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PLEASE VERIFY BEFORE SENDING

Unverified AI draft. Every fact must be checked against the records before use. It is not legal advice. Fill in every [ADD: …] placeholder, set the demand amount, confirm anything marked [VERIFY], and delete this box before sending.

- 2 citations could not be confirmed against the uploaded files (wrong page, or an amount or date not found on that page). They are marked [VERIFY: citation not confirmed].
- Only a one-page excerpt of the agreement was provided. Check every quotation against the full agreement, including the notice provision, any payment deadline for the Section 2.4 adjustment, Schedule 1.1 (Accounting Principles), the full Schedule 2.6 (shown as "partial"), the Escrow Agreement's release terms, and any forum clause.
- The Buyer's revenue detail is described as "page 3," but buyer_statements.pdf has one page. It is cited here as p.1.
- The Bellwood Strand report figures are used as read ($7,420,000 + $512,000 + $378,000 = $8,310,000). Confirm the arithmetic. The Halvorsen Insights LLC invoices were not in the file, and the report does not say it applied Schedule 1.1.
- The March 6, 2026 Objection Notice was addressed to Gordon Ashby, not the general counsel. Confirm it was properly delivered under the agreement's notice terms and that Mr. Mehra's Seller Representative authority is documented. Decide whether this letter should also serve as notice under Section 2.7.
- Payment status ("No payment received as of April 2, 2026") must be reconfirmed as of the letter date. The March 15, 2026 payment date in Section 2.6(c) has passed.
- The sources contain no evidence of the Buyer's purpose in migrating the contracts. The letter only reserves rights under Section 2.6(d). Mr. Ashby's email calls the migration "a normal business decision."
- Confirm whether the working-capital excess falls within the Section 2.7 dispute process. The Buyer has not disputed the amount but has deferred payment.
- The [VERIFY] items on New Jersey law (implied covenant of good faith, prejudgment interest) need attorney review. No statutes or cases were cited.
- Placeholders to complete: date, delivery method, firm address, general counsel's name, Buyer's ZIP code, demand amount and response deadline. Set the deadline with the April 30, 2026 submission date in Section 2.7 in mind.

Castellane Rook LLP
[ADD: firm street address]
[ADD: city, state ZIP]
[ADD: phone] · [ADD: email]

[ADD: date]

VIA [ADD: delivery method]

[ADD: general counsel name], General Counsel
Halvorsen Data Group Inc.
1200 Meridian Crest Avenue
Lakeport Heights, New Jersey [ADD: ZIP]

Re: Demand for Earn-Out Payment and Working Capital Adjustment, Membership Interest Purchase Agreement dated December 16, 2024, Sanjay Mehra, Seller Representative

Dear [ADD: general counsel name]:

Introduction

We represent Sanjay Mehra as Seller Representative for the former members of Pinecrest Analytics LLC (the "Sellers") [firm notes]. This letter concerns the Membership Interest Purchase Agreement dated December 16, 2024 (the "Agreement") between the Sellers, acting through Mr. Mehra, and Halvorsen Data Group Inc. ("Halvorsen" or the "Buyer"). The Closing Date was January 2, 2025 [purchase_agreement_excerpt.pdf p.1].

The Sellers are owed the Earn-Out Payment under Section 2.6 and the working-capital excess under Section 2.4. Neither has been paid. We write to demand payment or, failing that, to confirm that the disputed items will be submitted to the Independent Accountant under Section 2.7.

The agreement

Working capital. Section 2.4 sets a Target Net Working Capital of $1,250,000 and provides: "If Closing Net Working Capital in the Final Closing Statement exceeds the Target, Buyer shall pay the excess to Sellers." [purchase_agreement_excerpt.pdf p.1] [VERIFY]

Earn-out. Section 2.6(a) provides that the Buyer "shall pay Sellers $1,500,000 (the 'Earn-Out Payment') if Company Revenue for the period January 1, 2025 through December 31, 2025 equals or exceeds $8,000,000." [purchase_agreement_excerpt.pdf p.1] [VERIFY]

Section 2.6(b) defines Company Revenue as "revenue from the Company's products and from contracts with the customers listed on Schedule 2.6, whether billed by the Company or by Buyer or any Buyer affiliate, determined under the Accounting Principles in Schedule 1.1." [purchase_agreement_excerpt.pdf p.1] [VERIFY] Schedule 2.6 lists Tolliver Regional Health, Brookmont Insurance Group and Coastal Grid Utilities [purchase_agreement_excerpt.pdf p.1] [VERIFY].

Section 2.6(c) requires the Buyer to deliver an Earn-Out Statement on or before February 15, 2026 and to pay any Earn-Out Payment on or before March 15, 2026 [purchase_agreement_excerpt.pdf p.1] [VERIFY].

Section 2.6(d) provides: "Buyer shall not take any action with the primary purpose of avoiding or reducing the Earn-Out Payment." [purchase_agreement_excerpt.pdf p.1] [VERIFY]

What happened

- On March 28, 2025, the Buyer delivered its Final Closing Statement showing Closing Net Working Capital of $1,336,400 against the $1,250,000 Target, an excess of $86,400. The statement says: "Payment of the excess will be made with the Earn-Out settlement." [buyer_statements.pdf p.1]
- On February 13, 2026, the Buyer delivered its Earn-Out Statement for January 1 through December 31, 2025. It reports platform subscriptions of $5,880,000 and professional services of $1,540,000, for Total Company Revenue of $7,420,000 against the $8,000,000 threshold, and states an Earn-Out Payment due of $0. It is signed by Gordon Ashby, Chief Financial Officer [buyer_statements.pdf p.1].
- Footnote 3 of the Earn-Out Statement states that, effective July 1, 2025, the Brookmont Insurance Group and Coastal Grid Utilities contracts "were migrated to Halvorsen Insights LLC, a Buyer affiliate, and billed on Halvorsen paper." It states that revenue from those contracts after July 1, 2025 "is excluded as it is no longer revenue of the Company." [buyer_statements.pdf p.1]
- The Buyer's revenue detail counts Brookmont revenue of $468,000 and Coastal Grid revenue of $341,000, each for January to June 2025 only. The Earn-Out Statement does not state what those two contracts billed after July 1, 2025 [buyer_statements.pdf p.1].
- On March 4, 2026, Theresa Kowal, CPA, of Bellwood Strand Advisory, CPAs reported to the Seller Representative after reviewing the Earn-Out Statement, the Buyer's revenue detail and the Halvorsen Insights LLC invoices to the two migrated customers. The report adds $512,000 for Brookmont and $378,000 for Coastal Grid for July to December 2025, billed by Halvorsen Insights LLC. It calculates Company Revenue of $8,310,000 and an Earn-Out Payment of $1,500,000 [objection_notice_and_report.pdf p.1].
- On March 6, 2026, Mr. Mehra delivered an Objection Notice to the Buyer, attention Mr. Ashby. It objects to the Earn-Out Statement because Footnote 3 excludes revenue from two Schedule 2.6 customers, and Section 2.6(b) counts that revenue "whether billed by the Company or by a Buyer affiliate." It also notes that the $86,400 excess had not been paid [objection_notice_and_report.pdf p.1].
- On March 20, 2026, Mr. Ashby replied: "we see the migration as a normal business decision. We are not in a position to pay the earn-out. We will release the $86,400 when the earn-out dispute is resolved." [objection_notice_and_report.pdf p.1]
- As of April 2, 2026, no payment had been received [objection_notice_and_report.pdf p.1].

The Buyer's own statement identifies Halvorsen Insights LLC as a Buyer affiliate and describes the Brookmont and Coastal Grid contracts as billed on its paper. Section 2.6(b) counts revenue from Schedule 2.6 customers "whether billed by the Company or by Buyer or any Buyer affiliate." On the face of the Agreement, the post-July 1, 2025 billings are Company Revenue.

Amounts owed

Item	Period	Sellers' figure	Buyer's figure	Difference (as read)	Source
Company Revenue as stated by Buyer	Jan 1 to Dec 31, 2025	$7,420,000	$7,420,000	None	buyer_statements.pdf p.1; objection_notice_and_report.pdf p.1
Brookmont Insurance Group, billed by Halvorsen Insights LLC	Jul to Dec 2025	$512,000	Excluded (amount not stated)	$512,000	objection_notice_and_report.pdf p.1; buyer_statements.pdf p.1
Coastal Grid Utilities, billed by Halvorsen Insights LLC	Jul to Dec 2025	$378,000	Excluded (amount not stated)	$378,000	objection_notice_and_report.pdf p.1; buyer_statements.pdf p.1
Company Revenue (total)	Jan 1 to Dec 31, 2025	$8,310,000	$7,420,000	Sum of the two rows above	objection_notice_and_report.pdf p.1; buyer_statements.pdf p.1
Revenue threshold	Jan 1 to Dec 31, 2025	$8,000,000	$8,000,000	None	purchase_agreement_excerpt.pdf p.1; buyer_statements.pdf p.1
Earn-Out Payment	Jan 1 to Dec 31, 2025	$1,500,000	$0	$1,500,000	objection_notice_and_report.pdf p.1; buyer_statements.pdf p.1
Working-capital excess	At closing	$86,400	$86,400 (stated, unpaid)	No difference in amount; $86,400 unpaid	buyer_statements.pdf p.1; objection_notice_and_report.pdf p.1

All figures are as read from the documents. The Sellers' revenue figures are those in the Bellwood Strand report, and we have not recalculated the earn-out independently.

Dispute resolution

Section 2.7 provides that the Seller Representative "may deliver an Objection Notice to Buyer on or before March 31, 2026," that the Buyer and the Seller Representative "shall negotiate in good faith," and that "[a]ny items still disputed on April 30, 2026 shall be submitted to Fairmount Hollis CPAs (the 'Independent Accountant'), whose decision is final and binding." [purchase_agreement_excerpt.pdf p.1] [VERIFY]

The Objection Notice was delivered on March 6, 2026, before the March 31, 2026 date [objection_notice_and_report.pdf p.1] [VERIFY: citation not confirmed]. This letter follows that notice. To the extent any further notice is required under Section 2.7 or the Agreement's notice provision, this letter is also intended as that notice [VERIFY]. The Sellers are prepared to

negotiate in good faith before April 30, 2026. Any items still disputed on that date should be submitted to Fairmount Hollis CPAs.

Section 2.8 provides that $750,000 of the purchase price is held by Garden State Escrow Trust under the Escrow Agreement and "may be applied to amounts owed by either party." [purchase_agreement_excerpt.pdf p.2 is not in the file; see purchase_agreement_excerpt.pdf p.1] [VERIFY: citation not confirmed] [VERIFY] The Sellers reserve the right to look to that escrow to fund any amounts found to be owed.

Demand

On behalf of the Sellers, we demand that Halvorsen pay [ADD: demand amount], representing the Earn-Out Payment under Section 2.6 and the working-capital excess under Section 2.4, by [ADD: response deadline]. The Buyer's statement ties payment of the $86,400 to the earn-out settlement [buyer_statements.pdf p.1], and the Buyer has since said it will release that amount only when the earn-out dispute is resolved [objection_notice_and_report.pdf p.1]. The Agreement excerpt we reviewed contains no condition on the Section 2.4 payment [VERIFY]. The Buyer should pay that amount now.

If the Buyer does not pay by that date, the Sellers will proceed to have all items still in dispute submitted to the Independent Accountant under Section 2.7. Please confirm in writing by [ADD: response deadline] whether the Buyer will pay or will cooperate in engaging Fairmount Hollis CPAs.

The Sellers reserve all rights and remedies under the Agreement and applicable law, including under Section 2.6(d), under any implied covenant of good faith and fair dealing, and as to interest, costs and fees to the extent available. Nothing in this letter waives any right or claim.

State rules

Section 11.9 of the Agreement provides that New Jersey law governs [purchase_agreement_excerpt.pdf p.1] [VERIFY]. The Sellers' position under the implied covenant of good faith is reserved and subject to [VERIFY: New Jersey rule on the implied covenant of good faith in earn-outs]. Any claim for interest is subject to [VERIFY: New Jersey rule on prejudgment interest on contract claims].

Sincerely,

Adrienne V. Castellane
Castellane Rook LLP