

**Composite Exhibit C – Copy of D&O Notice**



*From the Desk of*  
**Danielle Pellegrin**  
**Chief Legal Officer**  
m (504) 315-8989  
dpellegrin@cs-bankruptcy.com

December 14, 2017

**VIA FEDERAL EXPRESS**

Joseph Alosa  
286 South Street  
Concord, NH 03301

RE: Notice of Claims to Insurers XL Specialty Insurance Company (Policy number ELU147983-16) and HCC Specialty Insurance Company (Policy number 14-SMG-16-A5513) relating to COPsync, Inc. Policy Period: December 18, 2016-17 (the "Policies")

Dear Sir or Madam,

The undersigned is the Chief Legal Officer of COPsync, Inc. ("COPsync" or the "Debtor"), an insured under the above-captioned policies. I write to inform you of potential claims and causes of action which may be asserted against you arising from your tenure as officer and/or director of COPsync.

On September 29, 2017, COPsync filed a voluntary petition for reorganization under Chapter 11 of the United States Bankruptcy Code in Case No. 17-12625 on the docket of the United States Bankruptcy Court for the Eastern District of Louisiana. The Debtor expects to file a Plan of Liquidation calling for creation of a Liquidation Trust (or like entity) and the appointment of a Liquidation Trustee to administer and liquidate the Debtor's remaining assets, including, but not limited to, all claims and causes of action against any and all officers and directors listed below. Alternatively, the case could be converted to a Chapter 7 proceeding, which would result in appointment of a Chapter 7 Bankruptcy Trustee to administer and liquidate the assets comprising the Bankruptcy Estate, including all such claims and causes of action.

As a result of investigation following COPsync's filing for Chapter 11 protection, the Debtor has learned of the following Wrongful Acts by COPsync's former officers and directors:

- COPsync's officers and directors, individually and collectively, breached their duties of good faith, care, and loyalty to the company and other legal duties owed to the company by, among others, the following acts and omissions, which were committed either recklessly or with gross negligence:
  - i. Failure to implement, maintain, and oversee appropriate financial controls and accounting, including, but not limited to, ensuring timely collection of receivables;

COPsync™ (COYN) Headquarters: 400 Poydras Street, Suite 2100, New Orleans, Louisiana 70130  
P.O. Box 802108, Dallas, Texas 75380-2108  
[www.COPsync.com](http://www.COPsync.com)

COMPOSITE EXHIBIT "C"

- ii. Causing COPsync to enter into contracts and transactions with persons related to or affiliated with officers and directors of COPsync;
  - iii. Issuing false or misleading financial statements and information;
  - iv. Failure to install management having the knowledge, competency, and expertise necessary to discharge their respective duties and obligation and gross mismanagement of the Debtor;
  - v. Manipulating and misstating COPsync's financial statements and reports to overstate assets and profitability;
  - vi. Undertaking contractual obligations that officers and directors knew or should have known COPsync could not perform including sales agreements for products the company did not offer and never developed, and exposing the company to claims for substantial damages;
  - vii. Undertaking contractual obligations that officers and directors knew or should have known would not provide any economic benefit to the company;
  - viii. Waste and diversion of assets;
  - ix. Failure to undertake any meaningful efforts to restructure as COPsync entered the zone of insolvency;
  - x. Retaining employees on the basis of nepotism and employing persons related to officers and directors who received compensation but provided no corresponding services;
  - xi. Possibly violating provisions of federal and state law including the Securities Act, Securities Exchange Act, Rule 10b-5 of the Securities and Exchange Commission, and rules of state securities regulators or self-regulatory organizations.
  - xii. Failure to fulfill obligations to employees and incurring related liabilities to these employees and United States Department of Labor.
- COPsync's officers and directors, and each of them, breached their duties of good faith, care, and loyalty by mismanaging or interfering in the bidding process for the sale of Debtor's assets to a third party.
  - COPsync's officers and directors, and each of them, breached their duties of good faith, care, and loyalty by actively engaging in and/or negligently failing to prevent COPsync from engaging in improper and wasteful business practices, including, but not limited to,

securing accommodations from vendors and/or payees by promising future equity transfers.

COPsync believes the above-referenced acts and omissions, as well as other acts and omissions, constitute Wrongful Acts under the Policies, and give rise to Claims by the Debtor and its bankruptcy estate against COPsync's former officers and directors. These Claims include, but are not limited to, the following causes of action: (1) breach of the fiduciary duties of care, loyalty, and good faith; (2) aiding and abetting breach of such fiduciary duties; (3) usurpation of corporate opportunity; (4) corporate waste and (5) any and all claims which may be asserted under Chapter 5 of the United States Bankruptcy Code.

COPsync further believes that various acts and omissions of officers and directors constituting Wrongful Acts may give rise to claims, demands and causes of action by persons who acquired securities issued by the Debtor including without limitation, claims asserting violations of provisions of various State Blue Sky Laws, the Securities Act, the Securities Exchange Act, and rules and regulations of the Securities and Exchange Commission, state securities regulators, and self-regulatory organizations.

Please be advised that the Debtor's analysis of acts and omissions constituting Wrongful Acts is in a preliminary stage and has been handicapped by the facts that (i) most employees, officers, and directors have terminated any relationship with the Debtor; (ii) current management of COPsync has only been in place for the past few months and has been principally focused on planning and conducting the Chapter 11 case; and (iii) the press of other obligations as debtor in possession has substantially impaired the Debtor's ability to conduct a comprehensive investigation of possible Wrongful Acts. The analysis is continuing and COPsync expressly reserves the right to amend and supplement this Notice.

The Debtor has not calculated the damages or other consequences of the Wrongful Acts outlined above, but believes that its damages are substantial.

COPsync believes, and hereby advises you that you do or should qualify as an Insured under director and officer insurance policies purchased by COPsync and identified as (i) XL Specialty Insurance Company, Policy No. ELU147983-16 and (ii) HCC Specialty Insurance Company, Policy No. 14-SMG-16-A5513. Please note that both policies are claims made policies and the deadline for providing notice of claims is December 18, 2017. COPsync has provided notice of potential claims against you to both insurers and copies of that correspondence is enclosed. We further urge you to give notice to each insurer that you have been apprised of potential claims against you and assert any and all rights you may have with respect to both policies. The addresses and email addresses for the insurers are as follows:

**HCC Specialty Insurance Company**  
Claims Manager  
Tokio Marine HCC – D&O Group  
8 Forest Park Drive  
Farmington, CT 06032  
[usclaims@tmhcc.com](mailto:usclaims@tmhcc.com)

**XL Professional Insurance**  
Attention: Claim Department  
100 Constitution Plaza, 17th Floor  
Hartford, CT 06103  
[proclaimnewnotices@xlcatalin.com](mailto:proclaimnewnotices@xlcatalin.com)

Sincerely yours,

COPsync, Inc.

  
Danielle L. Pellegrin  
Chief Legal Officer

DLP/  
Enclosure



*From the Desk of*  
**Danielle Pellegrin**  
**Chief Legal Officer**  
m (504) 315-8989  
dpellegrin@cs-bankruptcy.com

December 14, 2017

VIA E-MAIL <[usclaims@tmhcc.com](mailto:usclaims@tmhcc.com)>

Claims Manager  
Tokio Marine HCC – D&O Group  
8 Forest Park Drive  
Farmington, CT 06032

RE: Insurer: HCC Specialty Insurance Company  
Company: COPsync, Inc.  
Policy No.: 14-SMG-16-A5513  
Policy Period: December 18, 2016-17

Dear Sir or Madam,

The undersigned is the Chief Legal Officer of COPsync, Inc. (“COPsync” or the “Debtor”), an insured under the above-captioned policy.

On September 29, 2017, COPsync filed a voluntary petition for reorganization under Chapter 11 of the United States Bankruptcy Code in Case No. 17-12625 on the docket of the United States Bankruptcy Court for the Eastern District of Louisiana. The Debtor expects to file a Plan of Liquidation calling for creation of a Liquidation Trust (or like entity) and the appointment of a Liquidation Trustee to administer and liquidate the Debtor’s remaining assets, including, but not limited to, all claims and causes of action against any and all officers and directors listed below. Alternatively, the case could be converted to a Chapter 7 proceeding, which would result in appointment of a Chapter 7 Bankruptcy Trustee to administer and liquidate the assets comprising the Bankruptcy Estate, including all such claims and causes of action.

Pursuant to CONDITION (B)(3) of the above-referenced insurance policy (the “Policy”), please regard this letter as written notice by and/or on behalf of COPsync,<sup>1</sup> its past and present officers and directors, including Ronald Woessner, Russell Chaney, Shane Rapp, Joel Hochberg, Robert Harris, Luisa Ingargiola, Brian Tuskan, Ward Leber, Joe Alosa, Brad Powers, Phil Anderson, Barry Wilson, Cesar D’Onofrio, Larry Schafran and anyone else who may be deemed an Insured Person under the Policy, to HCC Specialty Insurance Company of the following Wrongful Acts, the damages resulting therefrom, the potential claimants, and the circumstances by which they first became aware of such Wrongful Acts.

<sup>1</sup> COPsync gives such notice in its own right and as debtor-in-possession, which, under 11 U.S.C. § 1007, authorizes it to exercise the rights, and perform the functions and duties, of a bankruptcy trustee.

As a result of investigation following COPsync's filing for Chapter 11 protection, the Debtor has learned of the following Wrongful Acts by COPsync's former officers and directors:

- COPsync's officers and directors, individually and collectively breached their duties of good faith, care, and loyalty to the company and other legal duties owed to the company by, among others, the following acts and omissions, which were committed either recklessly or with gross negligence:
  - i. Failure to implement, maintain, and oversee appropriate financial controls and accounting, including, but not limited to, ensuring timely collection of receivables;
  - ii. Causing COPsync to enter into contracts and transactions with persons related to or affiliated with officers and directors of COPsync;
  - iii. Issuing false or misleading financial statements and information;
  - iv. Failure to install management having the knowledge, competency, and expertise necessary to discharge their respective duties and obligation and gross mismanagement of the Debtor;
  - v. Manipulating and misstating COPsync's financial statements and reports to overstate assets and profitability;
  - vi. Undertaking contractual obligations that officers and directors knew or should have known COPsync could not perform including sales agreements for products the company did not offer and never developed, and exposing the company to claims for substantial damages;
  - vii. Undertaking contractual obligations that officers and directors knew or should have known would not provide any economic benefit to the company;
  - viii. Waste and diversion of assets;
  - ix. Failure to undertake any meaningful efforts to restructure as COPsync entered the zone of insolvency;
  - x. Retaining employees on the basis of nepotism and employing persons related to officers and directors who received compensation but provided no corresponding services;

- xii. Failure to warn obligations to employees and incurring related liabilities to these employees and United States Department of Labor.
  - xi. Possibly violating provisions of federal and state law including the Securities Act, Securities Exchange Act, Rule 10b-5 of the Securities and Exchange Commission, and Rules of state securities regulations on self-regulatory organizations.
- COPsync's officers and directors, and each of them, breached their duties of good faith, care, and loyalty by mismanaging or interfering the bidding process for the sale of Debtor's assets to a third party.
  - COPsync's officers and directors, and each of them, breached their duties of good faith, care, and loyalty by actively engaging in and/or negligently failing to prevent COPsync from engaging in improper and wasteful business practices, including, but not limited to, securing accommodations from vendors and/or payees by promising future equity transfers.

COPsync believes the above-referenced events, as well as other acts and omissions, constitute Wrongful Acts under the Policy, and therefore give rise to Claims by the Debtor and its bankruptcy estate against the officers and directors. These Claims include, but are not limited to, the following causes of action: (1) breach of the fiduciary duties of care, loyalty, and good faith; (2) aiding and abetting breach of such fiduciary duties; (3) usurpation of corporate opportunity; (4) corporate waste and (5) any and all claims which may be asserted under Chapter 5 of the United States Bankruptcy Code.

COPsync further gives notice that various acts and omissions of officers and directors constituting Wrongful Acts may give rise to claims, demands and causes of action by persons who acquired securities issued by the Debtor including without limitation, claims asserting violations of provisions of various State Blue Sky Laws, the Securities Act, the Securities Exchange Act, and rules and regulations of the Securities and Exchange Commission, state securities regulators, and self-regulatory organizations.

Please be advised that the Debtor's analysis of acts and omissions constituting Wrongful Acts is in a preliminary stage and has been handicapped by the facts that (i) most employees, officers, and directors have terminated any relationship with the Debtor; (ii) current management of COPsync has only been in place for the past few months and has been principally focused on planning and conducting the Chapter 11 case; and (iii) the press of other obligations as debtor in possession has substantially impaired the Debtor's ability to conduct a comprehensive investigation of possible Wrongful Act. The analysis is continuing and COPsync expressly reserves the right to amend and supplement this Notice.

The Debtor has not calculated the damages or other consequences of the Wrongful Acts outlined above, but believes that its damages are substantial.

COPsync and its past and present officers and directors, including Ronald Woessner, Russell Chaney, Shane Rapp, Joel Hochberg, Robert Harris, Luisa Ingargiola, Brian Tuskan, Ward Leber, Joe Alosa, Brad Powers, Phil Anderson, Barry Wilson, Cesar D'Onofrio, Larry Schafran and anyone else who may be deemed an Insured Person under the Policy, and each of them, hereby provide written notice and the officers and directors request coverage under the



Policy, more particularly, Policy No. ELU147983-16, for any and all subsequently resulting Claims for any of the Wrongful Acts described in this letter and/or any related Wrongful Acts. The undersigned is authorized to make this request on behalf of COPsync and all such officers, directors, and other persons.

Kindly acknowledge both receipt of this letter and coverage under the Policy for all such subsequently resulting Claims. Thank you for your cooperation.

With kind regards, I remain

Sincerely yours,

COPsync, Inc.



Danielle L. Pellegrin  
Chief Legal Officer

DLP  
Enclosure

Cc:

Ronald Woessner 5108 Pinehurst Dr. Frisco, TX 75034  
Russell Chaney 1617 Shady Hollow, New Braunfels, TX 78132, USA  
Shane Rapp P.O. Box 1424, Canyon Lake, TX 78133  
Joel Hochberg 1930 Harrison Street Suite 302, Hollywood, FL 33020  
Robert Harris 2831 Palmer Highway, Texas City, TX 77590  
Luisa Ingargiola 930 Florida Ave, Palm Harbor, FL 34683  
Brian Tuskan 4012 148th St. SE Suite #11 Mill Creek, WA 98012  
Ward E Leber 4626 Tarantella Ln, San Diego, Ca 92130  
Joe Alosa 286 South Street Concord, NH 03301  
Brad Powers 325 North End Ave, PHD, New York, NY 10282  
Phil Anderson 60 W. 23<sup>rd</sup> Street Apt 601, New York, NY 10010  
Barry Wilson 804 Woodridge Dr., Fort Worth, TX 76120  
Cesar D'Onofrio c/o Making Sense, LLC, 401 E. Houston Street, San Antonio, TX 78205  
Larry Schafran lgschafran@schafran.com



*From the Desk of*  
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December 14, 2017

VIA E-MAIL <[proclaimnewnotices@xlcatlin.com](mailto:proclaimnewnotices@xlcatlin.com)>

XL Professional Insurance  
Attention: Claim Department  
100 Constitution Plaza, 17th Floor  
Hartford, CT 06103

RE: Insurer: XL Specialty Insurance Company  
Company: COPsync, Inc.  
Policy No.: ELU147983-16  
Policy Period: December 18, 2016-17

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Pursuant to Section VI. GENERAL CONDITIONS, sub-section (A) NOTICE, of the above-referenced insurance policy (the “Policy”), please regard this letter as written notice by and/or on behalf of COPsync,<sup>1</sup> its past and present officers and directors, including Ronald Woessner, Russell Chaney, Shane Rapp, Joel Hochberg, Robert Harris, Luisa Ingargiola, Brian Tuskan, Ward Leber, Joe Alosa, Brad Powers, Phil Anderson, Barry Wilson, Cesar D’Onofrio, Larry Schafran and anyone else who may be deemed an Insured Person under the Policy, to XL Specialty Insurance Company of the following Wrongful Acts, the damages resulting therefrom,

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Policy, more particularly, Policy No. ELU147983-16, for any and all subsequently resulting Claims for any of the Wrongful Acts described in this letter and/or any related Wrongful Acts. The undersigned is authorized to make this request on behalf of COPsync and all such officers, directors, and other persons.

Kindly acknowledge both receipt of this letter and coverage under the Policy for all such subsequently resulting Claims. Thank you for your cooperation.

With kind regards, I remain

Sincerely yours,

COPsync, Inc.

  
Danielle L. Pellegrin  
Chief Legal Officer

DLP/  
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Cc:

Ronald Woessner 5108 Pinehurst Dr. Frisco, TX 75034  
Russell Chaney 1617 Shady Hollow, New Braunfels, TX 78132, USA  
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Robert Harris 2831 Palmer Highway, Texas City, TX 77590  
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Brian Tuskan 4012 148th St. SE Suite #11 Mill Creek, WA 98012  
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Joe Alosa 286 South Street Concord, NH 03301  
Brad Powers 325 North End Ave, PHD, New York, NY 10282  
Phil Anderson 60 W. 23<sup>rd</sup> Street Apt 601, New York, NY 10010  
Barry Wilson 804 Woodridge Dr., Fort Worth, TX 76120  
Cesar D'Onofrio c/o Making Sense, LLC, 401 E. Houston Street, San Antonio, TX 78205  
Larry Schafran lgschafran@schafran.com