

FILED

DEC 07 2022

INSURANCE REGULATION

Docketed by: MP



OFFICE OF INSURANCE REGULATION

DAVID ALTMAIER
COMMISSIONER

IN THE MATTER OF:

CASE NO.: 302119-22-CO

Applications for the Indirect Acquisition of
AMERICAN WATER RESOURCES OF FLORIDA, LLC
and the Direct Acquisition of PIVOTAL HOME SOLUTIONS, LLC
by LAKEHOUSE BUYER INC.

CONSENT ORDER

THIS CAUSE came on for consideration upon the filing by LAKEHOUSE BUYER INC. ("APPLICANT"), with the FLORIDA OFFICE OF INSURANCE REGULATION ("OFFICE") of applications for the approval of the indirect acquisition of 100% of the membership interest of AMERICAN WATER RESOURCES OF FLORIDA, LLC ("AWR"), and the direct acquisition of 100% of the membership interest of PIVOTAL HOME SOLUTIONS, LLC ("PIVOTAL"), pursuant to Section 628.4615, Florida Statutes ("Applications"). Following a complete review of the entire record, and upon consideration thereof, and being otherwise fully advised in the premises, the OFFICE hereby finds as follows:

1. The OFFICE has jurisdiction over the subject matter and the parties herein.
2. APPLICANT has applied for and, subject to the present and continuing satisfaction of the requirements, terms, and conditions established herein, has satisfactorily met all conditions precedent to the granting of approval by the OFFICE of the indirect acquisition of 100% of the membership interest of AWR and the direct acquisition of 100% of the membership interest of PIVOTAL.

3. AWR is a Delaware limited liability company operating as both a Service Warranty Association and a Home Warranty Association in Florida pursuant to Chapter 634, Parts II and III, Florida Statutes, and, as such, is subject to the jurisdiction and regulation of the OFFICE pursuant to the Florida Insurance Code.

4. PIVOTAL is a Delaware limited liability company operating as a Service Warranty Association in Florida pursuant to Chapter 634, Part III, Florida Statutes, and, as such, is subject to the jurisdiction and regulation of the OFFICE pursuant to the Florida Insurance Code.

5. Prior to the transaction that is the subject of this Consent Order, AWR was 100% owned by American Water Resources Holdings, LLC (“AWR Holdings”), a Delaware limited liability company whose membership interest was 100% owned by American Water (USA), LLC (“American Water”), a Delaware limited liability company whose membership interest was 100% owned by American Water Enterprise Holdings, LLC (“Enterprise Holdings”), a Delaware limited liability company whose membership interest was 100% owned by American Water Enterprises, LLC (“AW Enterprises”), a Delaware limited liability company whose membership interest was 100% owned by American Water Works Company, Inc. (“Water Works”), a Delaware corporation whose common voting stock is registered with the United States Securities and Exchange Commission and listed on the New York Stock Exchange (NYSE) under the symbol “AWK”.

6. PIVOTAL was 100% owned by AW Enterprises.

7. APPLICANT is a Delaware corporation which is ultimately controlled by LAKEHOUSE GP, INC. (“LAKEHOUSE”), a Delaware corporation. APPLICANT’s ownership structure is otherwise as disclosed in the Applications.

8. The Applications represent that on October 28, 2021, APPLICANT entered into a Membership Interest Purchase Agreement (“Agreement”) with AW Enterprises, American Water, AWR, PIVOTAL, AWR Holdings, and Water Works. Pursuant to the Agreement, APPLICANT

acquired all of the issued and outstanding common stock of PIVOTAL directly from AW Enterprises and all of the issued and outstanding common stock of AWR Holdings including the issued and outstanding common stock of AWR, directly from American Water, for consideration of \$1,200,000,000 United States Dollars (“Transaction”), before adjustments. On December 9, 2021, the Transaction closed, upon which PIVOTAL and AWR Holdings became 100% owned by APPLICANT, resulting in the additional acquisition of 100% of the membership interest of AWR.

9. If the OFFICE determines that any individual for whom APPLICANT is required to submit background information as part of these Applications, and for whom control has not otherwise been disclaimed, is unacceptable under the Florida Insurance Code, APPLICANT, LAKEHOUSE, AWR, and PIVOTAL will remove said person within 30 days of notice from the OFFICE and replace them with a person or persons acceptable to the OFFICE or shall undertake such other corrective action as directed by the OFFICE. Failure to act would constitute an immediate serious danger to the public and the OFFICE may take administrative action as it deems appropriate upon the Licenses of AWR and PIVOTAL without further proceedings, pursuant to Sections 120.569(2)(n) and 120.60(6), Florida Statutes.

10. APPLICANT and LAKEHOUSE represent that there are no present plans or proposals to make any substantive changes to AWR or PIVOTAL, including liquidating them, selling any of their assets (except for transactions such as investment portfolio transactions in the ordinary course of business), merging or consolidating them with any person or persons, or making any other major change in the business operations, management, or corporate structure of AWR or PIVOTAL.

11. APPLICANT and LAKEHOUSE represent that there are no agreements, written or oral, related to the Applications and the Transaction that have not been provided to the OFFICE.

12. APPLICANT shall submit, or cause to be submitted, to the OFFICE any documents evidencing completion of the Transaction not already provided to the OFFICE.

13. Any prior orders, consent orders, or corrective action plans that AWR or PIVOTAL have entered into with the OFFICE prior to the issuance of this Consent Order shall apply and remain in full force and effect for AWR and PIVOTAL, except where provisions of such orders, consent orders, or corrective action plans have expired; have been superseded by subsequent orders, consent orders, or corrective action plans; or are inconsistent with this Consent Order.

14. APPLICANT, LAKEHOUSE, AWR, and PIVOTAL affirm that all explanations, representations, statements, and documents provided to the OFFICE in connection with these Applications, including all attachments and supplements thereto, are true and correct and fully describe all transactions, agreements, ownership structures, understandings, and control with regard to the acquisition and future operations of AWR and PIVOTAL. APPLICANT, LAKEHOUSE, AWR, and PIVOTAL further agree and affirm that said explanations, representations, statements, and documents, including all attachments and supplements thereto, are material to the issuance of this Consent Order and have been relied upon by the OFFICE in its determination to enter into this Consent Order.

15. Any deadlines, reporting requirements, other provisions, or requirements set forth in this Consent Order may be altered or terminated by written approval of the OFFICE. Such approval must be requested in writing prior to any proposed deviation from the terms of this Consent Order.

16. APPLICANT, LAKEHOUSE, AWR, and PIVOTAL affirm that all requirements set forth herein are material to the issuance of this Consent Order.

17. APPLICANT, LAKEHOUSE, AWR, and PIVOTAL expressly waive a hearing in this matter, the making of findings of fact and conclusions of law by the OFFICE, and all further

and other proceedings herein to which they may be entitled by law or rules of the OFFICE. APPLICANT, LAKEHOUSE, AWR, and PIVOTAL hereby knowingly and voluntarily waive all rights to challenge or to contest this Consent Order in any forum available to them, now or in the future, including the right to any administrative proceeding, state or federal court action, or any appeal.

18. Each party to this action shall bear its own cost and fees.

19. APPLICANT, LAKEHOUSE, AWR, and PIVOTAL agree that, upon execution of this Consent Order by the OFFICE, failure to adhere to one or more of the terms and conditions contained herein, may result, without further proceedings, in the OFFICE suspending, revoking, or taking other administrative action as it deems appropriate upon the Licenses of AWR and PIVOTAL in this state in accordance with Sections 120.569(2)(n) and 120.60(6), Florida Statutes.

20. The parties agree that this Consent Order shall be deemed to be executed when the OFFICE has signed and docketed a copy of this Consent Order bearing the notarized signatures of the authorized representatives of APPLICANT, LAKEHOUSE, AWR, and PIVOTAL.

WHEREFORE, subject to the terms and conditions set forth above, the Applications for the indirect acquisition of 100% of the membership interest of AMERICAN WATER RESOURCES OF FLORIDA, LLC, and the direct acquisition of 100% of the membership interest of PIVOTAL HOME SOLUTIONS, LLC, by LAKEHOUSE BUYER INC., pursuant to Section 628.4615, Florida Statutes, is APPROVED.

FURTHER, all terms and conditions contained herein are hereby ORDERED.

DONE and ORDERED this 7th day of December, 2022.



David Altmaier

David Altmaier, Commissioner
Office of Insurance Regulation

By execution hereof, AMERICAN WATER RESOURCES OF FLORIDA, LLC, consents to entry of this Consent Order, agrees without reservation to all the above terms and conditions, and shall be bound by all provisions herein. The undersigned represents that they have the authority to bind AMERICAN WATER RESOURCES OF FLORIDA, LLC, to the terms and conditions of this Consent Order.

AMERICAN WATER RESOURCES OF FLORIDA, LLC

By: Colleen A. Garrity
Print Name: Colleen A. Garrity
Title: General Counsel
Date: 11/21/22

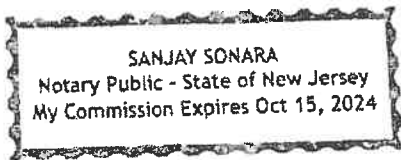
[Corporate Seal]

STATE OF new jersey
COUNTY OF Camden

The foregoing instrument was acknowledged before me by means of physical presence

or online notarization, this 21st day of Nov 2022, by Colleen A Garrity
(name of person)

as Officer for American Water Resources of Florida LLC
(type of authority; e.g., officer, trustee, attorney in fact) (company name)



[Signature]
(Signature of the Notary)
Sanjay Sonara
(Print, Type or Stamp Commissioned Name of Notary)

Personally Known _____ OR Produced Identification

Type of Identification Produced new Jersey Driver License

My Commission Expires: Oct 15, 2024

By execution hereof, PIVOTAL HOME SOLUTIONS, LLC, consents to entry of this Consent Order, agrees without reservation to all the above terms and conditions and shall be bound by all provisions herein. The undersigned represents that they have the authority to bind PIVOTAL HOME SOLUTIONS, LLC, to the terms and conditions of this Consent Order.

PIVOTAL HOME SOLUTIONS, LLC

By: Colleen Garrity

Print Name: Colleen Garrity

Title: General Counsel

Date: 11/15/22

[Corporate Seal]

STATE OF New Jersey
COUNTY OF Burlington

The foregoing instrument was acknowledged before me by means of physical presence
or online notarization, this 15 day of November 2022, by Colleen Garrity
(name of person)
as officer for Pivotal Home Solutions LLC
(type of authority; e.g., officer, trustee, attorney in fact) (company name)

[Signature]
(Signature of the Notary)

(Print, Type or Stamp Commissioned Name of Notary)
Zeynep S. Yilmaz
Notary Public, State of New Jersey
My Commission Expires May 18, 2027

Personally Known _____ OR Produced Identification

Type of Identification Produced DL NJ 6067113461 61754

My Commission Expires: May 18, 2027

By execution hereof, LAKEHOUSE BUYER INC., consents to entry of this Consent Order, agrees without reservation to all the above terms and conditions, and shall be bound by all provisions herein. The undersigned represents that they have the authority to bind LAKEHOUSE BUYER INC., to the terms and conditions of this Consent Order.

LAKEHOUSE BUYER INC.

By: Colleen Garrity

Print Name: Colleen Garrity

Title: General Counsel

Date: 11/15/22

[Corporate Seal]

STATE OF New Jersey

COUNTY OF Burlington

The foregoing instrument was acknowledged before me by means of physical presence

or online notarization, this 15 day of 2022 2022, by Colleen Garrity
(name of person)

as officer for Lakehouse Buyer Inc.
(type of authority; e.g., officer, trustee, attorney in fact) (company name)

[Signature]

(Signature of the Notary)

(Print Name of Notary) ZEYNEP S. YILMAZ
(Type of Public State of Notary) New Jersey
My Commission Expires May 18, 2027

Personally Known _____ OR Produced Identification

Type of Identification Produced DL NJ 606711346161754

My Commission Expires: May 18, 2027

By execution hereof, LAKEHOUSE GP, INC., consents to entry of this Consent Order, agrees without reservation to all the above terms and conditions, and shall be bound by all provisions herein. The undersigned represents that they have the authority to bind LAKEHOUSE GP, INC., to the terms and conditions of this Consent Order.

LAKEHOUSE GP, INC.
By: [Signature]
Print Name: NEDU OTTIIH
Title: DIRECTOR
Date: 12/1/2022

[Corporate Seal]

STATE OF New York
COUNTY OF New York

The foregoing instrument was acknowledged before me by means of physical presence

or online notarization, this 1st day of December 2022, by Nedu Ottih
(name of person)

as Director for Lakehouse GP, Inc.
(type of authority; e.g., officer, trustee, attorney in fact) (company name)

SUSAN CONVERY
Notary Public, State of New York
No. 01CO8176261
Qualified in New York County
Commission Expires April 27, 2024

[Signature]
(Signature of the Notary)

(Print, Type or Stamp Commissioned Name of Notary)

Personally Known OR Produced Identification

Type of Identification Produced _____

My Commission Expires: _____

COPIES FURNISHED TO:

WILLIAM ANDERSON
Meenan Law Firm
300 South Duval Street, Suite 410
P.O. Box 11247
Tallahassee, FL 32301
Telephone: (850) 425-4000
E-mail: william@meenanlawfirm.com

ERIC PALM, PRESIDENT
American Water Resources of Florida, LLC
Pivotal Home Solutions, LLC
American Water Enterprises, LLC
American Water (USA), LLC
1751 West Diehl Road, Suite 200
Naperville, IL 60563
Telephone: (609) 781-6315
E-mail: eric.palm@amwater.com

ASHISH KARANDIKAR, PRESIDENT
Lakehouse Buyer Inc.
Lakehouse GP, Inc.
601 Lexington Avenue, 53rd Floor
New York, NY 10022
Telephone: (212) 753-6300
E-mail: ashish.karandikar@apax.com

ALISON STERETT,
FINANCIAL ADMINISTRATOR
Property & Casualty Financial Oversight
Florida Office of Insurance Regulation
200 East Gaines Street
Tallahassee, FL 32399

COREY HUBBARD,
FINANCIAL EXAMINER/ANALYST
SUPERVISOR
Property & Casualty Financial Oversight
Florida Office of Insurance Regulation
200 East Gaines Street
Tallahassee, FL 32399

RYAN SHAFFER,
FINANCIAL CONTROL ANALYST
Property & Casualty Financial Oversight
Florida Office of Insurance Regulation
200 East Gaines Street
Tallahassee, FL 32399

SHANNON SEAGREAVES, ESQ.
SENIOR ATTORNEY
Florida Office of Insurance Regulation
200 East Gaines Street
Tallahassee, FL 32399
Telephone: (850) 413-4213
Email: michelle.seagraves@flor.com