

EXHIBIT

11

UNITED STATES DISTRICT COURT
EASTERN DISTRICT OF MICHIGAN

Productivity Technologies
Corporation,

Plaintiff,

v.

Jesse Levine, Julius Levine, and
Julius S. Levine Revocable Trust FBO
Julius S. Levine,

Defendants.

Civil No. 16-cv-13088

Honorable David M. Lawson
Magistrate Elizabeth A. Stafford

Jesse Levine, Julius Levine, and
Julius S. Levine Revocable Trust FBO
Julius S. Levine,

Counter-Plaintiffs,

v.

Productivity Technologies
Corporation; Samuel Seidman; and
Arthur Stupay,

Counter-Defendants.

**FIRST AMENDED VERIFIED
ANSWER TO VERIFIED
FIRST AMENDED
COMPLAINT,
AFFIRMATIVE DEFENSES,
FIRST AMENDED VERIFIED
COUNTERCLAIMS, AND
RELIANCE ON JURY
DEMAND**

Jesse Levine and Julius Levine,
derivatively on behalf of Productivity
Technologies Corporation,

Counter-Plaintiffs,

v.

Samuel Seidman and Arthur Stupay,

Counter-Defendants,

-and-

Productivity Technologies
Corporation,

Nominal Counter-Defendant.

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**FIRST AMENDED VERIFIED ANSWER TO VERIFIED FIRST
AMENDED COMPLAINT**

Defendants Jesse Levine, Julius Levine, and Julius S. Levine Revocable Trust FBO Julius S. Levine (collectively the “Levine Family”), by and through their attorneys, RJ Landau Partners PLLC, for their First Amended Verified Answer to the claims in the Verified First Amended Complaint submitted by Productivity Technologies Corporation (“PTC”), hereby quote the Verified First Amended Complaint (the “Complaint”) and state as follows:

INTRODUCTION

1. In a time of financial difficulty, Defendants took advantage of Plaintiff in order to assist Plaintiff with obtaining a line of credit for Plaintiff’s subsidiary. In connection with that line of credit, Defendants took hundreds of thousands of dollars from Plaintiff and obtained unprecedented control over Plaintiff’s subsidiary. Now, Defendants claim that they were also issued warrants from Plaintiff representing the ownership of 15%-20% of Plaintiff. However, upon information and belief Plaintiff never issued or executed any such warrants.

ANSWER: The Levine Family denies the allegations contained in this paragraph of the Complaint. Without limitation of the foregoing denial, and as further detailed in the Levine Family’s Counterclaims incorporated by reference in this and all answers to the paragraphs of the Complaint, PTC had no probable cause or legal basis for filing this action and, upon information and belief, PTC and its directors Samuel Seidman (“Seidman”) and Arthur Stupay (“Stupay”) maliciously filed this action for the purposes of injuring

the Levine Family and preventing PTC's stockholders from removing or replacing Seidman and Stupay as directors. In summary, the Levine Family did not take advantage of PTC—the Levine Family saved PTC when it was on the brink of financial ruin. In 2011, Jesse Levine (“Jesse”) negotiated a comprehensive financing agreement that allowed PTC to avoid liquidation after a \$4.3 million judgment was entered against PTC and its wholly owned subsidiary Atlas Technologies, Inc. (“Old Atlas”). As a necessary part of this agreement, the Julius S. Levine Revocable Trust (the “Levine Trust”) pledged \$1 million in negotiable securities and Old Atlas was merged into a Delaware entity named Atlas Technologies, LLC (“Atlas”) and Jesse was named Special Manager. Shortly thereafter, PTC issued a warrant that granted Jesse the option to purchase 20 percent of the outstanding common stock of PTC (“Jesse’s Warrant”). All aspects of these agreements were negotiated and expressly approved by the PTC board of directors (including Seidman and Stupay) and found to be in the best interests of PTC.

PARTIES, JURISDICTION AND VENUE

2. Plaintiff Productivity Technologies Corporation (“PTC” or “Plaintiff”) is a Delaware corporation, with its principal place of business at 3100 Copper Ave, Fenton, Michigan, 48430, and which otherwise regularly conducts business in this district.

ANSWER: The allegations contained in this paragraph of the Complaint are legal conclusions to which no response is required. To the extent an answer is

required, the Levine Family admits that PTC is a Delaware corporation and Atlas has a plant in Fenton, Michigan. The Levine Family denies the remaining allegations contained in this paragraph of the Complaint. Without limitation of the foregoing denial, PTC is incorporated under Delaware law. Further, the Supreme Court of the United States has held that a corporation's principal place of business is located where the corporation's high level officers direct and control the corporation's activities. None of PTC's high level officers are located in Michigan.

3. Defendant Jesse Levine ("Jesse") is an individual that is domiciled in the State of Illinois.

ANSWER: The Levine Family admits the allegations contained in this paragraph of the Complaint.

4. Defendant Julius Levine ("Julius") is an individual domiciled in Washington, District of Columbia.

ANSWER: The Levine Family admits the allegations contained in this paragraph of the Complaint.

5. Defendant Julius S. Levine Revocable Trust FBO Julius S. Levine, under Amended and Completed Restated Trust Agreement dated June 19, 2008 ("Levine Trust," collectively with Jesse and Julius the "Defendants," and each individually a "Defendant"), having an address at 1344 Locust Road NW, Washington, D.C. 20012.

ANSWER: The Levine family admits the allegations contained in this paragraph of the Complaint.

6. The Court has jurisdiction over all claims alleged herein pursuant to 28 U.S.C. §1332(a) and (b) because the amount in controversy exceeds \$75,000 and the dispute is between citizens of different states.

ANSWER: The allegations contained in this paragraph of the Complaint are legal conclusions to which no response is required.

7. The Court also has supplemental jurisdiction over Plaintiffs' claims arising under state law pursuant to 28 U.S.C. §1367(a).

ANSWER: The allegations contained in this paragraph of the Complaint are legal conclusions to which no response is required.

8. Defendants are subject to personal jurisdiction in this Court because, among other things, the Defendants have caused harm to PTC in this district, Defendants regularly traveled to this district, Defendants seek relief from PTC in this district, the basis of the dispute is located in this district, and/or Defendants regularly interacted with PTC in this district.

ANSWER: The allegations in this paragraph of the Complaint are legal conclusions to which no response is required. To the extent a response is required, the Levine Family admits that Jesse and Julius traveled to this District on occasion in order to oversee the activities of Atlas's plant in Fenton, Michigan. The Levine Family denies the remainder of the allegations in this paragraph of the Complaint. Without limitation of the foregoing denial, the Levine Family caused no harm to PTC, and any harm caused to PTC by anyone would not be suffered in this District as PTC is not a Michigan corporation.

9. Venue is proper within this District under 28 U.S.C. §1391(b), because a substantial part of the events or omissions giving rise to these claims occurred in this district, and because Defendants are subject to personal jurisdiction in this district.

ANSWER: The allegations contained in this paragraph of the Complaint are legal conclusions to which no response is required. To the extent a response is required, the Levine Family denies causing any harm to PTC. Without limitation of the foregoing denial, any harm caused to PTC by anyone would not be suffered in this District as PTC is not a Michigan corporation.

GENERAL ALLEGATIONS

10. PTC is a company that wholly owns its subsidiary Atlas Technologies, LLC (“Atlas”).

ANSWER: The Levine Family admits that PTC is the sole member of Atlas pursuant to the “Limited Liability Company Agreement of Atlas Technologies, LLC” (the “2011 LLC Agreement”). The Levine Family denies the remainder of the allegations in this paragraph of the Complaint.

11. Atlas is a manufacturing company that has been designing and building press room automation for fifty years.

ANSWER: The Levine Family admits that, according to public records, Atlas Technologies, Inc. (“Old Atlas”) was incorporated as “Fluid & Electrical Control Co.” in 1974. To the extent the allegations in this paragraph of the Complaint could be read to imply that Old Atlas did not merge into Atlas, or

that the internal affairs of Atlas are not governed by Delaware Law, the Levine Family denies the allegations contained in this paragraph of the Complaint.

12. Atlas currently employs approximately 45 employees.

ANSWER: The Levine Family is without information sufficient to admit or deny the allegations contained in this paragraph of the Complaint because Jesse's employment as an officer with Atlas was involuntarily terminated in March 2016.

13. Defendant Jesse is a member of the Board of Directors of PTC ("Board").

ANSWER: The Levine Family admits the allegations in this paragraph of the Complaint. Further answering, while Jesse remains a director of PTC, Jesse has not been advised of the day-to-day operations of PTC since his involuntary termination as an officer of Atlas in March 2016.

14. In his role as a member of the Board, Jesse owes certain fiduciary duties to PTC, including the duties of care, loyalty, good faith, and fair dealing.

ANSWER: The allegations contained in this paragraph of the Complaint are legal conclusions to which no response is required. To the extent a response is required, the Levine Family denies the allegations contained in this paragraph of the Complaint. Without limitation of the foregoing denial, Jesse's duties to PTC are defined by Delaware law and the internal documents

of PTC, and limited by the agreements incorporated into the Levine Family's Counterclaims.

15. Defendant Jesse is the Secretary of PTC, which is an officer position with PTC.

ANSWER: The Levine Family admits that Jesse was the Secretary of PTC prior to March 2016, when Jesse was involuntarily terminated by PTC as an officer of Atlas. The Levine Family lacks information as to whether PTC terminated Jesse as the Secretary of PTC. The Levine Family denies the remaining allegations in this paragraph of the Complaint.

16. In his role as Secretary and officer of PTC, Jesse owes certain fiduciary duties to PTC, including the duties of care, loyalty, good faith, and fair dealing.

ANSWER: The allegations contained in this paragraph of the Complaint are legal conclusions to which no response is required. To the extent a response is required, the Levine Family denies the allegations contained in this paragraph of the Complaint. Without limitation of the foregoing denial, Jesse's duties to PTC are defined by Delaware law and the internal documents of PTC, and limited by the agreements incorporated into the Levine Family's Counterclaims.

17. Julius is Jesse's father.

ANSWER: The Levine Family admits the allegations contained in this paragraph of the Complaint.

18. Julius and/or Jesse control the Levine Trust, and the Levine Trust acts through Julius and/or Jesse.

ANSWER: The Levine Family admits that Julius is the principal trustee and beneficiary of the Levine Trust, and that Jesse is a co-trustee of the Levine Trust. The Levine Family denies the allegations contained in this paragraph of the Complaint to the extent they are inconsistent with the preceding admissions.

19. In 2011, Atlas was experiencing certain financial difficulties.

ANSWER: The Levine Family admits that Old Atlas was experiencing financial difficulties in 2011. Further answering, Old Atlas lacked the working capital to satisfy their lending obligations and in early 2011, a judgment in excess of \$4.3 million was entered against Old Atlas in favor of lender Bank of America, N.A. The Levine Family denies the allegations contained in this paragraph of the Complaint to the extent they are inconsistent with the foregoing.

20. It was determined that Atlas should obtain a revolving line of credit.

ANSWER: The Levine Family admits Old Atlas needed financing in order to avoid liquidation. Further answering, Jesse was authorized by the board of directors of PTC and Old Atlas to locate and negotiate this required financing.

The Levine Family denies the allegations contained in this paragraph of the Complaint to the extent they are inconsistent with the foregoing.

21. Atlas obtained a revolving line of credit from Rosenthal & Rosenthal in the amount of up to \$1.55 million (“Rosenthal Loan”).

ANSWER: The Levine Family admits the allegations contained in this paragraph of the Complaint. Further answering, Jesse was responsible for negotiating the line of credit from Rosenthal & Rosenthal, Inc. (“Rosenthal”), and Rosenthal was only willing to loan funds to Old Atlas if Rosenthal was provided with, *inter alia*, a security interest in negotiable securities with a minimum value of \$1 million. The Levine Family denies the allegations contained in this paragraph of the Complaint to the extent they are inconsistent with the foregoing.

22. PTC was not a party to the Rosenthal Loan.

ANSWER: The Levine Family denies the allegations contained in this paragraph of the Complaint. Without limitation of the foregoing denial, PTC was a guarantor of the Rosenthal Loan and authorized all aspects of the Rosenthal Loan on behalf of PTC and Old Atlas/Atlas. Further answering, both PTC and Old Atlas/Atlas would have faced liquidation without the funds provided by the Rosenthal Loan.

23. Atlas' receivables were provided as collateral for the Rosenthal Loan.

ANSWER: The Levine Family admits Atlas's receivables were provided as one source of collateral for the Rosenthal Loan. Further answering, the Levine Trust was required to pledge \$1 million in negotiable securities as further collateral to secure the Rosenthal Loan. The Levine Family denies the allegations contained in this paragraph of the Complaint to the extent they are inconsistent with the foregoing.

24. Defendant Levine Trust also provided collateral for the Rosenthal Loan ("Trust Collateral").

ANSWER: The Levine Family admits the allegations contained in this paragraph of the Complaint. Further answering, the Levine Trust was required to pledge \$1 million in negotiable securities as collateral to secure the Rosenthal Loan.

25. Defendants, including the Levine Trust, did not lend any money to Atlas in connection with the Rosenthal Loan.

ANSWER: The Levine Family denies the allegation contained in this paragraph of the Complaint. Without limitation of the foregoing denial, money is fungible and even though the Levine Family did not directly lend any funds to Atlas, the Levine Family provided \$1 million in negotiable securities to a restricted account solely controlled by Rosenthal. The negotiable securities were required by Rosenthal in order for Rosenthal to lend

money to Atlas. Further answering, the Levine Trust risked losing the entirety of its pledged collateral in the event Atlas defaulted on the Rosenthal Loan. The Levine Family therefore had every incentive to ensure that Atlas survived and improved as an ongoing business. The Levine Family denies the allegations contained in this paragraph of the Complaint to the extent they are inconsistent with the foregoing.

26. Still, in order for Defendants to provide the Trust Collateral, Jesse, Julius, and the Levine Trust demanded that (1) Jesse be made the Chief Executive Officer of Atlas, (2) that the Atlas operating agreement (“LLC Agreement”) be modified to enable Defendants to have unprecedented power over Atlas with the role of “Special Manager,” and (3) Defendants be paid \$15,000 per month for each month that the Trust Collateral was pledged pursuant to a “Fee and Reimbursement Agreement”.

ANSWER: The Levine Family admits that, in consideration of the necessary collateral pledged by the Levine Trust, PTC agreed to merge Old Atlas into Atlas under Delaware law and grant certain powers to Jesse under the 2011 LLC Agreement until, at least, the pledged collateral was returned to the Levine Trust. The Levine Family further admits that Jesse was made the co-Chief Executive Officer of Atlas. The Levine Family further admits that Atlas agreed to pay the Levine Trust a \$15,000 monthly fee under the terms of the Fee and Reimbursement Agreement. The 2011 LLC Agreement and the Fee and Reimbursement Agreement (which are not attached to PTC’s Complaint) speak for themselves. The Levine Family denies that it “demanded” anything,

and all aspects of these agreements were negotiated and expressly and voluntarily approved by the PTC board of directors (including and particularly Seidman and Stupay). The Levine Family further denies that Jesse was given “unprecedented” power over Atlas and denies that the \$15,000 monthly fee paid to the Levine Trust pursuant to Fee and Reimbursement Agreement was in any way improper. The Levine Family further denies the allegations contained in this paragraph of the Complaint to the extent they are inconsistent with the foregoing or the 2011 LLC Agreement and the Fee and Reimbursement Agreement.

27. Even though these demands were not in the best interests of Atlas or PTC, Jesse, Julius, and the Levine Trust insisted on these demands.

ANSWER: The Levine Family denies the allegations contained in this paragraph of the Complaint. Without limitation of the foregoing denial, the PTC board of directors, including Seidman and Stupay, approved and authorized all aspects of the 2011 LLC Agreement and Fee and Reimbursement Agreement, and found these negotiated agreements to be in the best interests of PTC and Atlas.

28. The Rosenthal Loan was executed on or about January 31, 2012.

ANSWER: The Levine Family admits the allegations contained in this paragraph of the Complaint.

29. On or about that same time, pursuant to Jesse, Julius, and the Levine Trust's demands, a new Atlas LLC Agreement was executed that, among other things, (1) made Jesse the Chief Executive Officer of Atlas, (2) created the Special Manager position that had unprecedented power over Atlas, (3) per Defendants demand, appointed Jesse as the Special Manager, and (4) included the statement that to induce Defendant to provide the Trust Collateral, "[Atlas] desires to enter into a Fee and Reimbursement Agreement with [the Levine Trust] (the "Reimbursement Agreement") and PTC desires to appoint the [Jesse] as Special Manager hereunder and grant the Special Manager certain rights."

ANSWER: The 2011 LLC Agreement and Fee and Reimbursement Agreement speak for themselves. The Levine Family denies any allegations inconsistent with the terms of these negotiated agreements. Without limitation of the foregoing denial, the PTC board of directors, including Seidman and Stupay, approved and authorized all aspects of the 2011 LLC Agreement and Fee and Reimbursement Agreement, and found these negotiated agreements to be in the best interests of PTC and Atlas. The Levine Family denies the allegations contained in this paragraph of the Complaint to the extent they are inconsistent with the foregoing or the 2011 LLC Agreement and the Fee and Reimbursement Agreement.

30. The operating agreement sets forth the "inducement" for the Trust Collateral, and it makes no mention of Plaintiff issuing any warrants to any Defendant in connection with the Trust Collateral.

ANSWER: The 2011 LLC Agreement speaks for itself. The Levine Family denies any allegations inconsistent with the terms of the 2011 LLC

Agreement. Further answering, shortly after entering into the 2011 LLC Agreement, PTC authorized Jesse's Warrant. Jesse's Warrant is a separate agreement that does not modify or alter the terms of the 2011 LLC Agreement.

31. A Fee and Reimbursement Agreement was also drafted in connection with the Rosenthal Loan.

ANSWER: The Levine Family admits the allegations contained in this paragraph of the Complaint. The Fee and Reimbursement Agreement speaks for itself.

32. That Fee and Reimbursement Agreement stated that Defendants would receive a fee of \$15,000 per month from Atlas for each month that the Trust Collateral was pledged. Even though Defendants did not lend any money to Atlas, Defendants received a total of \$615,000 in connection with the Fee and Reimbursement Agreement. Fraudulent and improper actions on the part of Defendants in connection with these fees are the subject of a separate lawsuit filed by Atlas.

ANSWER: The Fee and Reimbursement Agreement speaks for itself. The Levine Family denies any allegations inconsistent with the terms of the Fee and Reimbursement Agreement. Further answering, the Levine family admits that the Levine Trust received \$615,000 from Atlas pursuant to the agreed terms of the Fee and Reimbursement Agreement. The Levine Family denies that the fees paid to the Levine Trust pursuant to the terms of the Fee and Reimbursement Agreement were in any way improper, and the Levine Family denies any "fraudulent and improper" actions. The Levine Family will

separately respond to the allegations made by Atlas in Case No. 16-cv-13085, and the Levine Family incorporates its responses to these allegations into this Verified Answer.

33. The Fee and Reimbursement Agreement set[sic] forth the inducement provided to Defendants for the Trust Collateral, which just like the operating agreement, state[sic] that the inducement was (1) the \$15,000 per month credit fee, and (2) the granting of unprecedented rights under the LLC Agreement, including creating and appointing the Special Manager.

ANSWER: The Fee and Reimbursement Agreement speaks for itself. The Levine Family denies any allegations inconsistent with the terms of the Fee and Reimbursement Agreement. The Levine Family further denies the implication that the rights given to Jesse under the 2011 LLC Agreement or the \$15,000 monthly fee paid to the Levine Trust pursuant to Fee and Reimbursement Agreement were in any way improper.

34. The Fee and Reimbursement Agreement that sets forth the “inducement” for the Trust Collateral makes no mention of Plaintiff issuing any warrants to any Defendant in connection with the Trust Collateral.

ANSWER: The Fee and Reimbursement Agreement speaks for itself. Further answering, shortly after entering into the 2011 LLC Agreement and Fee and Reimbursement Agreement, PTC authorized Jesse’s Warrant. Further answering, Jesse individually was not a party to the Fee and Reimbursement Agreement.

35. The Fee and Reimbursement Agreement states: “Complete Agreement. This Agreement, together with the LLC Agreement, embodies the complete agreement and understanding between the parties hereto with respect to the subject matter hereof and supersedes any prior oral or written understandings or agreements between hereto with respect to such subject matter.”

ANSWER: The Fee and Reimbursement Agreement speaks for itself. The Levine Family denies any allegations inconsistent with the terms of the Fee and Reimbursement Agreement. Further answering, shortly after entering into the Fee and Reimbursement Agreement, PTC authorized Jesse’s Warrant to Jesse individually. Further answering, Jesse was not a party to the Fee and Reimbursement Agreement, and the “Complete Agreement” provision of the Fee and Reimbursement Agreement is not implicated by the separate warrant agreement.

36. That LLC Agreement with the Special Manager role has been amended and superseded. The current LLC Agreement, among other things, states:

GOVERNING LAW. This Agreement and the affairs of Company, including all prior operating agreements for the Company, shall exclusively be governed by and construed under the laws of the State of Michigan (without regard to conflict of laws principles that would cause the application of the laws of any jurisdiction other than the State of Michigan), all rights and remedies being governed by said laws of the State of Michigan. This governing law section, mandating the application of Michigan law, shall supersede and replace the governing law sections in any prior operating agreements and any other oral or written agreement of the parties with respect to the subject matter herein.

ANSWER: The Levine Family denies that the 2011 LLC Agreement has been superseded. Without limitation of the forgoing denial, the “current LLC Agreement” (hereinafter “Amended LLC Agreement”) is invalid because it attempts to adversely affect the rights of Jesse and the Levine Trust without their written consent in violation of the 2011 LLC Agreement. Further answering, the “Amended LLC Agreement” does not govern the disputes in this Case or the related Case No. 16-cv-13085.

37. The Defendants[sic] activities described herein were not, and are not, exculpated or released by the LLC Agreement.

ANSWER: This paragraph of the Complaint states a conclusion of law to which no response is required. To the extent a response is required, the Levine Family denies the allegations of improper activities described in the Complaint and denies the allegations contained in this paragraph of the Complaint. Without limitation of the foregoing denial, it is unclear if this paragraph of the Complaint is referring to the 2011 LLC Agreement or the Amended LLC Agreement.

38. UHY LLP (“UHY”) is the certified public accounting firm that provided accounting services to PTC during the time period relevant to this Complaint.

ANSWER: The Levine Family admits that UHY provided certain accounting services to PTC during the time period from 2011 to 2015.

39. UHY created the PTC consolidated financial statements for the year ended June 24, 2012. Those financial statements state that Plaintiff had not issued any warrants.

ANSWER: The Levine Family denies the allegations contained in this paragraph of the Complaint to the extent they are inconsistent with the referenced document. The referenced document (which is not attached to the Complaint) speaks for itself. Further answering, upon information and belief, the referenced document discloses that Jesse's Warrant was authorized by PTC, but had not yet been issued. Further answering, UHY was only responsible for reviewing the financial statements prepared by PTC. Further answering, no alleged document could negate the fact Jesse's Warrant was approved by the PTC board of directors.

40. Jesse signed the management representation letter stating that he agreed with those year ended June 24, 2012 financials, which stated that Plaintiff had not issued any warrants.

ANSWER: The Levine Family denies the allegations contained in this paragraph of the Complaint to the extent they are inconsistent with the referenced document. The referenced document (which is not attached to the Complaint) speaks for itself. Further answering, no alleged document could negate the fact Jesse's Warrant was approved by the PTC board of directors.

41. The management representation letter signed by Jesse included the statements that: (1) any "warrants . . . have been properly disclosed," (2) "We have responded fully and truthfully to all inquiries [from UHY] during [the UHY] reviews," (3) "there are no

material modifications that should be made to the consolidated financial statements,” and (4) “No material transactions exist that have not been properly recorded.”

ANSWER: The Levine Family denies the allegations contained in this paragraph of the Complaint to the extent they are inconsistent with the referenced document. The referenced document (which is not attached to the Complaint) speaks for itself. Further answering, no alleged document could negate the fact Jesse’s Warrant was approved by the PTC board of directors.

42. Upon information and belief, Jesse has never represented to UHY that PTC has issued and executed any warrants to the Defendants.

ANSWER: The Levine Family denies the allegations contained in this paragraph of the Complaint. Without limitation of the foregoing denial, Jesse’s Warrant was authorized and approved by the PTC board of directors, including Seidman and Stupay.

43. UHY created the PTC consolidated financial statements for the year ended June 30, 2013. Those financial statements state that Plaintiff has not issued or executed any warrants.

ANSWER: The Levine Family denies the allegations contained in this paragraph of the Complaint to the extent they are inconsistent with the referenced document. The referenced document (which is not attached to the Complaint) speaks for itself. Further answering, upon information and belief, the referenced document discloses that Jesse’s Warrant was authorized by

PTC, but had not yet been issued. Further answering, UHY was only responsible for reviewing the financial statements prepared by PTC.

44. Upon information and belief, Jesse and Defendants did not object to those June 30, 2013 financials or state to UHY that Defendants were issued any warrants from Plaintiff.

ANSWER: The Levine Family denies the allegations contained in this paragraph of the Complaint as incomplete and misleading.

45. UHY created the PTC consolidated financial statements for the year ended June 29, 2014. Those financial statements state that Plaintiff has not issued or executed any warrants.

ANSWER: The Levine Family denies the allegations contained in this paragraph of the Complaint to the extent they are inconsistent with the referenced document. The referenced document (which is not attached to the Complaint) speaks for itself. Further answering, upon information and belief, the referenced document discloses that Jesse's Warrant was authorized by PTC, but had not yet been issued. Further answering, UHY was only responsible for reviewing the financial statements prepared by PTC. Further answering, no alleged document could negate the fact Jesse's Warrant was approved by the PTC board of directors.

46. Upon information and belief, Jesse and Defendants did not object to those June 29, 2014 financials or state to UHY that Defendants were issued any warrants from Plaintiff.

ANSWER: The Levine Family denies the allegations contained in this paragraph of the Complaint as incomplete and misleading.

47. UHY created the PTC consolidated financial statements for the year ended June 28, 2015. Those financial statements state that Plaintiff has not issued or executed any warrants.

ANSWER: The Levine Family denies the allegations contained in this paragraph of the Complaint to the extent they are inconsistent with the referenced document. The referenced document (which is not attached to PTC's Complaint) speaks for itself. Further answering, upon information and belief, the referenced document discloses that Jesse's Warrant was authorized by PTC, but had not yet been issued. Further answering, UHY was only responsible for reviewing the financial statements prepared by PTC. Further answering, no alleged document could negate the fact Jesse's Warrant was approved by the PTC board of directors.

48. Upon information and belief, Jesse and Defendants did not object to those June 28, 2015 financials or state to UHY that Defendants were issued any warrants from Plaintiff.

ANSWER: The Levine Family denies the allegations contained in this paragraph of the Complaint as incomplete and misleading.

49. Defendants now claim that, in connection with the Trust Collateral for the Rosenthal Loan with Atlas, PTC issued and executed warrants to Defendants representing roughly 15%-20% ownership of PTC.

ANSWER: The Levine Family denies the allegations contained in this paragraph of the Complaint as incomplete and misleading. Without limitation of the foregoing denial, Jesse asserts that PTC granted Jesse individually the option to purchase 20 percent of the outstanding common stock of PTC, and this agreement is documented in Jesse's Warrant and the contemporaneous resolution of the PTC board of directors. For further detail on Jesse's claim, see the Levine Family's incorporated Counterclaims.

50. Defendants have repeatedly requested that Jesse provide evidence and documents showing that Plaintiff issued and executed any claimed warrants, but Defendants have refused to do so.

ANSWER: The Levine Family denies the allegations contained in this paragraph of the Complaint.

51. Defendants have refused to produce any issued and executed warrants because, upon information and belief, no such documents exist.

ANSWER: The Levine Family denies the allegations contained in this paragraph of the Complaint.

52. Upon information and belief, Plaintiff never issued and executed any warrants to the Defendants.

ANSWER: The Levine Family denies the allegations contained in this paragraph of the Complaint.

53. During the time period when Defendants were taking the above unfair, bad faith credit fee payments, and while Defendants had

unprecedented control over Atlas, Defendants were defrauding Atlas. Those claims by Atlas are the subject of a separate lawsuit.

ANSWER: The allegations contained in this paragraph of the Complaint contain legal conclusions to which no response is required. To the extent a response is required, the Levine Family denies the allegations contained in this paragraph of the Complaint. Without limitation of the foregoing denial, at no time did the Levine Family breach any duty owed to PTC or Atlas, or take any action against PTC or Atlas that was unfair, in bad faith, or fraudulent. The Levine Family will separately respond to the allegations made by Atlas in Case No. 16-cv-13085, and the Levine Family incorporates its responses to these allegations into this Verified Answer.

54. Upon information and belief, Defendants wrongfully possess and/or have control over at least 452,831 PTC treasury shares.

ANSWER: The allegations contained in this paragraph of the Complaint contain legal conclusions to which no response is required. To the extent a response is required, the Levine Family denies the allegations contained in this paragraph of the Complaint. Without limitation of the foregoing denial, it is unclear what “treasury shares” that PTC is alleging that Defendants wrongfully possess.

55. PTC has repeatedly requested that Defendants turn those treasury shares over to PTC.

ANSWER: The Levine Family denies the allegations contained in this paragraph of the Complaint. Without limitation of the foregoing denial, it is unclear what “treasury shares” that PTC is alleging that Defendants wrongfully possess.

56. Defendants have failed and/or refused to turn those treasury shares over to PTC.

ANSWER: The Levine Family denies the allegations contained in this paragraph of the Complaint. Without limitation of the foregoing denial, it is unclear what “treasury shares” that PTC is alleging that Defendants wrongfully possess.

57. In March 2016, Jesse and/or the Levine Trust improperly filed eight UCC Financing Statements with the Michigan Secretary of State naming PTC and Atlas, among other parties, as a debtors. *See* Exhibit A.

ANSWER: The Levine Family admits that Jesse caused the Financing Statements (as defined below in paragraph 58) to be filed with the Michigan Secretary of State. The Levine Family denies all remaining allegations contained in this paragraph of the Complaint or any implication that the Financing Statements were “improperly” filed.

58. The UCC Financing Statements include file numbers 2016037383-8 (“383”), 2016037388-8 (“388”), 2016037316-7 (“316”), 2016037384-0 (“384”), 2016037385-2 (“385”), 2016037386-4 (“386”), 2016037387-6 (“387”), and 201637315-5 (“315”, collectively, the “Financing Statements”).

ANSWER: The Financing Statements speak for themselves. The Levine Family denies any implication that the Financing Statements were “improperly” filed.

59. These eight Financing Statements were filed immediately after Jesse was removed as the Chief Executive Officer and Chief Financial Officer of Atlas.

ANSWER: The Financing Statements speak for themselves. The Levine Family denies the allegations in this paragraph of the Complaint to the extent they are inconsistent with the Financing Statements. Further answering, the Levine Family denies that Jesse was “removed” as an officer of Atlas, and asserts that he was involuntarily terminated in violation of the terms of his employment agreement as detailed in the incorporated Counterclaims.

60. The Financing Statements were falsely and/or fraudulently filed.

ANSWER: The Levine Family denies the allegations contained in this paragraph of the Complaint.

61. These Financing Statements are all similar and claim a lien against “any and all assets” of the alleged debtors.

ANSWER: The Financing Statements speak for themselves. The Levine Family denies the allegations in this paragraph of the Complaint to the extent they are inconsistent with the Financing Statements.

62. These Financing Statements list Jesse, Julius, and/or the Levine Trust as creditors.

ANSWER: The Financing Statements speak for themselves. The Levine Family denies the allegations in this paragraph of the Complaint to the extent they are inconsistent with the Financing Statements.

63. There is no security agreement that authorized Defendants to file any of the Financing Statements.

ANSWER: This paragraph of the Complaint states a legal conclusion to which no response is required. To the extent a response is required, the Levine Family denies the allegations contained in this paragraph of the Complaint.

64. Atlas received notice of the 383 and 388 Financing Statements.

ANSWER: The Levine Family lacks knowledge or information sufficient to form a belief as to the truth or falsity of the allegations contained in this paragraph of the Complaint, and therefore denies the same.

65. On April 7, 2016, the 383 and 388 Financing Statements were challenged as being fraudulently filed.

ANSWER: The Levine Family lacks knowledge or information sufficient to form a belief as to the truth or falsity of the allegations contained in this paragraph of the Complaint, and therefore denies the same.

66. Thereafter, the State of Michigan terminated the 383 and 388 Financing Statements for being wrongly filed.

ANSWER: This paragraph of the Complaint states a legal conclusion to which no response is required. To the extent a response is required, the Levine Family denies the allegations contained in this paragraph of the Complaint,

including any implication that the Financing Statements were “wrongly” filed. Without limitation of the foregoing denial, the Levine Family admits that the 383 and 388 Financing Statements were terminated.

67. Although the 383 and 388 Financing Statements were terminated, they still appeared as liens and continued to harm PTC and Atlas.

ANSWER: The allegations contained in this paragraph of the Complaint are conclusory, and contain legal conclusions to which no response is required. To the extent a response is required, the Levine Family lacks knowledge or information sufficient to form a belief as to the truth or falsity of the allegations contained in this paragraph of the Complaint, and therefore denies the same.

68. In August 2016, Plaintiff first learned about the 316, 384, 385, 386, 387, and 315 Financing Statements.

ANSWER: The Levine Family lacks knowledge or information sufficient to form a belief as to the truth or falsity of the allegations contained in this paragraph of the Complaint, and therefore denies the same.

69. Atlas challenged the 316, 384, 385, 386, 387, and 315 Financing Statements as being fraudulently and/or wrongly filed.

ANSWER: The Levine Family lacks knowledge or information sufficient to form a belief as to the truth or falsity of the allegations contained in this paragraph of the Complaint, and therefore denies the same.

70. Thereafter, Atlas challenged the 316, 384, 385, 386, 387, and 315 Financing Statements as being fraudulently filed, and the State of Michigan terminated those Financing Statement for being wrongly filed.

ANSWER: This paragraph of the Complaint states a legal conclusion to which no response is required. To the extent a response is required, the Levine Family denies the allegations contained in this paragraph of the Complaint, including any implication that the Financing Statements were “wrongly” filed. Without limitation of the foregoing denial, the Levine Family admits that the referenced Financing Statements were terminated.

71. Although the 316, 384, 385, 386, 387, and 315 Financing Statements were terminated, they still appeared as liens and continued to harm Atlas.

ANSWER: The allegations contained in this paragraph of the Complaint are conclusory, and contain legal conclusions to which no response is required. To the extent a response is required, the Levine Family lacks knowledge or information sufficient to form a belief as to the truth or falsity of the allegations contained in this paragraph of the Complaint, and therefore denies the same.

72. The falsely filed liens also appeared publically on the Michigan Secretary of State website naming PTC as a debtor, further injuring PTC, its reputation, and its goodwill.

ANSWER: The Levine Family denies the allegations contained in this paragraph of the Complaint.

73. On or about November 1, 2016, the State of Michigan expunged the 383, 388, 316, 384, 385, 386, 387, and 315 Financing Statements. However, at that point Atlas had already been harmed.

ANSWER: The Levine Family admits that the Levine Family entered into a stipulation with Atlas in Case No. 16-cv-16085 allowing the Financing Statements to be expunged. The Levine Family is without knowledge or information as to whether the Financing Statements were expunged. The Levine Family denies that Atlas suffered any harm as a result of the Financing Statements.

74. Upon information and belief, the Financing Statements were maliciously filed in order to improperly take property, harass the alleged debtors, and/or to interfere with the business relationships and contracts of the alleged debtors.

ANSWER: The Levine Family denies the allegations contained in this paragraph of the Complaint. Without limitation of the foregoing denial, the Financing Statements were filed in good faith based on the Levine Family's rights under its written agreements with Atlas and PTC.

75. As a direct and proximate result of the Financing Statements, Atlas' credit rating declined, which was a reason the Financing Statements were filed.

ANSWER: The allegations in this paragraph of the Complaint are legal conclusions to which no response is required. To the extent a response is required, the Levine Family denies the allegations contained in this paragraph of the Complaint.

76. For example, Dunn & Bradstreet's credit rating of Atlas fell due to the Financing Statements. Some of Atlas' customers rely on Dunn & Bradstreet's credit rating of Atlas when determining whether to allow Atlas to bid on a project and/or to award Atlas a project.

ANSWER: The Levine Family is without knowledge or information sufficient to form a belief as to the truth or falsity of the allegations contained in this paragraph of the Complaint, and therefore denies the same.

77. Because Atlas is PTC's wholly owned subsidiary, PTC is injured when Atlas is injured, such as losses of business, customers, money, and/or goodwill.

ANSWER: The allegations in this paragraph of the Complaint are legal conclusions to which no response is required. To the extent a response is required, the Levine Family denies the allegations contained in this paragraph of the Complaint.

78. As a direct and proximate result of Atlas' lower credit rating, Atlas was not invited to bid on projects that it otherwise would have been invited to bid on and/or been awarded. Further, Atlas' relationships with existing customers was harmed and Atlas has lost goodwill.

ANSWER: The allegations in this paragraph of the Complaint are legal conclusions to which no response is required. To the extent a response is required, the allegations contained in this paragraph of the Complaint are conclusory and vague, and the Levine Family is without knowledge or information sufficient to form a belief as to the truth or falsity of the

allegations contained in this paragraph of the Complaint, and therefore denies the same.

79. For example, a large actual and/or potential customer of Atlas only invites companies with credit scores better than a certain level to bid on projects. Atlas previously bid on projects for this company. However, after Atlas' credit score was artificially lowered due to the Financing Statements, Atlas was no longer invited to bid on projects that it otherwise would have been invited to bid on and/or been awarded.

ANSWER: The allegations contained in this paragraph of the Complaint are conclusory and vague, and the Levine Family is without knowledge or information sufficient to form a belief as to the truth or falsity of the allegations contained in this paragraph of the Complaint, and therefore denies the same.

80. Further, PTC's injuries from the Financing Statements includes the substantial expenses incurred to challenge, terminate, and/or expunge the improperly filed Financing Statements, as well as the time and expense and lost goodwill Atlas has incurred with Dunn & Bradstreet regarding the Financing Statements.

ANSWER: The allegations contained in this paragraph of the Complaint are conclusory and vague, and the Levine Family is without knowledge or information sufficient to form a belief as to the truth or falsity of the allegations contained in this paragraph of the Complaint, and therefore denies the same.

81. Defendants were aware that a lower credit rating for Atlas would injure Atlas' business and injure Atlas' relationships with its customers and/or potential customers.

ANSWER: The Levine Family denies the allegations contained in this paragraph of the Complaint.

COUNT I – DECLARATORY JUDGMENT
Against All Defendants

82. Plaintiff repeats and alleges the preceding and subsequent paragraphs as though set forth herein.

ANSWER: The Levine Family incorporates the answers to the preceding and subsequent paragraphs as if fully set forth herein.

83. There is an actual case or controversy about whether Plaintiff issued and executed any warrants to the Defendants.

ANSWER: The allegations in this paragraph of the Complaint are legal conclusions to which no response is required. To the extent a response is required, PTC authorized Jesse's Warrant, and PTC has wrongfully failed to issue Jesse's Warrant.

84. Plaintiff alleged, and Defendants deny, that Plaintiff has not issued and executed any warrants to the Defendants.

ANSWER: The Levine Family denies the allegations contained in this paragraph of the Complaint. Without limitation of the foregoing denial, the Levine Family admits that PTC denies the existence of Jesse's Warrant in this action. Further answering, PTC authorized Jesse's Warrant to Jesse

individually, and PTC reaffirmed its existence in subsequent communications and documents exchanged between Jesse and other directors of PTC.

85. PTC has been injured by Jesse, Julius, and the Levine Trust's claims for warrants because, among other injuries, PTC has expended time and expenses in contradicting Defendants' false claims and will likely continue to be required to do so in the future, PTC is unable to determine and finalize its ownership structure with Defendants' claims outstanding, PTC is unable to determine whether it must make certain required disclosures in the future and correct previous disclosures because of the disputed status of the claimed warrants, PTC is unable to take certain required corporate actions with the status of 15-20% of PTC under dispute, PTC will be unable to enter into potential transactions or agreements with the status of 15-20% of PTC under dispute, and disputes regarding the ownership of PTC will likely affect the business transactions and business relationships of PTC's wholly owned subsidiary Atlas.

ANSWER: The allegations in this paragraph of the Complaint are legal conclusions to which no response is required. To the extent a response is required, the allegations contained in this paragraph of the Complaint are conclusory and vague, and the Levine Family is without knowledge or information sufficient to form a belief as to the truth or falsity of the allegations contained in this paragraph of the Complaint, and therefore denies the same.

86. If this Court enters a declaratory judgment regarding the claimed warrants, the above injuries will be redressed and the controversy would be settled.

ANSWER: The allegations in this paragraph of the Complaint are legal conclusions to which no response is required. To the extent a response is

required, the Levine Family denies the allegations contained in this paragraph of the Complaint.

87. Plaintiff is entitled to a declaratory judgment against Defendants that Plaintiff has not issued any warrants to Defendants and that Defendants are not entitled to any warrants from Plaintiff.

ANSWER: The allegations in this paragraph of the Complaint are legal conclusions to which no response is required. To the extent a response is required, the Levine Family denies the allegations contained in this paragraph of the Complaint.

COUNT II – COMMON LAW AND STATUTORY CONVERSION
Against All Defendants

88. PTC repeats and alleges the preceding and subsequent paragraphs as though set forth herein.

ANSWER: The Levine Family incorporates the answers to the preceding and subsequent paragraphs as if fully set forth herein.

89. PTC had ownership of, title to, and/or the right to possess the treasury shares set forth herein.

ANSWER: The allegations in this paragraph of the Complaint are conclusory and vague, and legal conclusions to which no response is required. To the extent a response is required, the Levine Family denies the allegations contained in this paragraph of the Complaint.

90. Jesse, Julius, and the Levine Trust have wrongfully exerted dominion over PTC's property by converting, refusing to surrender, and/or improperly transferring the property to other parties.

ANSWER: The allegations in this paragraph of the Complaint are conclusory and vague, and legal conclusions to which no response is required. To the extent a response is required, the Levine Family denies the allegations contained in this paragraph of the Complaint.

91. Defendants have an obligation to return the property that was entrusted to Defendants' care.

ANSWER: The allegations in this paragraph of the Complaint are conclusory and vague, and legal conclusions to which no response is required. To the extent a response is required, the Levine Family denies the allegations contained in this paragraph of the Complaint.

92. PTC has repeatedly demanded that Defendants turn over the converted property, but Defendants have refused to do so.

ANSWER: The allegations in this paragraph of the Complaint are conclusory and vague. To the extent a response is required, the Levine Family denies the allegations contained in this paragraph of the Complaint.

93. PTC has been damaged by Defendants' failure to turn over the converted property.

ANSWER: The allegations in this paragraph of the Complaint are conclusory and vague, and legal conclusions to which no response is required. To the extent a response is required, the Levine Family denies the allegations contained in this paragraph of the Complaint.

COUNT III – COMMON LAW AND STATUTORY
CLAIM AND DELIVERY (REPLEVIN)
Against All Defendants

94. PTC repeats and alleges the preceding and subsequent paragraphs as though set forth herein.

ANSWER: The Levine Family incorporates the answers to the preceding and subsequent paragraphs as if fully set forth herein.

95. PTC has a right to possess the treasury shares set forth herein.

ANSWER: The allegations in this paragraph of the Complaint are conclusory and vague, and legal conclusions to which no response is required. To the extent a response is required, the Levine Family denies the allegations contained in this paragraph of the Complaint.

96. Jesse, Julius, and the Levine Trust have unlawfully detained, possessed, taken, and or/ aided in the concealment of the treasury shares.

ANSWER: The allegations in this paragraph of the Complaint are conclusory and vague, and legal conclusions to which no response is required. To the extent a response is required, the Levine Family denies the allegations contained in this paragraph of the Complaint.

97. The treasury shares are under Defendants[sic] control.

ANSWER: The allegations in this paragraph of the Complaint are conclusory and vague, and legal conclusions to which no response is required. To the

extent a response is required, the Levine Family denies the allegations contained in this paragraph of the Complaint.

98. PTC has repeatedly demanded that Defendants return the treasury shares, but Defendants have refused to do so.

ANSWER: The allegations in this paragraph of the Complaint are conclusory and vague. To the extent a response is required, the Levine Family denies the allegations contained in this paragraph of the Complaint.

99. Upon information and belief, solely for the purpose of setting a bond, the value of the treasury shares is at least \$80,000.

ANSWER: The allegations in this paragraph of the Complaint are conclusory and vague, and legal conclusions to which no response is required. To the extent a response is required, the Levine Family denies the allegations contained in this paragraph of the Complaint.

100. PTC has been damaged by Defendants failure to turn over the treasury shares.

ANSWER: The allegations in this paragraph of the Complaint are conclusory and vague, and legal conclusions to which no response is required. To the extent a response is required, the Levine Family denies the allegations contained in this paragraph of the Complaint.

COUNT IV – Breach of MCL 450.1541a
Against Defendant Jesse Levine

101. Plaintiff repeats and alleges the preceding and subsequent paragraphs as though set forth herein.

ANSWER: Jesse incorporates the responses to the preceding and subsequent paragraphs as if fully set forth herein.

102. Defendant Jesse was an officer and/or director of PTC.

ANSWER: This Count has been dismissed (Doc # 25). To the extent a response is required, Jesse denies the allegations in this paragraph of the Complaint.

103. Jesse had an obligation to discharge his duties as a director and/or officer of PTC in good faith, with care an ordinarily prudent person in a like position would exercise under similar circumstances, or in a manner he reasonably believed to be in the best interests of PTC.

ANSWER: This Count has been dismissed (Doc # 25). To the extent a response is required, Jesse denies the allegations in this paragraph of the Complaint.

104. As is set forth herein, Jesse failed to discharge his duties as a director and/or officer in good faith, with care an ordinarily prudent person in a like position would exercise under similar circumstances, or in a manner he reasonably believed to be in the best interests of PTC.

ANSWER: This Count has been dismissed (Doc # 25). To the extent a response is required, Jesse denies the allegations in this paragraph of the Complaint.

105. For example, Jesse breached those duties by falsely claiming warrants, improperly filing liens, not acting in the best interests of PTC, obtaining, improperly using, converting, misappropriating, and/or failing to return PTC's property, Jesse in bad faith breached those duties.

ANSWER: This Count has been dismissed (Doc # 25). To the extent a response is required, Jesse denies the allegations in this paragraph of the Complaint.

106. As is set forth herein, PTC has been injured by Jesse's failure to properly perform his duties.

ANSWER: This Count has been dismissed (Doc # 25). To the extent a response is required, Jesse denies the allegations in this paragraph of the Complaint.

COUNT V – Breach of MCL 440.9501
Against All Defendants

107. Plaintiff repeats and alleges the preceding and subsequent paragraphs as though set forth herein.

ANSWER: The Levine Family incorporates the answers to the preceding and subsequent paragraphs as if fully set forth herein.

108. Defendants falsely, wrongly, and/or fraudulently filed the Financing Statements set forth herein.

ANSWER: This paragraph of the Complaint contains legal conclusions to which no response is required. To the extent a response is required, the Levine Family denies the allegations contained in this paragraph of the Complaint.

109. PTC is named as a debtor in the Financing Statements.

ANSWER: The Levine Family denies the allegations contained in this paragraph of the Complaint.

110. As a direct and proximate result of the Financing Statements, PTC has been injured.

ANSWER: This paragraph of the Complaint contains legal conclusions to which no response is required. To the extent a response is required, the Levine Family denies the allegations contained in this paragraph of the Complaint.

COUNT VI – BREACH OF FIDUCIARY DUTY
Against Defendant Jesse Levine

111. Plaintiff repeats and alleges the preceding and subsequent paragraphs as though set forth herein.

ANSWER: Jesse incorporates the answers to the preceding and subsequent paragraphs as if fully set forth herein.

112. In his role as an officer and member of the Board of PTC, Jesse owed certain fiduciary duties to PTC, including the duties of care, loyalty, and the implied covenant of good faith and fair dealing.

ANSWER: The allegations in this paragraph of the Complaint are legal conclusions to which no response is required. To the extent a response is required, Jesse denies the allegations contained in this paragraph of the Complaint. Without limitation of the foregoing denial, Jesse's duties to PTC are defined by Delaware law and the internal documents of PTC, and limited by the agreements incorporated into the Levine Family's Counterclaims.

113. As is set forth herein, including by falsely claiming warrants, improperly filing liens, not acting in the best interests of PTC, obtaining, improperly using, converting, misappropriating, and/or failing to return PTC's property, Jesse in bad faith knowingly and intentionally breached those duties.

ANSWER: The allegations in this paragraph of the Complaint are legal conclusions to which no response is required. To the extent a response is required, Jesse denies the allegations contained in this paragraph of the Complaint.

114. Further, as set forth in Exhibit B (*Verified Second Amended Complaint*), and all of the factual allegations in Exhibit B are hereby incorporated by reference, Defendant Jesse breached his fiduciary duties to PTC, including breaching his duty of loyalty, in bad faith committing intentional misconduct, in bad faith knowingly violating the law, and/or deriving an improper personal benefit.

ANSWER: The allegations in this paragraph of the Complaint are legal conclusions to which no response is required. To the extent a response is required, Jesse denies the allegations contained in this paragraph of the Complaint. The Levine Family will separately respond to the allegations made by Atlas in Case No. 16-cv-13085, and the Levine Family incorporates its responses to these allegations and its Counterclaims to be filed in Case No. 16-cv-13085 into this Verified Answer.

115. As a direct and proximate result of these breaches of fiduciary duty, PTC has suffered damages as described more fully above.

ANSWER: The allegations in this paragraph of the Complaint are legal conclusions to which no response is required. To the extent a response is required, Jesse denies the allegations contained in this paragraph of the Complaint. Jesse further objects to the incorporation of allegations by Atlas in a separate lawsuit in an attempt to support this claim by PTC.

WHEREFORE, the Levine Family prays for judgment in its favor, dismissing the Complaint with prejudice, and awarding the Levine Family fees and costs, together with such other relief as the Court may deem just and proper.

Respectfully submitted,

Dated: August 21, 2017

By: /s/ Richard J. Landau

Richard J. Landau (P42223)
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AFFIRMATIVE DEFENSES

1. The Complaint fails to state a claim upon which relief can be granted.
2. Plaintiff's claim are barred, in whole or in part, by the applicable statutes of limitations.
3. Plaintiff's claims are barred, in whole or in part, by the terms of written agreements with the Levine Family, including, the 2011 LLC Agreement, the Fee and Reimbursement Agreement, and Jesse's Warrant.
4. Plaintiff's claims are barred, in whole or in part, by the internal governing documents of PTC.
5. Plaintiff's claims are barred, in whole or in part, by its breaches of the 2011 LLC Agreement.
6. Plaintiff's claims are barred, in whole or in part, by Plaintiff's failure to mitigate its damages, if any.
7. Plaintiff's claims are barred, in whole or in part, by the business judgment rule.
8. Plaintiff's claims are barred, in whole or in part, by the doctrine of laches.
9. Plaintiff's claims are barred, in whole or in part, by the doctrines of waiver and estoppel.

10. Plaintiff's claims are barred, in whole or in part, by Plaintiff's breach of the duty of good faith and fair dealing.

11. Plaintiff's claims are barred, in whole or in part, because the PTC board of directors approved of and/or ratified the actions of the Levine Family.

12. Plaintiff's claims are barred, in whole or in part, by the doctrine of unclean hands.

13. Count I of the Complaint is barred by the warrant approved by the PTC board of directors.

14. Plaintiff's claims are barred, in whole or in part, because the Complaint fails to state legally cognizable damages caused by the alleged actions of the Levine Family.

15. The Levine Family reserves the right to amend its Answer and to add additional or other Affirmative Defenses.

Respectfully submitted,

Dated: August 21, 2017

By: /s/ Richard J. Landau

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