



Notice of Material Change to the Vendor Contract

Pursuant to the terms of your awarded vendor contract, all vendors must notify Region 4 Education Service Center ("Region 4") when any material change in operations, that may adversely affect members, (i.e. assignment, bankruptcy, change of ownership, merger, etc.) is made. No material change may be made to the contract without the prior written approval of Region 4. Region 4 reserves the right to accept or reject any new party.

TCG Consulting, LP (vendor company name) hereby provides notice of the following material change to contract number: R180801 on this date November 18, 2019.

Instructions: (Vendors must check all that may apply and provide supporting documentation. Place your initials next to each item to confirm that documents are, indeed, included. Be sure to sign the signature page with all require signatures, prior to submitting your notice to Region 4 for approval).

- | | |
|---|---|
| <input type="checkbox"/> Assignment | <input type="checkbox"/> Change in ownership (<i>sale/purchase</i>) |
| <input type="checkbox"/> Indicate if you are assigning to your own subsidiary | <input type="checkbox"/> Asset Purchase Agreement |
| <input type="checkbox"/> Assumption Agreement | <input type="checkbox"/> Other supporting documentation |
| <input type="checkbox"/> Other supporting documentation | |
| <input type="checkbox"/> Bankruptcy | <input type="checkbox"/> Acquisition |
| <input type="checkbox"/> Official legal Notice of Bankruptcy Proceedings | <input type="checkbox"/> Asset Purchase Agreement |
| <input type="checkbox"/> Other supporting documentation | <input type="checkbox"/> Other supporting documentation |
| <input type="checkbox"/> Merger | <input checked="" type="checkbox"/> Other |
| <input type="checkbox"/> Share Exchange Agreement | <input checked="" type="checkbox"/> Supporting documentation |
| <input type="checkbox"/> Merger and Acquisition Agreement | |
| <input type="checkbox"/> Asset Purchase Agreement | |
| <input type="checkbox"/> Other supporting documentation | |

Notes: Vendor may include any other notes regarding the material change here: (attach another page if necessary).

Our company is changing its name and acquiring a new minority partner in our business. We believe we are required by various federal and state rules that apply to our business to get a consent from each of our clients for implementing this.

TCG actually stands for Total Compensation Group. We have decided that our business has out grown this name. We are changing this to Trusted Capital Group. It will still use the abbreviation "TCG." We feel that this new name better reflects all of our businesses.

Our new minority partner will be Bill Cameron, through his American Fidelity Corporation (AFC). This is the same company that owns First Financial Group, that is a part of our 125 Coop services (they provide the third party administration services). AFC has the ability to provide us with capital for greater growth in expanding our business, particularly into more states outside of Texas. This should benefit our Region 4 relationship. Attached is a description of the changes.

Upon approval of this notice, the awarded contract holder and/or subsequent assignee agree to and understand the following principles: Neither of these changes will affect our contract with OMNIA Partners nor our responses to the most recent RFP.

i. **Contract holder reference.** If the contract holder undergoes a merger, acquisition, or partial assignment, in which case they still maintain the contract, then all transactions made under the existing contract number (including purchase orders) must reference the name of the awarded contract holder. The exception to this requirement is if the contract holder no longer holds the contract or if the company has been acquired by another company and undergone a name change. Notice of the authorized name change, to the existing contract, must be provided and approved by Region 4.



In instances where the contract holder has acquired a separate and distinct company, and it is necessary to designate those certain purchases facilitated by the non-contract holder, then this designation may be made if, and only if, the contract holder is also referenced on the transaction.

ii. **Maintenance of records.** Both the awarded contract holder and subsequent assignee agree to remain responsible for maintaining all auditable records, including documents kept in the ordinary course of business and sales invoices, related to National IPA and/or contract number pursuant to the statutory requirements identified in the vendor contract.

iii. **Payments.** Both the awarded contract holder and subsequent assignee agree that all payments made by participating entities must be made directly to the contract holder, unless otherwise approved by Region 4. Accordingly, both parties acknowledge that in instances where it is necessary to designate the purchases facilitated by assignee, that the contract holder must also be referenced on the purchase order.

iv. **Handling of Proprietary and/or Confidential Information.** In accord with the terms of the contract, both awarded vendor and assignee agree that at all times it will hold in strict confidence and not disclose to any third party Confidential and/or Proprietary information of Region 4, except as approved in writing by Region 4, and will use the Confidential Information for no purpose other than providing services under contract number R180801 Both awarded vendor and assignee shall only permit access to Confidential Information to those of its employees or authorized representatives having a need to know and who have signed confidentiality agreements or are otherwise bound by confidentiality obligations at least as restrictive as those contained herein.

This document is to be construed in strict accordance with the terms and conditions outlined in the Region 4/vendor master agreement referenced herein. Both awarded vendor and assignee agree to uphold the vendor obligations set forth in the vendor agreement. This Agreement will become effective when signed by all parties.

AGREED AND ACCEPTED AS OF THE DATE FIRST SET FORTH ABOVE:

Company name of awarded vendor
TCG Consulting, LP

Official name of assigned or added company
NA - there is no assigned or added company
TCG Consulting and its majority owners
will still control the contract

DocuSigned by:
BY Mike Cochran
AC8D9ED7CC51498...

BY: _____

NAME: Mike Cochran

NAME: _____

TITLE: Partner, Chairman of Board

TITLE: _____

Region 4 Education Service Center

DocuSigned by:
BY Robert Zingelmann
0B1D33BB0130490...
Robert Zingelmann

NAME: _____

TITLE: CFO

DATE: 11/21/2019 | 5:17 AM PST

SUMMARY OVERVIEW

AMERICAN FIDELITY CORPORATION MINORITY PURCHASE OF TCG GROUP HOLDINGS

- TCG has experienced rapid growth in the 20 years since it's founding. At each level of growth, the company has Evolved and made positive changes (talent additions, training, capital investments, expansion into new lines of business, etc.).
- During the past 10 years, TCG has consistently brought in new partners/investors. Examples include David Friedman, Chuck Riley, and Jeff Montgomery. Also, during the same time frames, new partners like Jaime Barraza, Karen Corr, Scott Hauptmann, and Chris Jamail were added. The current transaction is another example of bringing in a minority investor and partner to add value and expand growth opportunities. This time, the new partner will provide perpetual stability to TCG because it is a corporation and not an individual.
- John Pesce and the other five TCG operating partners own majority control of TCG. This will NOT change after the AFC purchase, which is scheduled for March, 2020.
- **All partners and employees working for TCG today will continue with the company after the March 2020 minority investment by American Fidelity Corporation. Further, no one's employment is planned to change as part of this strategic partnership, with this exception: We believe there will be a bigger playing field and more career opportunities for our employees.**
- TCG is welcoming a new minority investor at this time for the following reasons:
 - Due to rapid growth, TCG can invest more capital into its business to better serve all clients and, to hire new talent and develop new technology solutions
 - TCG is familiar with AFC, and has already done different types of business with the organization – TCG has positive relationships with AFC and its leaders
 - This minority investment Opens New Doors to additional sales, support (such as in the legal and technology security areas) and growth markets – AFC's business is complimentary to TCG's (for example, AFC is in banking and TCG is not)
 - This transaction will strengthen TCG, by providing long term stability and a stable institutional partner – and over the next 5 to 15 years, as some partners naturally retire, etc., this transaction provides for Stability and smooth Succession
 - Scale and Size matter more than ever in the marketplace – the big are getting bigger – this is a thoughtful way for TCG to get much bigger
 - There are many cross-sale opportunities within AFC – much of what TCG does is not done by AFC and thus we can sell to their many thousands of clients
- **There will be no changes to our service to all of our clients. We will remain in the existing lines of business we are in, and expand into select new ones.**

- TCG has just renewed its lease for 9 years in the current space, AND will be expanding into new space on the same floor next July.
- WE ARE EXCITED TO ANNOUNCE A NAME CHANGE FOR THE COMPANY – This name change better reflects the breadth of our business, and our Evolution. On January 1, 2020, TCG will become Trusted Capital Group – but will still use the same acronym “TCG”. We view this moment in TCG’s history as a Positive Transformation.

YOU MAY GET QUESTIONS FROM CLIENTS – AND THESE TALKING POINTS ARE INFORMATION YOU CAN USE TO ANSWER ANY QUESTIONS. HOWEVER, IF THERE ARE ANY SUBSTANTIAL QUESTIONS FROM CLIENTS, OR THE MEDIA, OR ANY THIRD PARTY – DIRECT THE PARTY TO A PARTNER IMMEDIATELY. FOR ANY QUESTIONS THAT CAN NOT BE ANSWERED BY THESE TALKING POINTS, PLEASE REFER THE PERSON ASKING TO A PARTNER.

THIS DOCUMENT IS FOR INTERNAL USE ONLY, AND IS CONFIDENTIAL. DO NOT DISTRIBUTE TO ANY THIRD PARTIES



November 18, 2019

To: Robert Zingelmann, CFO – ESC Region 4
From: Mike Cochran, TCG Consulting, LP

RE: Contract #R180801

Dear Robert,

Thank you for your continuing relationship with TCG Group Holdings, LLP and its subsidiaries (collectively “*TCG Group*”). Because of trusted relationships with clients like you over the past 20 years, TCG has grown and evolved into one of the nation’s largest privately held financial services companies.

TCG Group has reached a positive milestone in our history and we are planning for our future. As part of our strategic planning, we intend to change our name and optimize our structure, to bring more resources to our clients and to reflect the larger scope of our business. The new name - “Trusted Capital Group” (“TCG”) - better represents TCG Group’s broad position as a trusted advisor to its clients. Our reorganization and evolution will not change our unwavering commitment to our clients and their employees. We will maintain our steadfast commitment to financial education and transparent, low cost financial solutions. At this transformational moment, TCG will be investing more capital into its business and deploying more personnel to serve its valued clients.

TCG’s goal is to evolve, as the marketplace has, to deliver best in class services and solutions. With this evolution and due to continued growth, TCG will be forming new operating subsidiaries (the “Subsidiaries”) under a reorganized structure. Certain assets and liabilities of TCG Group will be transferred to and assumed by the Subsidiaries, including client contracts and existing personnel. TCG Group and its partners will continue to own a majority interest in TCG and we plan to bring in American Fidelity Corporation (“AFC”) as a minority interest owner during the first quarter of 2020. Our existing personnel, location, and service will not change with the reorganization.

Based on TCG’s rapid growth, and increasing investment in the future, this growth transformation will include:

- More investments in technology, people, and capabilities
- Greater investments in compliance to deal with the changing regulatory and legal landscape
- Formation of the Subsidiaries
- Assignment of all current client agreements to those Subsidiaries
- An increased commitment by the TCG Partners to put capital into the business, including through adding AFC as a strategic minority investor
- Greater responsibilities and exposure for our large, young, and talented management team
- New products and services, and a new broader and more descriptive company name

Each TCG Partner will remain with the business. You should notice no changes in service or personnel, or in our senior leadership team. This reorganization will not affect our operating relationship with our valued clients.

We are contacting certain of our customers to provide notification of the changes discussed above and to confirm your consent to the assignment of each your contracts to the Subsidiaries, as provided below. For your



convenience, we have listed each contract you have with members of TCG Group and the identity of each Subsidiary which will be responsible for performance as the recipient of the assignment after the reorganization.

Name of Contract	Subsidiary (Assignee)
Region 4 ESC - Employee Benefits and Retirement Enrollment Administrative Services – Contract #R180801	TCG Administrative Services TCG Advisory Services TCG Consulting Services Cypher Security Services

We request that you sign and return this letter as acknowledgement of the foregoing.

We are excited for the future, and grateful for the past and all of the relationships we value so highly.

Please acknowledge your agreement to the terms of this letter by signing below and returning the signed copy by no later than **December 20, 2019, to Mike Cochran or Chris Jamail** of TCG, by fax at (888) 989-9247 or by e-mail to agoluba@tcgservices.com.

Please feel free to call me any questions or concerns.

Sincerely,

TCG Group Holdings, LP

DocuSigned by:
 By Mike Cochran
 AC8D9ED7CC51498...
 Partner (Title)

ACCEPTED AND AGREED:

DocuSigned by:
Robert Zingelmann
 Signature

Robert Zingelmann

Printed Name

CFO

Title (if signing on behalf of an Entity)