Agreement other than for Service Provider's uncured material breach, Company shall first pay an Early-Termination Fee equal to the greater of (i) three (3) times the aggregate Base + Performance Fees paid in the twelve (12) months immediately preceding notice of termination, or (ii) the net present value (8 % discount) of all such fees through the scheduled end of the current Term.

5.2.5 **Payment Mechanics.** Service Provider may deduct the fees in subsections (a)-(c) from the dedicated Coastline-APV operating account on the 5th business day of the month/quarter, subject to lender consent. Company shall remit all fees in United States dollars by electronic transfer to the Service Provider's account at Bank of America, New York, or such other account as Service Provider designates in writing. Company may first deduct and remit any Canadian withholding tax required under Part XIII of the Income Tax Act (Canada), provided that it delivers a receipt for such remittance. Exchange conversion from Canadian dollars to United States dollars shall be made at the Bank of Canada noon rate on the business day preceding payment."

5.3 **Invoicing; Payment; Disputes.**

5.3.1 **Invoicing.** Each monthly invoice (an "Invoice") shall itemise, in reasonable detail, the categories of Expenses reimbursable under § 5.1 and the period to which each cost relates, and shall be accompanied by a summary spreadsheet or other backup reasonably sufficient for Company to verify the charges.

5.3.2 Payment of undisputed amounts. Company shall remit the undisputed portion of each Invoice **within five (5) business days** after receipt.

5.3.4 Notice of dispute. If Company in good faith disputes any line item, it shall deliver written notice (an “Invoice Dispute Notice”) specifying the amount and basis of the dispute within ten (10) business days after receiving the Invoice. Failure to deliver an Invoice Dispute Notice within that time constitutes acceptance of the Invoice in full.

5.3.5 Good Faith Resolution. Senior finance representatives of each Party shall confer in good faith to resolve the dispute within fifteen (15) business days after Service Provider receives the Invoice Dispute Notice. If they cannot do so, either Party may escalate to the CFOs (or equivalent officers) for a further ten (10) business-day cure period.

5.3.6 Payment of resolved amount. Amounts agreed (or finally determined under the dispute-resolution provisions of § 20) to be owed shall be paid within five (5) business days after such agreement or determination.

5.3.7 Interest. Interest accrues on (i) undisputed amounts that are past due and (ii) disputed amounts only to the extent finally determined to be payable, in each case at Prime + 3 percentage points per annum, simple interest, from (and including) the original due date to (but excluding) the date of payment. Interest shall not compound.

5.4 Form of Payment. Each cash payment made pursuant to this Agreement will be paid by wire transfer of immediately available federal funds to such account as Service Provider may specify to the Company in writing prior to such payment.

6. Confidentiality. Service Provider shall, and shall cause its officers, directors, managers, principals, members, employees (including the Employees), agents and representatives (collectively, “*Representatives*”) to, comply with the confidentiality provisions of the Company’s First Amended and Restated Limited Liability Company Agreement dated as of [date] (the “*LLC Agreement*”).

7. Exculpation and Indemnification.

7.1 LLC Agreement. Service Provider and its Representatives shall be entitled to the same rights with respect to exculpation and indemnification as a “*Covered Person*” would be entitled under the LLC Agreement.

7.2 Rights of Indemnification; Survival. The rights of indemnification provided in this Section 7 shall be in addition to any rights to which a party entitled to indemnification under Section 7.1 may otherwise be entitled by contract or as a matter of law, and shall

extend to each of such party's heirs, successors and assigns. The provisions of this Section 7 shall survive the termination of this Agreement.

8. Majority-Shareholder Acknowledgement. The Majority Shareholders of Coastline Cordage Group Ltd. (presently Matthew Moore and Arthur Diskin) acknowledge their fiduciary duties under the *Business Corporations Act (British Columbia)* and represent that, after due inquiry and advice of independent counsel, they believe the Fees payable hereunder are **fair, reasonable and in the best interests of the Company and all of its shareholders**, including minority shareholders. Each Majority Shareholder hereby waives, to the fullest extent permitted by law, any right to assert a claim that the execution, delivery or performance of this Agreement constitutes conduct oppressive or unfairly prejudicial to any shareholder under Part 9 of the Act.

8. Assignment. Neither Party may assign any of its rights or delegate any of its duties under this Agreement without the prior written consent of the other Party.

9. Choice of Law. Except as set forth below, this Agreement shall be construed and interpreted, and the rights of the Parties shall be governed by, the internal laws of the State of Delaware, without giving effect to conflicts of laws rules and principles that require the application of the laws of any other jurisdiction.

10. Entire Agreement; Amendments and Waivers. This Agreement, together with all Schedules hereto, constitute the entire agreement between the Parties pertaining to the subject matter hereof and supersede all prior and contemporaneous agreements, understandings, negotiations and discussions, whether oral or written, of the Parties, and there are no other warranties, representations or other agreements between the parties in connection with the subject matter hereof. No amendment, supplement, modification or waiver of this Agreement shall be binding unless executed in writing by all Parties hereto. No waiver of any of the provisions of this Agreement shall be deemed to constitute a waiver of any other provision hereof (whether or not similar), nor shall such waiver constitute a continuing waiver unless expressly agreed to in writing by the affected Party.

11. References; Headings; Interpretation. All references in this Agreement to Exhibits, Articles, Sections, subsections and other subdivisions refer to the corresponding Exhibits, Articles, Sections, subsections and other subdivisions of or to this Agreement unless expressly provided otherwise. Titles appearing at the beginning of any Articles, Sections, subsections or other subdivisions of this Agreement are for convenience only, do not constitute any part of this Agreement, and shall be disregarded in construing the language hereof. The words "this Agreement," "herein," "hereby," "hereunder" and "hereof" and words of similar import refer to this Agreement as a whole and not to any particular subdivision unless expressly so limited. The words "this Article," "this Section" and "this subsection" and words of similar import refer only to the Article, Section or subsection hereof in which such words occur. The word "or" is not

exclusive, and the word “including” (in its various forms) means “including, without limitation.” Pronouns in masculine, feminine or neuter genders shall be construed to state and include any other gender, and words, terms and titles (including terms defined herein) in the singular form shall be construed to include the plural and vice versa, unless the context otherwise requires.

12. Notices. Unless otherwise provided herein, any notice, request, consent, instruction or other document to be given hereunder by any Party hereto to another Party hereto shall be in writing and will be deemed given: (a) when received, if delivered personally or by courier; or (b) on the date receipt is acknowledged, if delivered by certified mail, postage prepaid, return receipt requested; or (c) one day after transmission, if sent by facsimile or electronic mail transmission with confirmation of transmission, as follows:

If to the Company:

If to Service Provider:

13. Counterparts. This Agreement may be executed in one or more counterparts, including by facsimile and portable document format (.pdf) delivery, each of which shall be deemed to be an original, but all of which together shall constitute one and the same instrument. The Parties agree and acknowledge that delivery of a signature by facsimile or in .pdf form shall constitute execution by such signatory.

14. Invalidity. In the event that any one or more of the provisions contained in this Agreement or in any other instrument referred to herein shall, for any reason, be held to be invalid, illegal or unenforceable in any respect, such invalidity, illegality or unenforceability shall not affect any other provision of this Agreement or any other such instrument, and such invalid, illegal or unenforceable provision shall be interpreted so as to give the maximum effect of such provision allowable by law.

15. Additional Documents. Each of the Parties hereto agree to execute any document or documents that may be requested from time to time by the other Party to implement or complete such Party’s obligations pursuant to this Agreement and to otherwise cooperate fully with such other Party in connection with the performance of such Party’s obligations under this Agreement.

16. Successors and Assigns. Except as herein otherwise specifically provided, this Agreement shall be binding and inure to the benefit of the Parties and their successors and permitted assigns.

17. No Third-Party Beneficiaries. This Agreement is solely for the benefit of the Parties hereto and their successors and assigns permitted under this Agreement, and no provisions of this Agreement shall be deemed to confer upon any other persons any remedy, claim, liability, reimbursement, cause of action or other right except as expressly provided herein.

18. No Presumption Against Any Party. Neither this Agreement nor any uncertainty or ambiguity herein shall be construed or resolved against any Party, whether under any rule of

construction or otherwise. On the contrary, this Agreement has been reviewed by each of the Parties and their counsel and shall be construed and interpreted according to the ordinary meaning of the words used so as to fairly accomplish the purposes and intentions of all Parties hereto.

19. Specific Performance. The Parties acknowledge and agree that any Party would be damaged irreparably in the event any of the provisions of this Agreement are not performed in accordance with their specific terms or otherwise are breached. Accordingly, the Parties agree that any Party shall be entitled to an injunction or injunctions to prevent breaches of the provisions of this Agreement and to enforce specifically this Agreement and the terms and provisions hereof as set forth in Section 20.

20. Arbitration.

20.1 Any dispute, controversy or claim arising out of, connected with, or relating to this Agreement, including without limitation any dispute as to the existence, validity, construction, interpretation, negotiation, performance, breach, termination or enforceability of this Agreement (a “*Dispute*”) shall be resolved by final and binding arbitration before a single independent and impartial arbitrator pursuant to the Commercial Arbitration Rules of the American Arbitration Association (“*AAA*”) then in effect. The AAA Optional Rules for Emergency Measures of Protection shall also apply. If the Parties are unable to agree on a mutually acceptable arbitrator within 15 days of the submission of the Dispute to arbitration, the arbitrator shall be appointed by the AAA. The Parties acknowledge that arbitration is intended to be a more expeditious and less expensive method of dispute resolution than court litigation. The award of the arbitrator shall be in writing and provide reasons for the award. The arbitrator must certify in the award that such award conforms to the terms and conditions set forth in this Agreement, including that such award has been rendered in accordance with the applicable governing law. The arbitrator shall have the authority to assess the costs and expenses of the arbitration proceeding (including the fees and expenses of the arbitrator and the AAA) against any or all of the Parties. The arbitrator shall also have the authority to award reasonable attorneys’ fees and expenses to the prevailing Party. The place of arbitration shall be North Carolina unless another location is mutually agreed upon by the Parties to such arbitration. The award of the arbitrator shall be binding on the Parties, and the award may, but need not, be entered as judgment in a court of competent jurisdiction. This agreement to arbitrate shall not preclude the Parties from engaging in parallel voluntary, non-binding settlement efforts including mediation.

20.2 The arbitrator may, unless consolidation would prejudice the rights of any Party, consolidate an arbitration hereunder with arbitration(s) under the LLC Agreement and any employment agreement entered into between a Seller and the Company if the

arbitrations raise common questions of law or fact. If two or more arbitral tribunals under these agreements issue consolidation orders, the order issued first shall prevail.

20.3 The Parties undertake to keep confidential all awards in their arbitration, together with all materials in the proceedings created for the purpose of the arbitration and all other documents produced by another party in the proceedings not otherwise in the public domain, save and to the extent that disclosure may be required of a Party by legal duty, to protect or pursue a legal right or to enforce or challenge an award in legal proceedings before a court or other judicial authority.

20.4 Arbitration shall be the exclusive dispute resolution mechanism hereunder; provided that nothing contained in this Section 20 shall limit any party's right to bring (i) an application to enforce this agreement to arbitrate, (ii) actions seeking to enforce an arbitration award or (iii) actions seeking injunctive or other similar relief in the event of a breach or threatened breach of any of the provisions of this Agreement (or any other agreement contemplated hereby). The specifically enumerated judicial proceedings shall not be deemed incompatible with the agreement to arbitrate or a waiver of the right to arbitrate and, each party irrevocably and unconditionally (and without limitation): (i) submits to and accepts, for itself and in respect of its assets, generally and unconditionally the non exclusive jurisdiction of the courts located in County, North Carolina of the United States and the State of North Carolina, (ii) waives any objection it may have now or in the future that such action or proceeding has been brought in an inconvenient forum, (iii) agrees that in any such action or proceeding it will not raise, rely on or claim any immunity (including, without limitation, from suit, judgment, attachment before judgment or otherwise, execution or other enforcement), (iv) waives any right of immunity which it has or its assets may have at any time, and (v) consents generally to the giving of any relief or the issue of any process in connection with any such action or proceeding including, without limitation, the making, enforcement or execution of any order or judgment against any of its property. IN ENTERING INTO THE ARBITRATION PROVISION OF THIS SECTION 20, EACH PARTY TO THIS AGREEMENT KNOWINGLY AND VOLUNTARILY WAIVES ITS RIGHTS TO A JURY TRIAL, INCLUDING ANY RIGHTS TO A TRIAL BY JURY IN ANY LITIGATION IN ANY COURT WITH RESPECT TO, IN CONNECTION WITH, OR ARISING OUT OF THIS AGREEMENT OR ANY ANCILLARY AGREEMENT REFERENCED HEREIN OR THE VALIDITY, PROTECTION, INTERPRETATION, COLLECTION OR ENFORCEMENT THEREOF.

[Signature Page Follows]

COASTLINE CORDAGE LTD.

(Incorporated under the Business Corporations Act (British Columbia))

WRITTEN CONSENT OF THE SOLE DIRECTOR

(Pursuant to s. 138 of the BCBCA)

Date: August 18, 2025

The undersigned, being the sole director of Coastline Cordage Ltd. (the “Company”), hereby adopts the following resolutions without a meeting:

1. Approval of Management & Performance-Fee Agreement

RESOLVED THAT the draft “Management and Performance-Fee Agreement” between the Company and AnchorPoint Ventures LLC (“APV”) substantially in the form attached as *Schedule A* (the “Agreement”) is hereby approved, and the performance fees and other terms set out therein are determined to be **fair, reasonable and in the best interests of the Company and all of its shareholders**, including minority shareholders.

2. Acknowledgement of Related-Party Interest

RESOLVED THAT the director notes his interest in the Agreement under s.147 of the Business Corporations Act (British Columbia) by virtue of being a shareholder of APV, and, having fully disclosed such interest, abstains from voting as required; the remaining disinterested directors being insufficient to constitute a quorum, this resolution is adopted pursuant to s.147(7).

3. Authorisation to Execute & Deliver

RESOLVED THAT any one director or officer of the Company is authorised and directed, for and on behalf of the Company, to execute and deliver the Agreement and any ancillary documents, with such amendments (not materially increasing the obligations of the Company) as such authorised signatory may approve, the execution thereof to be conclusive evidence of such approval.

4. Further Acts

RESOLVED THAT the directors and officers of the Company are authorised to do all such other acts and things and to execute and deliver such other agreements, certificates, instruments and documents as they, in their sole discretion, consider necessary or advisable to carry out the intent of these resolutions.

IN WITNESS WHEREOF the undersigned has executed this written consent as of the date first written above.

Matthew Moore – Sole Director

Schedule A – Draft Management and Performance-Fee Agreement (clean copy)

A handwritten signature in black ink, appearing to be 'M. Moore', with a long horizontal stroke extending to the right.