



September 2, 2025

Mr. ChengWei (Bobbty) Wang
Department of Financial Services
One State Street
New York, New York 10004-1417

Re: Dept. File Number: CSB-2025-01650610 –
Great American Insurance Company Investigation

Dear Mr. Wang:

Thank you for reaching out this afternoon.

This letter confirms that my office is representing Jeffrey Simpson and JJ Arch LLC in relation to this investigation in the Great American Insurance Company's withholding of coverage, which it announced in May 2025 before filing an interpleader action the following month in Index #653208/2025 of the New York Supreme Court.

For background, my firm represents Mr. Simpson in a number of cases, most all fallout from Great American's sudden and improperly noticed withdrawal of coverage admittedly due.

Although the Policy's declarations¹ page refers to Arch Real Estate Holdings LLC (AREH), JJ Arch, and Mr. Simpson specifically, are AREH's legally authorized Managing Member under the governing operating agreements (the AREH Operating Agreement, and JJ Arch Operating Agreement, as amended). Mr. Simpson procured coverage under this authority.

Great American's outside law firm authorized Mr. Simpson's filing for bankruptcy on behalf of JJ Arch LLC, including an email stating "Good to go" that day, March 7, 2024. After only three months, after the bankruptcy was filed and schedules and plans were under review, and documents remained due – and despite the fact that JJ Arch, as an entity, must be represented by legal counsel – Great American announced in May 2025 that it would stop funding the bankruptcy. Two weeks later, the Bankruptcy Court issued two adverse rulings, effectively stopping the bankruptcy in its tracks, and remanding the dispute to the Supreme Court in the

¹ The "Policy" refers to Great American's Asset Management Liability Solution Policy, issued as Policy #PEPE246619, and it contains the documents as described in Great American's interpleader complaint, under Index #653208/2024, pending before Justice Cohen. It is commonly referred to as a directors' and officers' (D&O) policy. The coverage at issue is for "costs of defense," which Great American authorized for Mr. Simpson to bring the JJ Arch LLC bankruptcy and defend against litigation filed against him designed to prevent him from doing so.

initial action which Mr. Simpson filed and then removed into bankruptcy – which was required to carry out his obligations as a fiduciary, as at least five law firms advised was necessary.

As early as November 23, 2023, “Great American acknowledge[ed] that Mr. Simpson constitutes an Insured Person and thus an Insured under the Policy.” Ltr. to A. Lyons at 7, Nov. 22, 2023; *id.* at 9 (“We understand that Simpson would be entitled to indemnification from AREH pursuant to the terms of that entity’s LLC Agreement. The Courts have repeatedly affirmed and recognized Mr. Simpson’s exclusive legal standing as JJ Arch’s Managing Member.

Through counsel, Great American sent Simpson or his attorneys at least six emails between December 18, 2023 and March 27, 2024. This includes emailing JJ Arch’s then-bankruptcy counsel, Griffin LLP, “Good to go on our end,” on March 7, 2024. The same day, JJ Arch’s bankruptcy counsel filed a voluntary bankruptcy petition on its behalf, under Mr. Simpson’s authority. *In re JJ Arch*, Case #24-10381 (Bankr. S.D.N.Y. 2024). Email to S. Griffin, Mar. 7, 2024.

On May 29, 2024, however, Great American took the position that it “will have no choice but to file an interpleader and place the remaining Policy proceeds – currently, \$2,105,999.29 – into court, such that the parties with the actual interest therein will have the opportunity to present their case in an open and transparent fashion.” Ltr. to J. Simpson at 1, May 29, 2024.

At the same time, the letter stated: “In light of the impending withdrawal of [bankruptcy counsel Offit Kurman], we recognize that you will need to retain replacement defense counsel. At your earliest convenience, please provide the names of proposed replacements for Great American’s consideration.” Ltr. to J. Simpson at 2, May 29, 2024.

Great American conditioned the continuation of any costs of defense coverage on Simpson granting it a “full release” and agreeing to “split” the remaining disputed funds with his ex-partner, Jared Chassen, for pre-tender claims which he lacked any right to under the documents governing his employment with the Arch Companies. Ltr. to J. Simpson at 2, May 29, 2024 (“Great American will offer the following: in exchange for a full release, it will split the remaining Policy proceeds (subject to a current offset in order to account for incurred but unpaid costs) between you and Mr. Chassen. The current estimate thereof would be approximately \$450,000 (subject to the independent corroboration of amounts that would be appropriately reimbursable to Mr. Chassen).”).

As a further problem, the record reveals that 35 Oak Holdings Ltd. – a non-insured adversary, and the party funding legal counsel not only for itself, but also for Mr. Chassen and AREH – influenced Great American’s decision to discontinue funding Mr. Simpson’s legal representation to carry out the bankruptcy. Ultimately, Great American acceded to Oak’s demands – despite having deemed Oak (itself, and through AREH), an adversary in existing litigation, as a non-insured – that it discontinue Simpson’s cost of defense coverage. Email to N. Kritzer, May 24, 2024 (Oak’s counsel: “Jeff transfers to Oak his equity and managing member role in every ‘JJ [property]’ entity”; “Insurance pays Oak everything remaining under the policy (assuming significant majority of limits remain”; “Jeff/JJ Arch dismisses the bankruptcy; stay

lifted nunc pro tunc on consents and Jeff agrees not to challenge any transactions for which he disputes adequate consents.”).

June 25, 2024 is the day on which Judge John P. Mastando III’s order in the bankruptcy, regarding remand and the lifting of the automatic stay, were made final in the *In re JJ Arch* bankruptcy. Great American filed the interpleader action that day. The day beforehand, JJ Arch’s replacement bankruptcy counsel filed objections to the Bankruptcy Court’s proposed findings of fact and conclusions of law, contemporaneously filing notice of appeal, on those issues.

Mr. Simpson is a man of honor and integrity, and courage to endure the onslaught of attacks against him professionally and personally. That he has been called outspoken is an unfair euphemism for his bold and shrewd leadership, which grew a \$50 million dollar investment into a real estate portfolio with over \$1 billion in assets under management. His unique approach to financing, and a vertically integrated development-to-asset management business model are some of the main distinguishing factors of his road to success. The Arch Companies would have remained intact had Oak not betrayed its guarantees, but most proximately in this instance, had Great American continued to extend the very coverage as it expressly promised multiple times.

The bankruptcy was effectively dismissed on October 11, 2024. *In re JJ Arch*, ECF Dkt. #215, Dismissal Order, Oct. 11, 2024. In the Order, the Court relied in part on Great American’s commencement of an adversary proceeding against Mr. Simpson’s claims to coverage, and those of the bankruptcy counsel who withdrew shortly after it announced depriving them of funds. *Great American Ins. Co. v. AREH LLC*, Case #24-04026 (Bankr. Pro. S.D.N.Y. 2024). *In re JJ Arch*, ECF Dkt. #215, Dismissal Order at 39 n.49.

Jeffrey Simpson is a whistleblower who Great American had an obligation to protect under the Policy and controlling law – and not to cause harm after promising him coverage to carry out the bankruptcy. His claim is not with the insurer’s counsel with whom he regularly spoke, but with its executive leadership in Cincinnati, Ohio, who refused even to meet with us.

Please let me know if there is any information that I can provide which would be helpful in your investigation.

Respectfully,



Benjamin Robert Rajotte, Esq.

Attorneys for JJ Arch LLC and Jeffrey Simpson