

EXHIBIT

12

UNITED STATES DISTRICT COURT
EASTERN DISTRICT OF MICHIGAN

Atlas Technologies, LLC,

Plaintiff,

Civil No. 16-cv-13085

v.

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

Honorable David M. Lawson
Magistrate Elizabeth A. Stafford

Defendants.

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

Counter-Plaintiffs,

v.

Atlas Technologies, LLC,

Counter-Defendant.

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

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**FIRST AMENDED VERIFIED ANSWER TO VERIFIED THIRD
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 Third Amended Complaint submitted by Atlas Technologies, LLC (“Atlas”), hereby quote the Verified Third Amended Complaint (the “Complaint”) and state as follows:

INTRODUCTION

1. Atlas Technologies, LLC has been designing and building press room automation for fifty years. In 2011, when Atlas was experiencing financial difficulties, Jesse Levine leveraged that financial condition to become the Chief Executive Officer of Atlas and demanded unprecedented power over Atlas. Thereafter, Jesse Levine, along with Julius Levine and the Julius Levine Trust, conspired to fraudulently convert hundreds of thousands of dollars from Atlas. In an attempt to cover their tracks, they lied and fraudulently misrepresented to Atlas about their uses of Atlas’ funds, opened a secret bank account to hide Atlas’ assets, intentionally hid the true improper purposes of their expenses, and attempted to shut down Atlas’ main operations.

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. The Levine Family denies the

remaining allegations contained in this paragraph of the Complaint. Without limitation of the foregoing denial, and as further detailed in the Levine Family's Counterclaims and its Counterclaims in related Case No. 16-cv-13088 incorporated by reference in this and all answers to the paragraphs of the Complaint, the Levine Family did not conspire to fraudulently convert hundreds of thousands of dollars from Atlas—the Levine Family saved Atlas when it was on the brink of financial ruin, was subject to a more than \$4.3 million judgement, and under the threat of liquidation by the senior lender. In 2011, Jesse Levine (“Jesse”) negotiated an agreement that allowed Productivity Technologies Corporation (“PTC”) and its wholly owned subsidiary Atlas Technologies, Inc. (“Old Atlas”) to avoid liquidation. 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 Atlas (a Delaware LLC) and Jesse was named Special Manager under the terms of a “Limited Liability Company Agreement of Atlas Technologies, LLC” (the “2011 LLC Agreement”). (Ex. 1.) All aspects of these agreements were negotiated and expressly approved by Atlas and PTC and their officers/managers Samuel Seidman (“Seidman”) and Arthur Stupay (“Stupay”).¹ Further answering, the Levine Family never misrepresented their uses of Atlas's funds; hid Atlas's

¹ The Levines have asserted claims against Seidman and Stupay in the related case *Productivity Technologies Corporation v. Levine, et al.*, Case No. 16-cv-13088.

assets; hid the purposes of their expenses; attempted to shut down Atlas; or otherwise attempted to injure Atlas.

PARTIES, JURISDICTION AND VENUE

2. Plaintiff Atlas Technologies, LLC (“Atlas” or “Plaintiff”) is a Delaware limited liability company, 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 Atlas is a Delaware LLC 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, Atlas and its sole member are organized 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 the high level officers of Atlas or PTC, Atlas’s sole member, are located in Michigan.

3. Atlas has a single member, which is Productivity Technologies Corporation (“PTC”). PTC is a Delaware corporation, with its principal place of business at 3100 Copper Ave., Fenton, Michigan, 48430.

ANSWER: The Levine Family admits that PTC is the sole member of Atlas and PTC is a Delaware corporation. 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.

4. 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.

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

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

6. 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.

7. The Court has jurisdiction over all claims alleged herein pursuant to 28 §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.

8. The Court also has supplemental jurisdiction over Plaintiffs' related 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.

9. Defendants are subject to personal jurisdiction in this Court because, among other things, the Defendants have caused harm to Atlas in this district, Defendants regularly traveled to this district, Defendants received Atlas' funds from this district, Defendants regularly interacted with Atlas in this district, and/or Defendants' violations took place 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 Atlas, and any harm caused to Atlas by anyone would not be suffered in this District as Atlas is not a Michigan company.

10. 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 Atlas. Without limitation of the foregoing denial, any harm caused to Atlas by anyone would not be suffered in this District as Atlas is not a Michigan company.

GENERAL ALLEGATIONS

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, 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 was involuntarily terminated in March 2016.

13. 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.

14. Jesse leveraged Atlas' financial situation to demand and obtain unchecked power and control over Atlas.

ANSWER: The Levine Family denies the allegations contained in this paragraph of the Complaint. Without limitation of the foregoing denial, all power and control Jesse had over Atlas was expressly approved by Atlas and PTC to be in the best interests of both companies.

15. Defendant Jesse became the Chief Executive Officer of Atlas in or around January 2012.

ANSWER: The Levine Family admits that Jesse was appointed as a co-Chief Executive Officer of Atlas by PTC and Atlas in or around January 2012. Further answering, pursuant to the terms of the 2011 LLC Agreement, Jesse was also the Special Manager of Atlas. The Levine Family denies the allegations contained in this paragraph of the Complaint to the extent they are inconsistent with the foregoing.

16. In his role as Chief Executive Officer of Atlas, Jesse owed certain fiduciary duties to Atlas, including the duties of care, loyalty, 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, the Levine Family denies the allegations contained in this paragraph of the Complaint. Without limitation of the foregoing denial, Jesse's duties to Atlas are defined by Delaware law and the 2011 LLC Agreement.

17. Atlas is managed pursuant to a Board of Managers ("Board"). At all times relevant to this complaint, Jesse was also a member of the Board (a "Manager").

ANSWER: The Levine Family admits that, pursuant to the terms of the 2011 LLC Agreement, Atlas is managed by a Board of Managers. The Levine Family admits that Jesse was a Manager, as defined by the 2011 LLC Agreement, until Jesse's involuntary termination in March 2016. The Levine Family further denies the allegations contained in this paragraph of the Complaint to the extent they imply that Jesse was not Special Manager of Atlas, or to the extent they are inconsistent with the foregoing.

18. In his role as a Manager of Atlas, Jesse owed certain fiduciary duties to Atlas, including the implied contractual 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,

the Levine Family denies the allegations contained in this paragraph of the Complaint. Without limitation of the foregoing denial, Jesse's duties to Atlas are defined by Delaware law and the 2011 LLC Agreement.

19. On or about September 17, 2012, Jesse hired his father Julius to be an employee of Atlas. Julius' official title was Chief Operating Officer. However, Julius performed little actual work for Atlas. Instead, Jesse's true purpose of hiring Julius, and Julius' purpose for taking on that position, was to commit and further the improper acts as are described herein.

ANSWER: The Levine Family admits that Atlas hired Julius as an employee of Atlas on or about September 17, 2012 and that Julius's title was Chief Operating Officer. The Levine Family denies the remaining allegations contained in this paragraph of the Complaint. Without limitation of the foregoing denial, Julius's purpose in taking that position was to improve the viability of Atlas as an ongoing concern. Julius contributed significant and valuable work for Atlas in furtherance of this proper purpose.

20. In his role as Chief Operating Officer of Atlas, Julius owed certain fiduciary duties to Atlas, including the duties of care, loyalty, 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, the Levine Family denies the allegations contained in this paragraph of the Complaint. Without limitation of the foregoing denial, Julius's duties to Atlas are defined by Delaware law and the 2011 LLC Agreement.

21. In consideration for their employment with Atlas, Jesse and Julius signed, agreed to adhere to, and are bound to the “Atlas Technologies, Inc. Declaration of Business Principles” (“Principles Contract”, Exhibit A) which among other things sets forth the ethical requirements that Atlas and its employees and personnel must follow. In doing so, Jesse and Julius each “agree[d] to adhere to these principles in my activities on behalf of Atlas Technologies and its Affiliates.” Those Principles Contract requirements include that all employees must “handle [his] affairs in accordance with a high level of moral, legal, and ethical standards” and that (emphasis in original):

ATLAS Technologies intends that its employees consistently maintain a high standard of confidentiality and loyalty in their conduct of business affairs. . . . Board of Directors members, Officers, Staff Directors, and Managers, hold positions of trust in the corporation, and as such they cannot make a personal profit from corporate business transactions as a result of their official positions, unless such action(s) are approved by corporate management and perceived to be in the best interest of the corporation. They are also clearly prohibited from engaging in any other outside business activities which could be construed as being competitive with the interests of ATLAS Technologies.

In addition to the legal and fiduciary responsibility of the Board of Directors, Officers, Staff Directors, and Managers, it is the duty of every employee to act in the best interests of the corporation and to cognizantly avoid situations which might provide a conflict between their personal interests and those of the corporation. Employees shall be obligated to avoid having financial interests in any firm doing business with or seeking to do business with the corporation, which might result in a conflict of interest. They also may not accept any other employment outside the business which could be construed as being in conflict of interest to ATLAS Technologies.

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. Without limitation of the foregoing denial, the Levine Family denies

that this document is a binding contract. Further answering, the “Declaration of Ethical Business Principles” was superseded by the terms of Jesse’s Employment Agreement and the 2011 LLC Agreement.

21. Jesse’s obligations under the Principles Contract continued throughout his entire employment with 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 Levine Family denies the allegations contained in this paragraph of the Complaint.

23. Julius’ obligations under the Principles Contract continued throughout his entire employment with 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 Levine Family denies the allegations contained in this paragraph of the Complaint.

24. Defendants also run, maintain, own, and/or have an interest in various non-Atlas related entities, including selling automated parking garages and various real estate holdings (collectively, “Defendants’ Unrelated Entities”).

ANSWER: The Levine Family admits that Jesse, Julie, and/or the Levine Trust own real estate and own or have an interest in businesses other than PTC and Atlas. The allegations contained in this paragraph of the Complaint are vague and

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

25. In the time since Jesse became the Chief Executive Officer, Atlas has received zero sales revenue related to automated parking and/or parking garages.

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. Without limitation of the foregoing denial, on numerous occasions, Jesse brought opportunities to Atlas relating to automated parking projects and Atlas personnel failed to close on at least \$13 million in potential automated parking business.

26. As is more fully described herein, Jesse, Julius, and the Trust perpetrated a campaign to fraudulently and illegally misappropriate and convert funds from Atlas to use for the benefit of Jesse, Julius, and/or the Trust and for the benefit of Defendants' Unrelated Entities.

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.

27. 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.

28. During the timeframe set forth herein, Jesse was receiving a salary and benefits from Atlas while he was defrauding Atlas, embezzling Atlas' funds, in bad faith breaching his fiduciary duties, and taking the other actions as set forth herein.

ANSWER: The Levine Family admits that Jesse received a salary and benefits from Atlas prior to his involuntary termination in March 2016. The remaining 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 remaining allegations contained in this paragraph of the Complaint. Without limitation of the foregoing denial, at no time did Jesse defraud Atlas or otherwise act in bad faith while at Atlas.

29. During the timeframe set forth herein, Julius received a salary from Atlas while he was defrauding Atlas, embezzling Atlas' funds, in bad faith breaching his fiduciary duties and taking the other actions as set forth herein.

ANSWER: The Levine Family admits that Julius received a salary from Atlas. The remaining 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 remaining allegations contained in this paragraph of the Complaint. Without limitation of the foregoing denial, at no time did Julius defraud Atlas or otherwise act in bad faith while at Atlas.

30. Jesse, Julius, and the Levine Trust's' actions, as are described herein, were conducted in bad faith.

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.

31. Jesse, Julius, and the Levine Trust' actions, as are described herein, were in conflict with the interests of 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 Levine Family denies the allegations contained in this paragraph of the Complaint.

32. Jesse, Julius, and the Levine Trust concealed and hid their improper and fraudulent conduct by, among other things, failing to disclose to the Board or any other officers of Atlas their actions, conducting their actions from locations outside of Atlas' principal place of business, and making the misrepresentations about their actions and uses of funds as described herein.

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. Without limitation of the foregoing denial, the Levine Family further denies this paragraph to the extent it implies Atlas's principal place of business was in Michigan. Further answering, at no time did the Levine Family defraud Atlas or act improperly. Further

answering, the Levine Family did not hide or conceal any of its actions, and Atlas was properly informed of the Levine Family's actions.

33. In an attempt to cover Jesse, Julius, and the Levine Trust's improper actions and to benefit Jesse and Julius at the expense of Atlas, in June 2015 Jesse attempted to shut down Atlas' major operations. This included drafting a notice to customers that Atlas would no longer design and build press room automation, and drafting a notice to lay off nearly all of the Atlas employees.

ANSWER: The Levine Family denies the allegations contained in this paragraph of the Complaint. Without limitation of the foregoing denial, the allegations contained in this paragraph refer, upon information and belief, to emails sent by Jesse to Atlas employee Kim Nation. (Ex. 2.) In these emails, Jesse states that Atlas "expect[s] to be more selective" in responding to inquiries regarding pressroom automation because of profit margins and a temporary reduction in employees was required because of "persistent and disappointing sales." These emails were not the result of an attempt to "cover" anything up, but the result of well-considered data and judgment decisions as to what was best for Atlas as a company.

34. Jesse was not successful in shutting down Atlas and laying off Atlas' employees.

ANSWER: The Levine Family denies that Jesse attempted to shut down Atlas or lay off Atlas's employees.

35. On or about March 16, 2016, after the above and below illegal and improper acts were uncovered, Jesse was removed from his position as the Chief Executive Officer of Atlas.

ANSWER: The Levine Family admits that Jesse was involuntarily terminated on or about March 16, 2016. The Levine Family denies any illegal or improper acts by Jesse. The Levine Family lacks knowledge or information sufficient to form a belief as to the truth or falsity of the remaining allegations contained in this paragraph of the Complaint, and therefore denies the same.

36. Jesse's improper actions identified herein prior to March 16, 2016 were taken by Jesse in his capacity as Chief Executive Officer of 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 Levine Family denies the allegations contained in this paragraph of the Complaint. Without limitation of the foregoing denial, the Levine Family denies any improper actions by Jesse. Further answering, the parties' intent in entering into the 2011 LLC Agreement was that Jesse's duties were solely defined by those applicable to the Special Manager pursuant to the terms of the 2011 LLC Agreement.

a. GENERAL MOTORS SETTLEMENT

37. Atlas initiated litigation against General Motors in the amount of \$1,493,750. In 2012, Atlas and General Motors entered a settlement agreement where General Motors agreed to pay Atlas hundreds of thousands of dollars in cash, stock, and warrants ("GM Settlement").

ANSWER: The Levine Family admits that Jesse pursued accounts receivable collection efforts with GM after its bankruptcy filing. The remaining allegations contained in this paragraph of the Complaint are vague and ambiguous, and the Levine Family is without knowledge or information sufficient to admit or deny the remaining allegations contained in this paragraph of the Complaint, and therefore denies the same.

38. In an effort to mislead Atlas into believing that it received the proceeds from the GM Settlement, Jesse, Julius, and the Levine Trust had \$466,000 of the GM Settlement proceeds provided to Atlas.

ANSWER: The allegations contained in this paragraph of the Complaint are vague and ambiguous, and the Levine Family is without knowledge or information sufficient to admit or deny the allegations contained in this paragraph of the Complaint, and therefore denies the same. Without limitation of the foregoing denial, the Levine Family denies any efforts to mislead Atlas or misuse the GM Settlement funds.

39. Jesse intentionally and fraudulently mislead Atlas into believing that the \$466,000 was all of the proceeds from the Settlement. This included an email from Jesse to Atlas employee Kim Nation on August 27, 2012, where Jesse falsely indicated that \$466,000 was the GM Settlement amount.

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

40. However, Jesse, Julius, and the Levine Trust knew that not all of the GM Settlement proceeds were paid to Atlas. Instead, without informing the

remainder of the Board or any other officers of Atlas, on or about October 4, 2012, Jesse, Julius, and the Levine Trust secretly opened a bank account (“Secret Account”) and thereafter put hundreds of thousands of dollars of additional cash, stock, and warrants from the GM Settlement into the Secret Account.

ANSWER: The Levine Family admits that an account was opened on or about October 4, 2012 for the GM Settlement funds. The Levine Family denies that there was anything “secret” about this account. The account was in Atlas’s name, and statements for the account were mailed monthly to Atlas’s facility in Fenton, Michigan. The Levine Family denies the remaining allegations contained in this paragraph of the Complaint.

41. Upon information and belief, Jesse, Julius, and the Levine Trust thereafter used and held Atlas’ money in the Secret Account for Defendants’ exclusive benefit.

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

42. Upon information and belief, hundreds of thousands of dollars of Atlas’ funds were improperly transferred from the Secret Account to an account of the Levine Trust.

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

43. Jesse, Julius, and the Levine Trust intentionally and fraudulently concealed and did not disclose to the Board or any other officers of Atlas the existence of the Secret Account and Atlas’ GM Settlement proceeds in the Secret Account.

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.

44. In late 2015, Atlas discovered that Jesse, Julius, and the Levine Trust had misappropriated the funds in the Secret Account. At that time, Atlas was able to determine that Jesse, Julius, and the Levine Trust had taken at least \$301,141.97 in cash, including proceeds from the sale of General Motors stock shares and warrants.

ANSWER: The Levine Family denies any misappropriation of funds. The Levine Family is without information sufficient to admit or deny the remaining allegations contained in this paragraph of the Complaint, and therefore denies the same.

45. Atlas demanded a return of all the improperly taken funds that were put into the Secret Account.

ANSWER: The Levine Family admits that Atlas made a demand for a return of funds Atlas alleged had been improperly taken. The Levine Family denies that any such funds exist. The Levine Family denies the remaining allegations contained in this paragraph of the Complaint.

46. In February and March 2016, Jesse, Julius, and the Levine Trust acknowledged that it is Atlas' money, they individually do not have a right to the money they possess, and Defendants returned approximately \$210,000 of those funds. However, Jesse, Julius, and the Levine Trust refuse to return at least \$91,141.97 worth of Atlas' cash, stock and warrants.

ANSWER: The Levine Family denies the allegations contained in this paragraph of the Complaint. Without limitation of the foregoing denial, in 2016, the Levine Family caused approximately \$210,000 in funds to be transferred from the GM Settlement funds. The Levine Family denies that this transfer was an “acknowledgement” of any wrongdoing.

47. Jesse, Julius, and the Levine Trust have refused to return the remaining GM Settlement funds to Atlas.

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

48. After learning in late 2015 about Defendants hiding, holding, and converting Atlas’ property in the Secret Account, Plaintiff had reason to investigate whether Defendants had been involved in other misconduct, and Atlas investigated Defendants activities and uncovered the improper and fraudulent actions described herein.

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

b. IMPROPER CREDIT FEES

49. In 2012, Atlas needed to obtain a line of credit of approximately \$1.55 million from third-parties (“Loan”). Atlas money was in the Secret Account during a portion of the time that the Loan was outstanding.

ANSWER: The Levine Family admits that in January 2012, 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 seek potential lenders, and then to negotiate with such lenders to obtain the required financing. The Levine Family denies the remaining allegations contained in this paragraph of the Complaint.

50. Even though Defendants' [sic] provided a guarantee and not the money for the loan, Jesse, Julius, and the Levine Trust improperly took advantage of Atlas so that Atlas would have to pay Defendants \$15,000 per month while the Atlas Loan was outstanding (the "Credit Fee"). Once Atlas fully paid off the Loan, Atlas would not be required to pay Defendants' Credit Fee of \$15,000 per month.

ANSWER: The Levine Family admits that the Levine Trust was required to pledge \$1 million in negotiable securities as collateral to secure a revolving line of credit from Rosenthal & Rosenthal in the amount of up to \$1.55 million ("Rosenthal Loan"). In consideration of the necessary collateral pledged by the Levine Trust, Atlas agreed to pay the Levine Trust a \$15,000 monthly fee under the terms of a Fee and Reimbursement Agreement, whether or not Atlas was borrowing any money from Rosenthal at a particular moment after the loan facility became effective with Rosenthal in February 2012. (Ex. 3.) The Fee and Reimbursement Agreement (which is not attached to the Complaint) speaks for itself. The Levine Family further denies that the \$15,000 monthly fee paid to the Levine Trust pursuant to the 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 Fee and Reimbursement Agreement.

51. If Jesse, Julius, and the Levine Trust had not hidden and converted Atlas' GM Settlement proceeds in the Secret Account, Atlas would have borrowed less money, obtained more favorable lending terms, not have been required to pay the Credit Fee, and/or repaid the loan at an earlier date. As a result, Atlas would not have been required to pay Defendants' Credit Fee \$15,000 per month and/or Atlas would have been required to pay Defendants' Credit Fee for fewer months.

ANSWER: The Levine Family denies hiding or converting any Atlas funds. The remaining allegations contained in this paragraph of the Complaint are vague and ambiguous, and the Levine Family is without knowledge or information sufficient to admit or deny the remaining allegations contained in this paragraph of the Complaint, and therefore denies the same.

52. In total, for the \$1.55 million line of credit provided by a third-party, Defendants received \$615,000 in Credit Fees for the Loan guarantee (\$15,000 per month for 41 months). Given Jesse, Julius, and the Levine Trust's actions, it was unfair and improper for Defendants to receive the Credit Fees.

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, although Atlas still owes the Levine Trust more than \$250,000 for related tax liabilities. 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 or unfair.

53. As of mid-May, 2015, Atlas had repaid the Loan in full and Defendants were not entitled to receive a fee of \$15,000 per month.

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

54. However, Jesse, Julius, and the Levine Trust improperly took Credit Fees from Atlas for half of May, 2015 and the month of June, 2015.

ANSWER: The Fee and Reimbursement Agreement speaks for itself. The Levine Family admits the Levine Trust was entitled to credit fees for May 2015 and June 2015. The Levine Family denies the remaining allegations contained in this Paragraph of the Complaint.

55. Despite Atlas' demand that Defendants return the improper Credit Fees, Jesse, Julius, and the Levine Trust have refused to do so.

ANSWER: The Levine Family admits that Atlas has demanded the return of fees paid to the Levine Trust pursuant to 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 in fact, Atlas still owes the Levine Trust more than \$250,000 under the terms of this agreement.

c. IMPROPER SECRET MORTGAGE

56. On or about July 9, 2015, Jesse signed a letter acknowledging the Loan was terminated.

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

57. That termination letter stated, among other things, “This will confirm that the Financing Agreement entered into between Atlas Technologies, LLC (“Atlas”) and Rosenthal & Rosenthal . . . will be terminated effective July 17, 2015.”

ANSWER: The termination letter speaks for itself. The Levine Family denies any allegations contained in this paragraph of the Complaint inconsistent with the foregoing.

58. With the signing of the letter Rosenthal & Rosenthal began the process of returning certain collateral to the Defendants.

ANSWER: The Levine Family admits that, between July 17, 2015 and July 28, 2015, a portion of the Levine Trust’s collateral was returned. The Levine Family denies the allegations contained in this paragraph of the Complaint to the extent they are inconsistent with the foregoing.

59. By July 28, 2015, 90% of the Defendants’ collateral had been returned.

ANSWER: The Levine Family admits that, between July 17, 2015 and July 28, 2015, a portion of the Levine Trust’s collateral was returned. The Levine Family denies the allegations contained in this paragraph of the Complaint to the extent they are inconsistent with the foregoing.

60. The final 10% of Defendants' collateral had not yet been returned because Jesse had failed to take the necessary actions to request the collateral from the bank.

ANSWER: The Levine Family admits that the entirety of the Levine Trust's collateral had not been returned as of July 28, 2015. The Levine Family denies the remaining allegations contained in this paragraph of the Complaint.

61. By August 20, 2015, all of the collateral had been returned to the Defendants.

ANSWER: The Levine Family denies the allegations contained in this paragraph. Without limiting the foregoing denial, at the time Atlas owed and continues to owe the Levine Trust more than \$250,000.

62. Without authorization or approval, Jesse, Julius, and the Trust fraudulently executed a mortgage against Atlas on or about August 17, 2015 (Exhibit C, the "Secret Mortgage").

ANSWER: The mortgage attached to the Complaint as exhibit C speaks for itself. The Levine Family admits that Jesse executed the mortgage on behalf of Atlas on August 17, 2015 pursuant to Jesse's good-faith determination that a Special Manager Control Event had occurred as defined by the 2011 LLC Agreement, and pursuant to Jesse's written notice about the mortgage to Seidman on August 13, 2015. The Levine Family denies the remaining allegations contained in this paragraph of the Complaint.

63. The Secret Mortgage states that the Trust is the lender and that Atlas is the borrower/grantor. The Secret Mortgage purports to grant "all of [Atlas']

right, title and interest in” Atlas’ factory/headquarters. The Defendants had the Secret Mortgage recorded on or about October 28, 2015.

ANSWER: The mortgage attached to the Complaint as exhibit C speaks for itself. The Levine Family admits this mortgage was recorded on or about October 28, 2015. The Levine Family denies the allegations contained in this paragraph of the Complaint to the extent they are inconsistent with the foregoing or the terms of the mortgage.

64. Jesse, and only Jesse, purports to sign the Secret Mortgage on behalf of Atlas.

ANSWER: The Levine Family admits that Jesse signed the mortgage on behalf of Atlas pursuant to Jesse’s good-faith determination that a Special Manager Control Event had occurred as defined in the 2011 LLC Agreement and pursuant to Jesse’s written notice about the mortgage to Seidman on August 13, 2015. The Levine Family denies the allegations contained in this paragraph of the Complaint to the extent they are inconsistent with the foregoing.

65. Jesse did not have authority to execute the Secret Mortgage. In fact, the Atlas Operating agreement specifically stated that such a mortgage was prohibited without board approval. Board approval was never sought for the Secret Mortgage; board approval was never provided.

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 2011 LLC Agreement speaks for itself. The Levine Family denies any

allegations contained in this paragraph of the Complaint inconsistent with the foregoing.

66. The Defendants in bad faith executed and recorded this Secret Mortgage: (1) shortly after Julius was removed from Atlas, (2) after the Loan was terminated, and (3) after the collateral had been returned.

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.

67. Any claim that the Secret Mortgage was issued to protect the Defendants' collateral is a pretext because the Secret Mortgage was executed and recorded after the Loan was terminated and after the collateral had been returned.

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, the terms of the mortgage speak for themselves.

68. The Defendants did not provide Atlas with a copy of the Secret Mortgage, and Jesse never disclosed the Secret Mortgage to the Atlas CFO or Atlas' auditors.

ANSWER: The Levine Family denies the mortgage was a secret. Without limiting the foregoing denial, the mortgage is a public document available to any person or

entity interested in Atlas or PTC. Further answering, Jesse provided written notice about the mortgage to Seidman on August 13, 2015. Further, Atlas had no CFO so it would not have been possible for Jesse to provide the “Atlas CFO” with any documents.

69. Atlas uncovered the Secret Mortgage in mid-2017 when Atlas was working with certain banks to obtain a new line of financing using its building as collateral. The Secret Mortgage is severely inhibiting Atlas’ ability to obtain that financing and interfering with Atlas’ relationships with the banks, and otherwise damaging Atlas, including potentially losing business and incurring legal expenses.

ANSWER: The Levine Family is without knowledge or information sufficient to admit or deny the allegations contained in this paragraph of the Complaint, and therefore denies the same. Without limitation of the foregoing denial, the mortgage was a public document available to any person or entity interested in Atlas at any time after October 2015.

70. Given that the Secret Mortgage was improper, fraudulently executed, and all related collateral was returned years ago, Atlas requested and demanded that the Defendants discharge the Secret Mortgage. Defendants refuse to discharge the Secret Mortgage.

ANSWER: The Levine Family admits that the Levine Trust has not discharged the mortgage attached as exhibit C to the Complaint. The remaining allegations contained in this paragraph of the Complaint are 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.

d. IMPROPER LEGAL EXPENSES

71. Between 2012 and 2014, Atlas was invoiced for \$20,379.05 of legal expenses.

ANSWER: The allegations contained in this paragraph of the Complaint are vague and ambiguous. To the extent it is able to respond, the Levine Family is without knowledge or information sufficient to admit or deny the allegations contained in this paragraph of the Complaint, and therefore denies the same.

72. Jesse, Julius, and the Levine Trust intentionally misrepresented that these legal expenses were related to Atlas and/or concealed the fact that these legal expenses were unrelated to Atlas.

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.

73. Given Defendants' relationship with Atlas, including Jesse's positions with the company, Atlas reasonably relied on the misrepresentation.

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 making any misrepresentations. Further answering, the Levine Family is without knowledge or information sufficient to admit or deny the remaining allegations contained in this paragraph of the Complaint, and therefore denies the same.

74. In truth, Jesse, Julius, and the Levine Trust knew that these legal expenses were entirely unrelated to Atlas. Instead, upon information and belief, they were for the Defendants' Unrelated Entities.

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

75. For example, on December 19 and December 21, 2012, upon information and belief Jesse, Julius, and the Levine Trust billed Atlas for letters drafted for Easy Park LLC, one of Defendants' Unrelated Entities.

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

76. And on March 9, 2013, upon information and belief Jesse, Julius, and the Levine Trust billed Atlas for legal work related to an eviction related to Defendants' Unrelated Entities.

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

77. Jesse, Julius, and the Levine Trust intentionally and fraudulently concealed and did not disclose to the Board or any other officers of Atlas that these legal expenses were not for Atlas purposes.

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.

78. On or about June 1, 2016, Atlas informed Jesse that Atlas' investigation revealed that these legal expenses were unrelated to Atlas and the funds should be returned to Atlas. Jesse was informed that if he failed to respond

and provide evidence that the expenses were proper, then Atlas would consider that to be an admission that the expenses were not properly allocable to Atlas. Jesse never responded and accordingly has admitted to Atlas that the expenses were not properly allocable to Atlas.

ANSWER: The Levine Family admits that, on or about June 1, 2016, Jesse received correspondence from Atlas raising allegations of wrongdoing that the Levine Family denies. The Levine Family denies that Jesse was under any obligation to respond to this correspondence. The Levine Family further denies that Jesse has “admitted” anything regarding these expenses. The remaining 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 remaining allegations contained in this paragraph of the Complaint.

79. Despite Atlas’ demand that Defendants return the funds improperly taken for these legal expenses, Jesse, Julius, and the Levine Trust have failed to do so.

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 there were any “improperly taken” funds to return and denies the remaining allegations contained in this paragraph of the Complaint.

d. [sic] IMPROPER LIEN EXPENSES

80. Jesse, Julius, and the Levine Trust hired Sowlat Engineering Company (“Sowlat”) to obtain a lien related to a real-estate project of Defendants’, which was entirely unrelated to Atlas.

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

81. On September 18, 2012, Jesse used \$6,415.50 of Atlas' funds to pay Sowlat, even though that payment was not related to Atlas. Jesse, Julius, and the Levine Trust were aware that Atlas' funds were improperly being used.

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

82. Jesse, Julius, and the Levine Trust intentionally and fraudulently concealed and did not disclose to the Board or any other officers of Atlas that Defendants' used Atlas' funds to pay Sowlat.

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.

83. On or about June 1, 2016, Atlas informed Jesse that Atlas' investigation revealed that the Sowlat expenses were unrelated to Atlas and the funds should be returned to Atlas. Jesse was informed that if he failed to respond and provide evidence that the expenses were proper, then Atlas would consider that to be an admission that the expenses were not properly allocable to Atlas. Jesse never responded and accordingly has admitted to Atlas that the expenses were not properly allocable to Atlas.

ANSWER: The Levine Family admits that, on or about June 1, 2016, Jesse received correspondence from Atlas raising allegations of wrongdoing that the Levine Family denies. The Levine Family denies that Jesse was under any

obligation to respond to this correspondence. The Levine Family further denies that Jesse has “admitted” anything regarding these expenses. The remaining 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 remaining allegations contained in this paragraph of the Complaint.

84. Despite Atlas’ demand that Defendants return the funds for these improper Sowlat expenses, Jesse, Julius, and the Levine Trust have failed to do so.

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 there were any “improper expenses” to return and denies the remaining allegations contained in this paragraph of the Complaint.

e. [sic] IMPROPER SALARIES & BENEFITS

85. On or about October 22, 2012, Jesse told Atlas management that Atlas would hire Michael Ezgur to be the Managing Director, Parking (Solutions).

ANSWER: The Levine Family admits Atlas hired Michael Ezgur on or about October 22, 2012. Further answering, Mr. Ezgur assisted the Levine Family in obtaining approval from the City of Chicago for an automated parking project (the “Chicago Project”). The City of Chicago’s approval specifically mentioned Atlas by name as the manufacturer of the Chicago Project. The Levine Family denies the

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

86. On or about that date, Jesse told Louis Wiegele and Kim Nation of Atlas that Mr. Ezgur would work closely with Jesse and Julius on projects for Atlas.

ANSWER: The allegations contained in this paragraph of the Complaint are vague and ambiguous, and other than the Chicago Project, the Levine Family is without knowledge or information sufficient to admit or deny the remaining allegations contained in this paragraph of the Complaint, and therefore denies the same.

87. Mr. Ezgur was given a salary of \$75,000 per year, plus benefits.

ANSWER: The Levine Family is without knowledge or information sufficient to admit or deny the remaining allegations contained in this paragraph of the Complaint, and therefore denies the same.

88. However, Jesse, Julius, and the Levine Trust never intended to have Mr. Ezgur perform all of his work for Atlas.

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

89. Instead, upon information and belief, Mr. Ezgur as real estate lawyer performed work for Defendants' Unrelated Entities. For example, upon information and belief, Mr. Ezgur performed credit references on tenants and collected rent fees for Defendants' Unrelated Entities.

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

90. Jesse, Julius, and the Levine Trust intentionally and fraudulently concealed and did not disclose to the Board or any other officers of Atlas that Mr. Ezgar[sic] was actually performing work for Defendants' Unrelated Entities.

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.

91. Jesse, Julius, and the Levine Trust improperly and fraudulently used approximately at least \$89,000 of Atlas' funds to pay Mr. Ezgur.

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.

92. On or about September 6, 2010, Jesse hired Beth Fahey, while located in Chicago, to be the Atlas office manager.

ANSWER: The Levine Family admits that Atlas hired Beth Fahey on or about September 6, 2010. Further answering, Ms. Fahey assisted the Levine Family in obtaining approval from the City of Chicago for an automated parking project (the "Chicago Project"). The City of Chicago's approval specifically mentioned Atlas by name as the manufacturer of the Chicago Project. The Levine Family denies the

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

93. Jesse fraudulently led Atlas to believe that Ms. Fahey would be paid by Atlas to perform work for Atlas.

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.

94. Jesse knew this was false and upon information and belief intended to have Ms. Fahey spend a majority of her time on work for Defendants' Unrelated Entities.

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

95. Even though Defendants instructed Ms. Fahey to spend a majority of her time actually working for Defendants' Unrelated Entities, Jesse, Julius, and the Levine Trust had all of Ms. Fahey's salary and benefits be paid by Atlas.

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

96. For example, upon information and belief, on April 8 and April 9, 2014, Ms. Fahey attended the National Association of Fleet Administrators conference in Minneapolis, Minnesota, which was for the benefit of Defendants' Unrelated Entities.

ANSWER: The Levine Family is without knowledge or information sufficient to admit or deny the remaining allegations contained in this paragraph of the Complaint, and therefore denies the same.

97. And, upon information and belief, on October 22, 2014, Ms. Fahey was working at a parking conference in Las Vegas, Nevada, which was for the benefit of Defendants' Unrelated Entities.

ANSWER: The Levine Family is without knowledge or information sufficient to admit or deny the remaining allegations contained in this paragraph of the Complaint, and therefore denies the same.

98. And, upon information and belief, on March 16, 2015, Ms. Fahey was working at the Houston, Texas office of one of Defendants' Unrelated Entities.

ANSWER: The Levine Family is without knowledge or information sufficient to admit or deny the remaining allegations contained in this paragraph of the Complaint, and therefore denies the same.

99. Upon information and belief, none of the above travels or work related to Atlas or were for the benefit of Atlas.

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

100. Jesse, Julius, and the Levine Trust intentionally and fraudulently concealed and did not disclose to the Board or any other officers of Atlas that Ms. Fahey was actually performing work for Defendants' Unrelated Entities.

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.

101. Jesse, Julius, and the Levine Trust improperly and fraudulently used at least \$134,000 of Atlas' funds to pay Ms. Fahey.

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.

102. On or about May 2012, Jesse had Atlas hire Nick Messe.

ANSWER: The Levine Family admits that Atlas hired Nick Messe on or about May of 2012. The Levine Family denies the allegations contained in this paragraph of the Complaint to the extent they are inconsistent with the foregoing.

103. Jesse fraudulently led Atlas to believe that Mr. Messe would be paid by Atlas to perform work for Atlas.

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.

104. For example, on May 7, 2012, Jesse Levine told Kim Nation of Atlas via email that Mr. Messe would be working 28 to 30 hours per week for Atlas at a rate of \$1,125 per week. And on May 7, 2012, Jesse Levine also told Jennifer Rodriguez of Atlas via email that Mr. Messe would be working for Atlas performing marketing and search engine optimizing.

ANSWER: The referenced e-mails speak for themselves. The Levine Family denies the allegations contained in this paragraph of the Complaint to the extent they are inconsistent with those e-mails.

105. However, Defendants never intended to have Mr. Messe perform all of his work paid for by Atlas for Atlas.

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

106. Instead, upon information and belief, Mr. Messe used time paid by Atlas for Defendants' Unrelated Entities. For example, upon information and belief, Defendants had Atlas pay for Mr. Messe to build a website for one of Defendants' Unrelated Entities.

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

107. Defendants intentionally and fraudulently concealed and did not disclose to the Board or any other officers of Atlas that Mr. Messe was actually performing work for Defendants' Unrelated Entities.

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.

108. Defendants improperly and fraudulently used at least \$16,000 of Atlas' funds to pay Mr. Messe.

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.

109. On or about January 14, 2013, Jesse had Atlas hire Patrick Slattery with an annual salary.

ANSWER: The Levine Family admits that Atlas hired Patrick Slattery on or about January 14, 2013. Further answering, Mr. Slattery assisted the Levine Family in obtaining approval from the City of Chicago for an automated parking project (the "Chicago Project"). The City of Chicago's approval specifically mentioned Atlas by name as the manufacturer of the Chicago Project. The Levine Family denies the allegations contained in this paragraph of the Complaint to the extent they are inconsistent with the foregoing.

110. However, Defendants never intended to have Mr. Slattery perform all of his work paid for by Atlas for Atlas.

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

111. Instead, upon information and belief, Mr. Slattery worked in the architecture and construction field, and Atlas paid for Mr. Slattery's work for Defendants' Unrelated Entities.

ANSWER: The Levine Family admits that Mr. Slattery worked in architecture and construction fields, including on the Chicago Project. The Levine Family denies the remaining allegations contained in this paragraph of the Complaint.

112. Atlas is unaware of Mr. Slattery performing any actual and substantive work for Atlas.

ANSWER: The Levine Family is without information sufficient to admit or deny the allegations contained in this paragraph of the Complaint and therefore denies the same.

113. Defendants intentionally and fraudulently concealed and did not disclose to the Board or any other officers of Atlas that Mr. Slattery was actually performing work for Defendants' Unrelated Entities.

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.

114. Defendants improperly and fraudulently used at least \$45,000 of Atlas' funds to pay Mr. Slattery.

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.

115. On or about June 1, 2016, Atlas informed Jesse that Atlas' investigation revealed that these salary expenses were unrelated to Atlas and the funds should be returned to Atlas. Jesse was informed that if he failed to respond and provide evidence that the expenses were proper, then Atlas would consider that to be an admission that the expenses were not properly allocable to Atlas. Jesse never responded and accordingly has admitted to Atlas that the expenses were not properly allocable to Atlas.

ANSWER: The Levine Family admits that, on or about June 1, 2016, Jesse received correspondence from Atlas raising allegations of wrongdoing that the Levine Family denies. The Levine Family denies that Jesse was under any obligation to respond to this correspondence. The Levine Family further denies that Jesse has "admitted" anything regarding these expenses. The remaining 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 remaining allegations contained in this paragraph of the Complaint.

116. Despite Atlas' demand that Defendants return the funds for these improper salary and related expenses, Defendants have refused to do so.

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 there were any "improper salary and related expenses" to return and denies the remaining allegations contained in this paragraph of the Complaint.

f. [sic] IMPROPER PETTY CASH EXPENSES

117. Since at least July 29, 2011, Jesse was receiving monthly petty cash payments of \$5,000 per month from Atlas' bank account. Jesse fraudulently indicated and/or led Atlas to believe that these petty cash payments were not being used for Defendants personal benefit or for Defendants Unrelated Entities.

ANSWER: The Levine Family admits that Jesse received monthly cash payments from Atlas although such were not from petty cash. The Levine Family denies these funds were used for anything other than expenses related to PTC and Atlas. The remaining 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 remaining allegations contained in this paragraph of the Complaint.

118. For example, on July 29, 2011, via email to Kim Nation and Samuel Seidman of Atlas, Jesse indicated that he was keeping track of how that petty cash money was properly being used.

ANSWER: The referenced e-mail speaks for itself. The Levine Family denies the allegations contained in this paragraph of the Complaint to the extent they are inconsistent with the referenced e-mail. Further responding, all petty cash was used by Jesse in his capacity as Special Manager of Atlas for proper purposes.

119. In truth, Jesse was not properly using that petty cash.

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

120. Instead, upon information and belief, the petty cash was being used for Defendants' personal benefit and/or for the Defendants' Unrelated Entities.

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

121. Jesse, for the benefit of the Defendants, withdrew at least \$240,000 from that petty cash.

ANSWER: The Levine Family admits that Jesse received monthly cash payments from Atlas although such were not from petty cash. The Levine Family denies these funds were used for anything other than expenses related to PTC and Atlas. The Levine Family denies the remaining allegations contained in this paragraph of the Complaint.

122. Defendants intentionally and fraudulently concealed and did not disclose to the Board or any other officers the true uses of the petty cash.

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.

123. Atlas has demanded that Jesse account for how this petty cash was used, but Jesse has not done so.

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

124. On or about June 1, 2016, Atlas informed Jesse that Atlas' investigation revealed that the petty cash expenses were unrelated to Atlas and the funds should be returned to Atlas. Jesse was informed that if he failed to respond and provide evidence that the expenses were proper, then Atlas would consider that to be an admission that the expenses were not properly allocable to Atlas. Jesse never responded and accordingly has admitted to Atlas that the expenses were not properly allocable to Atlas.

ANSWER: The Levine Family admits that, on or about June 1, 2016, Jesse received correspondence from Atlas raising allegations of wrongdoing that the Levine Family denies. The Levine Family denies that Jesse was under any obligation to respond to this correspondence. The Levine Family further denies that Jesse has "admitted" anything regarding these expenses. The remaining 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 remaining allegations contained in this paragraph of the Complaint.

125. Despite Atlas' demand that Defendants return to these improper petty cash payments, Defendants have refused to do so.

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 there were any "improper petty cash payments" to return and denies the remaining allegations contained in this paragraph of the Complaint.

g. [sic] IMPROPER CREDIT CARD EXPENSES

126. Jesse had use of an Atlas business credit card, with the account titled "Jesse A Levine. Atlas Technologies Inc."

ANSWER: The Levine Family admits that Jesse for a period of time had use of an Atlas business credit card. The Levine Family denies the allegations contained in this paragraph of the Complaint to the extent they are inconsistent with the foregoing.

127. Julius had use of an Atlas business credit card, with the account titled “Julius Levine. Atlas Technologies Inc.”

ANSWER: The Levine Family admits that Julius for a period of time had use of an Atlas business credit card. The Levine Family denies the allegations contained in this paragraph of the Complaint to the extent they are inconsistent with the foregoing.

128. Jesse and Julius knew that these Atlas business credit cards were only to be used for Atlas purposes.

ANSWER: The Levine Family admits that the above-described cards were to be used for Atlas purposes, and for PTC purposes as well.

129. Upon information and belief, Defendants incurred expenses on their Atlas business credit cards in the amount of at least \$178,202.38 that were unrelated to Atlas.

ANSWER: The Levine Family admits that the Levines incurred expenses on their Atlas business cards. The Levine Family denies these funds were used for anything other than expenses related to PTC and Atlas. The Levine Family denies the remaining allegations contained in this paragraph of the Complaint.

130. Upon information and belief, these expenses were non-Atlas related and not proper Atlas charges. Instead, they were for items such as travel unrelated to Atlas and for expenses prohibited by the Atlas reimbursement protocols.

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

131. Even though Defendants were not entitled to have Atlas pay these non-Atlas related credit card expenses, Defendants used Atlas' money to pay the expenses.

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

132. Defendants intentionally and fraudulently concealed and did not disclose to the Board or any other officers of Atlas that these credit card expenses, made on Atlas business credit cards, were not for Atlas' benefit or proper Atlas expenses. Defendants had a duty to disclose this concealed information.

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.

133. On or about June 1, 2016, Atlas informed Jesse that Atlas' investigation revealed that these credit card expenses were unrelated to Atlas and the funds should be returned to Atlas. Jesse was informed that if he failed to respond and provide evidence that the expenses were proper, then Atlas would consider that to be an admission that the expenses were not properly allocable to Atlas. Jesse never responded and accordingly has admitted to Atlas that these expenses were not properly allocable to Atlas.

ANSWER: The Levine Family admits that, on or about June 1, 2016, Jesse received correspondence from Atlas raising allegations of wrongdoing that the Levine Family denies. The Levine Family denies that Jesse was under any obligation to respond to this correspondence. The Levine Family further denies that Jesse has “admitted” anything regarding these expenses. The remaining 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 remaining allegations contained in this paragraph of the Complaint.

h. [sic] IMPROPER EXPENSE REPORTS

134. Defendants charged Atlas for approximately \$93,304.44 of expenses that were non-Atlas related. Instead, they were for items such as travel for Defendants’ Unrelated Entities and the purchase of real-estate in Houston, Texas, which is entirely unrelated to Atlas.

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

135. Defendants fraudulently stated that these expense reports were for the benefit of Atlas. For example, on Friday April 20, 2012, via email Jesse fraudulently stated to Kim Nation of Atlas that the expenses are “Atlas expenses.”

ANSWER: The referenced e-mail speaks for itself. The Levine Family denies the allegations contained in this paragraph of the Complaint to the extent they are inconsistent with the referenced e-mail. Further responding, the Levine Family denies that any expense reports were for improper purposes. The remaining

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 remaining allegations contained in this paragraph of the Complaint.

136. Defendants intentionally and fraudulently concealed and did not disclose to the Board or any other officers of Atlas that these expenses were not for Atlas' benefit. Defendants had a duty to disclose this concealed information.

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.

137. On or about June 1, 2016, Atlas informed Jesse that Atlas' investigation revealed that these expenses were unrelated to Atlas and the funds should be returned to Atlas. Jesse was informed that if he failed to respond and provide evidence that the expenses were proper, then Atlas would consider that to be an admission that the expenses were not properly allocable to Atlas. Jesse never responded and accordingly has admitted to Atlas that these expenses were not properly allocable to Atlas.

ANSWER: The Levine Family admits that, on or about June 1, 2016, Jesse received correspondence from Atlas raising allegations of wrongdoing that the Levine Family denies. The Levine Family denies that Jesse was under any obligation to respond to this correspondence. The Levine Family further denies that Jesse has "admitted" anything regarding these expenses. The remaining 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 remaining allegations contained in this paragraph of the Complaint.

i. [sic] IMPROPER I.T.-RELATED EXPENSES

138. In May 2013, and on various dates in 2014, upon information and belief Jesse charged Atlas for approximately \$4,800.63 of expenses for website-related services for Defendants' Unrelated Entities.

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

139. Defendants intentionally and fraudulently concealed and did not disclose to the Board or any other officers of Atlas that these I.T. expenses were not for Atlas' benefit. Defendants had a duty to disclose this concealed information.

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.

140. On or about June 1, 2016, Atlas informed Jesse that Atlas' investigation revealed that the IT expenses were unrelated to Atlas and the funds should be returned to Atlas. Jesse was informed that if he failed to respond and provide evidence that the expenses were proper, then Atlas would consider that to be an admission that the expenses were not properly allocable to Atlas. Jesse never responded and accordingly has admitted to Atlas that the expenses were not properly allocable to Atlas.

ANSWER: The Levine Family admits that, on or about June 1, 2016, Jesse received correspondence from Atlas raising allegations of wrongdoing that the Levine Family denies. The Levine Family denies that Jesse was under any obligation to respond to this correspondence. The Levine Family further denies that Jesse has “admitted” anything regarding these expenses. The remaining 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 remaining allegations contained in this paragraph of the Complaint.

j. [sic] IMPROPER RENT AND OFFICE MAINTENANCE EXPENSES

141. For a space in Chicago, Jesse charged Atlas at least \$48,000 of rent and office maintenance expenses that were non-Atlas related. Instead, upon information and belief, that money was used to pay for office space and office maintenance used for Defendants’ Unrelated Entities.

ANSWER: The Levine Family admits charging Atlas rent for office space. The Levine Family denies the remaining allegations contained in this paragraph of the Complaint.

142. Defendants fraudulently stated that this rent would be for Atlas. For example, on November 2, 2012, Jesse, with a copy to Julius, emailed Jennifer Rodriguez of Atlas stating that the rent would be for Atlas’ “formal office space” and if “things go well with orders, this may be extended.”

ANSWER: The referenced e-mail speaks for itself. The Levine Family denies the allegations contained in this paragraph of the Complaint to the extent they are

inconsistent with the referenced e-mail. The remaining 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 remaining allegations contained in this paragraph of the Complaint.

143. And on December 4, 2012, Jesse stated to Jennifer Rodriguez of Atlas that the Chicago location was a new Atlas office.

ANSWER: The Levine Family admits that Jesse advised Jennifer Rodriguez of an intention for Atlas to open an office in Chicago. The Levine Family denies the allegations contained in this paragraph of the Complaint to the extent they are inconsistent with the foregoing.

144. In truth, upon information and belief the space was mainly used for non-Atlas purposes, and even though there was no success with automated parking and/or parking garage orders, Defendants continued to have Atlas pay these expenses.

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

145. For example, when the rent deposit on the office space was due to be returned, it should have been returned to Atlas. However, Atlas recently learned that on June 28, 2016, Defendants requested that the rent deposit return improperly be made payable to “Jesse Levine c/o Easy Park LLC”, which is one of Defendants Unrelated Entities. Defendants took that returned security deposit and have failed to properly remit it to Atlas.

ANSWER: The Levine Family denies failing to properly remit anything to Atlas. The Levine Family lacks knowledge or information sufficient to form a belief as to

the truth or falsity of the remaining allegations contained in this paragraph of the Complaint, and therefore denies the same.

146. Defendants intentionally and fraudulently concealed and did not disclose to the Board or any other officers of Atlas that these rent expenses were not for Atlas' benefit. Defendants had a duty to disclose this concealed information.

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.

147. On or about June 1, 2016, Atlas informed Jesse that Atlas' investigation revealed that the rent and office maintenance expenses were unrelated to Atlas and the funds should be returned to Atlas. Jesse was informed that if he failed to respond and provide evidence that the expenses were proper, then Atlas would consider that to be an admission that the expenses were not properly allocable to Atlas. Jesse never responded and accordingly has admitted to Atlas that these expenses were not properly allocable to Atlas.

ANSWER: The Levine Family admits that, on or about June 1, 2016, Jesse received correspondence from Atlas raising allegations of wrongdoing that the Levine Family denies. The Levine Family denies that Jesse was under any obligation to respond to this correspondence. The Levine Family further denies that Jesse has "admitted" anything regarding these expenses. The remaining 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 remaining allegations contained in this paragraph of the Complaint.

k. [sic] Improperly Filed UCC Financing Statements

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

ANSWER: The Levine Family admits that Jesse caused the Financing Statements (as defined below in paragraph 150) 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.

149. PTC, a company that wholly owns Atlas, Samuel Seidman individually, and Arthur Stupay individually are also listed as debtors in some and/or all of the Financing Statements.

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

150. 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.

151. 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. Without limitation of the foregoing denial, 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.

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

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

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

154. 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.

155. 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.

156. On April 7, 2016, Atlas challenged the 383 and 388 Financing Statements 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.

157. 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.

158. Although the 383 and 388 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.

159. In August 2016, Atlas 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.

160. 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.

161. 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.

162. 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.

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

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.

164. 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 this case 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.

165. 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.

166. As a direct and proximate result of the Financing Statements, Atlas' credit rating declined, which upon information and belief was a reason Jesse filed the Financing Statements.

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.

167. 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.

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

169. 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.

170. Upon information and belief, 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.

171. Further, Atlas' injuries from the Financing Statements includes the substantial expenses it incurred to challenge, terminate, and 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.

COUNT I – FRAUD

Against Defendants Jesse Levine and Julius Levine

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

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

173. As is set forth in more detail in paragraphs 11 through 169, Jesse and Julius made misrepresentations that were material and false, and caused Atlas to reasonably rely on them to Atlas' detriment.

ANSWER: Jesse and Julius deny the allegations contained in this paragraph of the Complaint.

174. Those representations were false when they were made and Jesse and Julius knew they were false when made.

ANSWER: Jesse and Julius deny the allegations contained in this paragraph of the Complaint.

175. Jesse and Julius made those representation [sic] with the intention of inducing Atlas' reliance, and as set forth herein, Atlas actually did rely.

ANSWER: Jesse and Julius deny the allegations contained in this paragraph of the Complaint.

176. Jesse and Julius further fraudulently concealed the existence of these claims, and Jesse and Julius used their positions with the Company to prevent Atlas from discovering Defendants actions. For example, Jesse and Julius hid Atlas' property in the Secret Account. After learning in late 2015 about Defendants hiding, holding, and converting Atlas' property in the Secret Account, Plaintiff had reason to investigate whether Defendants had been involved in other misconduct, and Atlas investigated Defendants activities and uncovered the improper and fraudulent actions described herein.

ANSWER: Jesse and Julius deny the allegations contained in this paragraph of the Complaint. Without limiting the foregoing denial, the referenced account was in the name of Atlas, and statements for the account were mailed monthly to Atlas's facility in Fenton, Michigan.

177. Jesse, Julius, and the Trust further fraudulently executed the Secret Mortgage as is set forth in paragraphs 56-68. Jesse did not have authority to execute the Secret Mortgage and Defendants' knew Jesse did not have authority to execute the Secret Mortgage.

ANSWER: The Levine Family denies the allegations contained in this paragraph of the Complaint. The Levine Family also denies that a publicly filed mortgage can be a “Secret” mortgage. Further answering, either Atlas senior managers should have known about the mortgage and did not (raising questions for PTC stockholders about their competence) or they actually knew about the mortgage but are claiming here that they did not know about the mortgage (raising questions for PTC stockholders about their honesty).

178. Atlas has suffered damages as a result of Jesse and Julius’ fraud of at least \$950,000, although the exact amount is still to be determined.

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 and Julius deny the allegations contained in this paragraph of the Complaint.

COUNT II – SILENT FRAUD
Against all Defendants

179. 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.

180. Jesse and Julius, as fiduciaries, employees, and/or in positions of trust, had an affirmative duty to inform Atlas when Defendants were holding or using Atlas funds for non-Atlas purposes.

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.

181. As is set forth in more detail in paragraphs 11 through 169, Jesse and Julius failed to disclose material facts about the use or existence of Atlas' funds for the purpose of inducing Atlas to provide funds or inducing Atlas not investigate the existence of funds.

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

182. Jesse and Julius' failure to disclose was misleading and caused Atlas to have the false impression that Atlas' funds were being used for Atlas purposes and that no Atlas funds were missing.

ANSWER: The Levine Family denies that it caused any Atlas funds to be "missing." The Levine Family denies the remaining allegations contained in this paragraph of the Complaint.

183. Because of Jesse and Julius' positions with Atlas, Atlas reasonably believed that Defendants were using Atlas' funds for Atlas purposes.

ANSWER: The Levine Family denies that it used any Atlas funds for purposes unrelated to Atlas. The Levine Family is without knowledge or information sufficient to admit or deny the remaining allegations contained in this paragraph of the Complaint, and therefore denies the same.

184. Jesse and Julius knew that the nondisclosures were misleading and that Atlas would believe that Atlas' funds were being used for Atlas purposes and believe that no Atlas funds were missing.

ANSWER: The Levine Family denies that it used any Atlas funds for purposes unrelated to Atlas or that the Levine Family caused any Atlas funds to be "missing." The Levine Family is without knowledge or information sufficient to admit or deny the remaining allegations contained in this paragraph of the Complaint, and therefore denies the same.

185. Atlas acted in reliance on the misimpressions created by Defendants where Atlas provided the funds set forth herein, and Atlas did not pursue funds that Atlas did not know were missing.

ANSWER: The Levine Family denies that it used any Atlas funds for purposes unrelated to Atlas or that the Levine Family caused any Atlas funds to be "missing." The Levine Family is without knowledge or information sufficient to admit or deny the remaining allegations contained in this paragraph of the Complaint, and therefore denies the same.

186. Defendants further fraudulently concealed the existence of these claims. For example, Jesse and Julius used their roles as officers of Atlas to conceal their actions, to prevent employees of Atlas from questioning their actions, and abused their roles to fraudulently state that the funds were being used properly.

ANSWER: The Levine Family denies that it used any Atlas funds improperly. The remaining 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 remaining allegations contained in this paragraph of the Complaint.

187. Similarly, Jesse and Julius fraudulently concealed the fact that they were going to use the LLC Agreement and Special Manager role (as defined and described below) to commit the acts herein, including fraud and conversion. If Jesse and Julius had disclosed those facts, Atlas would not had entered into the LLC Agreement with the Special Manager role.

ANSWER: The Levine Family admits that Atlas entered into the 2011 LLC Agreement. The Levine Family denies the remaining allegations contained in this paragraph of the Complaint.

188. Similarly, Jesse and Julius fraudulently concealed and did not disclose the GM Settlement funds that were placed into the Secret Account, and the Defendants fraudulently concealed and did not disclose that they had executed and recorded the Secret Mortgage.

ANSWER: The Levine Family denies the allegations contained in this paragraph of the Complaint. Without limiting the foregoing denial, the referenced account was in the name of Atlas, and statements for the account were mailed monthly to Atlas's facility in Fenton, Michigan.

189. Atlas has suffered damages as a result of Defendants silent fraud of at least \$950,000, although the exact amount is still to be determined.

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 III – COMMON LAW AND STATUTORY CONVERSION
Against All Defendants

190. 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.

191. Atlas had ownership of, title to, and/or the right to possess the property set forth herein.

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.

192. Defendants have wrongfully exerted dominion over Atlas' property by converting, refusing to surrender, and/or improperly transferring the property to other parties.

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

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

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

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

ANSWER: The Levine Family denies that it converted any property. The Levine Family denies the remaining allegations contained in this paragraph of the Complaint.

195. As set forth herein, Atlas has been damaged by Defendants' failure to turn over the converted property.

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 IV – UNJUST ENRICHMENT
Against All Defendants

196. 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.

197. As is set forth herein, Jesse, Julius, and the Levine Trust unjustly benefitted from the funds they received, took, and/or held from 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 Levine Family denies the allegations contained in this paragraph of the Complaint.

198. Defendants were required to turn over or return those funds to 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 Levine Family denies the allegations contained in this paragraph of the Complaint.

199. It would be inequitable if Defendants were permitted to retain the benefits they gained without returning or repaying those funds to 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 Levine Family denies the allegations contained in this paragraph of the Complaint.

COUNT V – BREACH OF FIDUCIARY DUTY
Against Defendants Jesse Levine and Julius Levine

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

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

201. In his role as Chief Executive Officer of Atlas, Jesse owed certain fiduciary duties to Atlas, including the duties of care, loyalty, 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 and Julius deny the allegations contained in this paragraph of the Complaint.

202. In his role as a Manager of Atlas, Jesse owed duties to Atlas, including the implied covenant of good faith and fair dealing to 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, Jesse and Julius deny the allegations contained in this paragraph of the Complaint.

203. In his role as Chief Operating Officer of Atlas, Julius owed certain fiduciary duties to Atlas, including the duties of care, loyalty, 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 and Julius deny the allegations contained in this paragraph of the Complaint.

204. As is set forth herein, by obtaining, improperly using, converting, misappropriating, failing to return, and/or concealing Atlas' funds, whether by fraud or otherwise, and improperly executing the Secret Mortgage, Jesse and Julius have in bad faith 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 and Julius deny the allegations contained in this paragraph of the Complaint.

205. Further, while Jesse and Julius were in bad faith breaching those duties, they were receive a salary and/or benefits from 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, Jesse and Julius deny the allegations contained in this paragraph of the Complaint.

206. As a direct and proximate result of these breaches, Atlas 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 and Julius deny the allegations contained in this paragraph of the Complaint.

COUNT VI - Breach of DGCL 18-1101
Against Defendants Jesse Levine and Julius Levine

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

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

208. Defendant Jesse was a manager, officer and/or director of Atlas.

ANSWER: Jesse and Julius admit that Jesse was the Special Manager and an Officer of Atlas prior to his involuntary termination in March 2016. Jesse and Julius deny the allegations contained in this paragraph of the Complaint to the extent they are inconsistent with the foregoing.

209. Defendant Julius was an officer of Atlas.

ANSWER: Jesse and Julius admit that Julius's title was Chief Operating Officer. Jesse and Julius deny the allegations contained in this paragraph of the Complaint to the extent they are inconsistent with the foregoing.

210. As is set forth herein, Defendants in bad faith violated the Atlas LLC Agreement, including in bad faith violating the implied contractual 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 and Julius deny the allegations contained in this paragraph of the Complaint.

211. As is set forth herein, Atlas has been injured by Defendants' actions and omissions.

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 and Julius deny the allegations contained in this paragraph of the Complaint.

COUNT VII – NEGLIGENT MISREPRESENTATION
Against Defendants Jesse Levine and Julius Levine

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

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

213. Jesse and Julius had a duty to provide accurate information to 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, Jesse and Julius deny the allegations contained in this paragraph of the Complaint.

214. As set forth above, Jesse and Julius breached that duty and made the material representations set forth herein.

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 and Julius deny the allegations contained in this paragraph of the Complaint.

215. Those representations were in fact false.

ANSWER: Jesse and Julius deny the allegations contained in this paragraph of the Complaint.

216. Atlas relied to its detriment on the representations.

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 and Julius deny the allegations contained in this paragraph of the Complaint.

217. Jesse and Julius were negligent in making those representations.

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 and Julius deny the allegations contained in this paragraph of the Complaint.

218. As set forth herein, as an actual and proximate result, Atlas has suffered damages.

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 and Julius deny the allegations contained in this paragraph of the Complaint.

COUNT VIII – Breach of MCL 440.9501
Against All Defendants

219. 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.

220. Jesse, Julius, and the Levine Trust 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.

221. Atlas is named as a debtor in the Financing Statements.

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

222. As a direct and proximate result of the Financing Statements, Atlas has been injured, including but not limited to lost business, lost opportunities, loss of goodwill, and time spent challenging the Financing Statements.

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 IX – TORTIOUS INTERFERENCE
Against All Defendants

223. 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.

224. As set forth herein, Atlas had valid business relationships and/or business expectancies.

ANSWER: The Levine Family is without knowledge or information sufficient to admit or deny the remaining allegations contained in this paragraph of the Complaint, and therefore denies the same.

225. Jesse, Julius, and the Levine Trust had knowledge of and was aware of those business relationships and/or expectancies.

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

226. Jesse, Julius, and the Levine Trust intentionally interfered with those relationships and/or expectancies by wrongfully filing the Financing Statements and executing and recording the Secret Mortgage.

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

227. That intentional interference was malicious.

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

228. As a direct and proximate result of that interference, Atlas has been damaged.

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 X – CIVIL CONSPIRACY
Against All Defendants

229. 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.

230. Jesse, Julius, and the Levine Trust illegally, maliciously, and wrongfully conspired with one another with the intent to and for the illegal purpose of defrauding Atlas, obtaining Atlas' money, executing the Secret Mortgage, and using Atlas' funds for their own non-Atlas purposes.

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

231. Jesse, Julius, and the Levine Trust, in combination, conspired to defraud Atlas, obtain Atlas' money, obtain the Secret Mortgage, and use Atlas' funds for their own non-Atlas purposes.

ANSWER: The Levine Family denies the allegations contained in this paragraph of the Complaint. The Levine Family also denies that a publicly filed mortgage can be a “Secret” mortgage.

232. This conspiracy resulted in the illegal, unlawful, or tortious activities described herein, including fraud, unjust enrichment and/or conversion.

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.

233. As a result of the conspiracy and Defendants’ illegal, wrongful, or tortious acts, Atlas sustained damages in the amount of at least \$950,000.

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.

234. Jesse, Julius, and the Levine Trust are jointly and/or severally liable to Atlas for all of Atlas’ injuries and damages.

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 XI – CONCERT OF ACTION
Against All Defendants

235. 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.

236. At all relevant times, Jesse, Julius, and the Levine Trust engaged in concerted activities described herein by express or implied agreement, and pursuant to a common design.

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

237. As a direct and proximate result of Defendants' concerted activities, Plaintiff has sustained and will continue to sustain severe injuries and damages as more specifically alleged 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.

238. Due to the concert of action among all of the various Defendants, each is liable to Plaintiff for these injuries and damages even if there was no direct relation to the activity conducted by that particular Defendant.

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.

239. Jesse, Julius, and the Levine Trust are jointly and/or severally liable to Atlas for all of Atlas' injuries and damages.

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 XII – AIDING AND ABETTING BREACH OF FIDUCIARY DUTY
Against All Defendants

240. 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.

241. As set forth herein, Jesse and Julius owed certain fiduciary duties to Atlas.

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.

242. Jesse and Julius intentionally and maliciously breached those fiduciary duties.

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.

243. Atlas has suffered actual damages as a proximate cause of Jesse and Julius' breaches of their fiduciary duties.

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.

244. The Levine Trust was specifically aware of Jesse and Julius' fiduciary duties to Atlas. Jesse was specifically aware of Julius' fiduciary duties to Atlas. Julius was specifically aware of Jesse's fiduciary duties to Atlas.

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.

245. The Levine Trust knew the nature and scope of Jesse and Julius' positions with Atlas. Jesse knew the nature and scope of Julius' position with Atlas. Julius knew the nature and scope of Jesse's position with Atlas.

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.

246. As set forth herein, the Jesse, Julius, and the Levine Trust knew of and encouraged, induced, and actively participated in Jesse and/or Julius' breaches of fiduciary duty.

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.

247. Atlas has suffered actual damages as a proximate result of the Defendants' aiding and abetting Jesse and/or Julius' breaches of their fiduciary duties.

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 XIII –STATUTORY AND COMMON LAW SLANDER OF TITLE
Against All Defendants

248. 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.

249. On or about August 17, 2015 the October 28, the Defendants had the Secret Mortgage recorded.

ANSWER: The Levine Family cannot properly respond to this paragraph of the Complaint because it is unintelligible. The Levine Family admits that the referenced mortgage was executed by Jesse on August 17, 2015 in his capacity as Special Manager of Atlas, pursuant to his good-faith determination of a Special Manager Control Event. The Levine Family further admits the referenced mortgage was recorded on or about October 28, 2015. The Levine Family denies the allegations contained in this paragraph of the Complaint to the extent they are inconsistent with the foregoing, including that a publicly filed mortgage can be a “Secret” mortgage.

250. The Secret Mortgage falsely and improperly claims that the Defendants have an interest in Atlas' property and falsely indicated that the Secret Mortgage was valid.

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 that a publicly filed mortgage can be a "Secret" mortgage and the Levine Family denies the remaining allegations contained in this paragraph of the Complaint.

251. The Defendants maliciously executed and recorded the Secret Mortgage with the intent to injure Atlas, and in fact has and continues to injure Atlas.

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 that a publicly filed mortgage can be a "Secret" mortgage and the Levine Family denies the remaining allegations contained in this paragraph of the Complaint.

COUNT XIV – DECLARATORY JUDGMENT
Against All Defendants

252. 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.

253. There is an actual case or controversy about whether the Secret Mortgage is properly executed, recorded, and in effect.

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.

254. Atlas alleges, and Defendants deny, that the Secret Mortgage is not properly executed, recorded, and in effect.

ANSWER: The Levine Family admits the allegations contained in this paragraph of the Complaint. The Levine Family denies that a publicly filed mortgage can be a “Secret” mortgage.

255. Atlas has been injured because, among other injuries, the Secret Mortgage is still recorded and Atlas’ ability to obtain financing using Atlas’ property as collateral is substantially hindered by the Secret Mortgage.

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 that a publicly filed mortgage can be a “Secret” mortgage and the Levine Family denies the remaining allegations contained in this paragraph of the Complaint.

256. If this Court enters a declaratory judgment regarding the Secret Mortgage, the above injuries will be redressed and the controversy would be settled.

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 that a publicly filed mortgage can be a “Secret” mortgage and the Levine Family denies the remaining allegations contained in this paragraph of the Complaint.

257. Atlas is entitled to a declaratory judgment against Defendants that the Secret Mortgage was not authorized, should be discharged, and quiet title regarding the Secret Mortgage.

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 that a publicly filed mortgage can be a “Secret” mortgage and the Levine Family denies the remaining allegations contained in this paragraph of the Complaint.

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

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AFFIRMATIVE DEFENSES

1. The Complaint fails to state a claim upon which relief can be granted.
2. Plaintiff's claims 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 and the Fee and Reimbursement Agreement.
4. Plaintiff's claims are barred, in whole or in part, by the internal governing documents of PTC and Atlas.
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.