

Kim Thorpe, CPA

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Profile

- Experienced executive and former Big Four accounting firm partner with significant leadership accomplishments.
- Results-driven leader who is able to motivate teams and organizations to higher levels of performance.
- Experience includes having played lead roles in numerous successful mergers and acquisitions and capital markets transactions comprising billions of dollars in transaction value.
- Highly skilled in all areas of finance ranging from capital markets and M&A to strategic and financial planning, financial management, financial reporting and controllership, internal controls, governance, and all others.
- Extensive knowledge of U.S. GAAP, SEC reporting and compliance, statutory-basis accounting for insurance companies, tax planning and compliance, and Sarbanes-Oxley Act compliance. *No financial statement restatements, material errors, material internal control weaknesses or negative peer review findings ever.*

Professional Experience

FRUS Capital LLC

Principal and Owner

Jacksonville Beach, FL

February 2013 to Present

- Through FRUS Capital LLC, have provided consulting and advisory services resulting in millions of dollars in savings and added value for clients.

FD Insurance Company

Senior Vice President, Chief Investment Officer

Jacksonville, FL

EVP, COO of Physicians Preferred Insurance Cos. ("PPIC")

February 2009 to February 2013

February 2009 to December 2009

- As the senior operations executive of PPIC, led the highly successful merger transaction on behalf of sellers, in which FD Insurance Company, as the acquirer, doubled in size, profitability and shareowner value.
- As senior VP and chief investment officer of FD Insurance Company, thereafter, achieved 185 bps improvement in investment performance resulting in \$1.3 million of improvement in annual investment income and gains.
- Developed FD Insurance Company's first organization-wide consolidated financial statements, its first detailed consolidated financial projection models and its first captive insurance product offerings.

Real Mortgage Systems, Inc.

Chief Financial Officer, Treasurer and Corporate Secretary

Jacksonville, FL

May 2006 to Feb 2009

- Led substantially all corporate development and finance activities for this start up specialty real estate lending organization; including three successful private equity offerings and the execution of RMS's initial acquisition.

FPIC Insurance Group, Inc. (NASDAQ: FPIC)

Executive Vice President and Chief Financial Officer

Jacksonville, FL

November 1999 to March 2006

- Number two executive who played a significant part in FPIC's turnaround and restoration of financial strength, profitability and investor confidence. Widely recognized and credited for having led transformational changes at FPIC resulting in improvements to profitability from \$0.06 diluted EPS and nil (0%) ROE to \$3.26 diluted EPS and 15% ROE. FPIC's share price improved from \$9.19 to \$34.70. Debt leverage was improved (reduced) from >30% to 15% and FPIC's investment performance was improved nearly 50 bps resulting in approximately \$3.5 million in additional net investment income and gains annually.

Genworth Financial, Inc. (NYSE: GNW; f/k/a GE Financial Assurance)

Senior Vice President, Chief Financial Officer, Lynchburg VA Business Units

Lynchburg, VA

March 1998 to November 1999

- Senior finance executive at one of GE's largest life insurance and annuity businesses with over 1,100 associates, over \$30B in client accounts and revenue of nearly \$2.0 billion. Instrumental in advising the organization through one of its largest acquisitions and, thereafter, successfully helping lead post-acquisition integration and change.
- Successfully completed highly regarded GE training in finance, management and quality (Six Sigma™) processes and techniques. Invited to attend GE's prestigious Global Business Management Course; which is only offered to executives considered to be of high potential.

PricewaterhouseCoopers LLC (f/k/a Coopers & Lybrand LLP)

Partner, Washington D.C.

October 1993 to February 1998

Senior Manager, Jacksonville, FL and Hartford, CT

April 1986 to September 1993

- One of the Firm's top Insurance Partners and co-leader of its Mid-Atlantic insurance practice, which generated annual audit, tax and consulting fees in excess of \$5 million.
- Served as Audit Partner with leadership responsibility for assuring delivery of services of the highest quality to several of the Firm's largest global insurance clients. Consistently delivered outstanding service and value as evidenced by strong client survey results and feedback.
- Instrumental in recruiting, training and development of outstanding professional staff; course writer of the Firm's insurance accounting and audit courses used for training staff nationally and internationally on U.S. GAAP, statutory-basis financial reporting, and auditing standards (U.S. GAAS).
- Selected from among the top insurance professionals throughout the U.S. and awarded the assignment as assistant to the Chairman of the Firm's International Insurance Industry Practice. In this high-profile position, acted as a liaison between the Firm and the FASB, AICPA, SEC, NAIC, and state and international regulatory authorities in insurance accounting, reporting and disclosure, audit and compliance matters. Responsible for development and maintenance of all insurance industry specialized audit tools used by the U.S audit practice. Provided research, issues resolution, marketing, and other support to practice office partners and staff throughout the Firm nationally and internationally.

Deloitte & Touche LLP

Audit Manager, Jacksonville, FL

June 1978 to March 1986

- Audit manager responsible for relationships and service delivery to a diverse portfolio of insurance industry and other clients (insurance, real estate, construction, healthcare, banking, retail, specialty manufacturing, others).
- Audit senior and manager on two of the Firm's largest U.S. stock life insurance company clients.
- Youngest professional at the time to achieve insurance specialist designation by the Firm; selected by the Firm's insurance industry chairman to develop the first specialized internal control and financial statement disclosure questionnaires specifically designed for insurance clients.

Education**University of Florida**

Gainesville, FL

Graduated March 1978

- Bachelor of Science, Business Administration, with honors; major in Accounting.
- Dean's List; Beta Alpha Psi, Accounting Fraternity; Phi Kappa Phi, Honorary Fraternity.

Professional Designations and Other Affiliations

- Certified Public Accountant (Florida).
- American and Florida Institutes of Certified Public Accountants.
- Ocean 21-22 Condominium Association – Board of Directors, President.
- CFO Leadership Council, Member
- Former member of Interested Parties Group, NAIC / AICPA Working Group Project on Adoption of Sarbanes-Oxley Act Requirements for Insurance Companies (2005).
- Physician Insurers Association of America, former member, Regulatory Affairs Committee.
- Former certification as an IMSA Assessor by the American Council of Life Insurers (ACLI).
- Various other community and charitable organizations and events.

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Profile

- Executive and consultant with substantial leadership experience having served in senior finance and operations positions of large and small publicly traded and privately held organizations, and as a partner of an international accounting firm. Experience includes mergers and acquisitions and capital markets transactions numbering in the dozens and comprising billions of dollars in transaction value.
- Excellent communication and interpersonal skills having successfully served on high performance teams in notable global organizations. Results-oriented with an ability to quickly and effectively analyze, translate and present complex information and data for effective problem solving and decision making. Substantial experiences leading and managing complex and challenging projects of all kinds.
- Proven technical skills and extensive knowledge of U.S. GAAP, SEC reporting and compliance, statutory basis accounting for insurance companies, tax planning and compliance, and Sarbanes-Oxley Act compliance. No financial statement restatements, material errors, material internal control weaknesses or negative peer review findings ever.
- Highly qualified to serve as an independent director and an “Audit Committee Financial Expert” under the Sarbanes-Oxley Act and related SEC interpretations.

Position and Experience Highlights

FRUS Capital, LLC Managing Principal – February 2013 to Present

FRUS Capital was formed in February 2013, principally for purpose of establishing consulting and advisory engagements for clients.

- For a group of insurance, financial services and healthcare entities, advised and assisted management in developing and executing growth strategies. Actively participated in capital markets activities, including development and preparation of capital plans, financial models and projections, materials for prospective investors, coordination with financial advisory firms, due diligence, and management road show presentations. The group successfully raised new growth capital during this assignment on two occasions. Instrumental in introducing and recruiting several senior executives, professional firms and representatives now serving this organization.
- Engaged by a newly formed specialty personal lines insurance group to develop its initial statutory and GAAP financial statements. Assisted the client in developing new systems and processes for administering individual policies, premiums and claims, and other transactions. Developed the general ledger chart of accounts and reinsurance subsidiary ledgers in support of this client’s comprehensive catastrophic reinsurance program. Advised the client on significant accounting, reporting, internal control, regulatory compliance and governance and tax related matters.
- Engaged by a surety insurance company to prepare its annual and quarterly statutory filings submitted to state insurance regulators. Assisted this client in reaffirming its secure A. M. Best rating, including participation in the annual review meeting with Best on behalf of our client. Also, helped management substantially improve the Company’s accounting and reporting processes for its reinsurance treaties, investments and other areas.
- Engaged by a large healthcare facility and physician group to conceptualize and design a new captive insurance program aimed at accomplishing specific goals and objectives of the client. Analyzed the

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underlying risks and opportunities, led all design, research and initial feasibility analysis, developed insurance and financial models and plans, and delivered an innovative design and detail plans, which accomplished the client's stated objectives. Identified and recruited other professionals for the project team to assist the client in implementing the new program.

In a separate engagement, advised this same client on implementation of the Affordable Care Act. For this project, analyzed the firm's employee benefit plans, provided senior executives with an orientation and explanations of the emerging ACA requirements, prepared and presented comparisons of the implementation options and costs to the firm, and delivered recommendations on how to best respond to the new requirements.

FD Insurance Company Senior Vice President – February 2009 to February 2013

FD Insurance Company ("FDI") is one of the largest domestic medical professional liability ("MPL") insurers of physicians and medical professionals in Florida. FDI acquired Physician Preferred Insurance Companies, which essentially doubled the organization in size and resulted in its ascension into the top tier of the Florida market. FDI has since been acquired by NORCAL Mutual Insurance Company.

- While EVP and COO of the Physicians' Preferred Insurance Companies, brought the principals of the two organizations together for purposes of exploring an M&A transaction. Led the resulting negotiations and acquisition process on behalf of the sellers from end to end. The acquisition was a win-win for the buyer and seller.
- Continued on after the acquisition and served as a member of the senior management team and trusted advisor to the CEO and board. Actively involved in the development of FDI's strategy and business plans. Prepared FDI's first ever organization-wide financial projection models and consolidated GAAP financial statements.
- Responsible for management of FDI's post acquisition \$70 million investment portfolio, including new investment strategies resulting in yield improvements of ~ 185 bps annually (~\$1.3 million in annual investment income and gains).
- Introduced FDI's first captive insurance programs for insureds. Led the sale and implementation of the first captive insurance program and developed a pipeline of prospects in partnership with our independent agents and professional service providers.

Real Mortgage Systems, Inc. Chief Financial Officer, Treasurer and Corporate Secretary – May 2006 to February 2009

Real Mortgage Systems, Inc. ("RMS") was a start-up, specialty investment real estate finance company in the single family residential housing space.

- Recruited by RMS founders to manage capital initiatives and corporate functions. Successfully managed 3 private offerings of preferred stock raising nearly \$10 million in capital.
- Developed the valuation framework, models and presentations used in negotiations with acquisition and improvement ("A&I") lender acquisition candidates. Instrumental in negotiating terms and securing the company's first 4 letters of intent for acquisitions of A&I lenders and in the completion of RMS' first

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acquisition. Led negotiations with the existing senior credit provider and obtained an increase in acquisition's senior credit facility from \$25 million to \$35 million on favorable terms.

FPIC Insurance Group, Inc. (NASDAQ: FPIC)
Executive Vice President and CFO – November 1999 to March 2006

With nearly \$1.5 billion in consolidated assets, FPIC was a leading provider of medical professional liability insurance for physicians and other healthcare providers. FPIC was acquired by The Doctors Company ("TDC") in October 2012.

- Joined FPIC following series of events resulting in a severe decline in its stock price. As the number two executive, played an important role in FPIC's turnaround. From 2000 through 2005, the Company increased diluted EPS from \$0.06 to \$3.26, and its share price from \$9.19 to \$34.70. Return on average equity improved from nil to 15%.
- Implemented new and improved organization-wide strategic and financial planning processes. Introduced best-in-class processes and techniques, which continued to serve the Company until its acquisition by TDC. Developed the Company's first ever organization-wide cash flow projections, risk-adjusted capital models, capital allocation modeling, and other capital management tools.
- Successfully managed relationships with Wall Street analysts, investors, bankers, rating agencies and other stakeholders. Credited for having helped restore a favorable impression and reputation of FPIC. Received positive evaluations in independent investor surveys, including the remark, "Thorpe is a straight shooter and tells it like it is."
- Responsible for management of the Company's cash and investment portfolio of over \$750 million. Led the Company's initiative to engage outside professional investment advisors and managers. Responsible for overseeing and managing the development of new investment strategies resulting in yield improvements of ~ 45 bps (~\$3.5 million in annual investment income) during the period 2003 through 2005.
- Led the refinancing, negotiations and management of the company's \$55 million senior credit facility under unusually difficult circumstances, including the attraction and recruitment of three replacement banks among the group of lenders. Subsequently, led three private financings of trust preferred securities and senior notes, resulting in the replacement of senior bank debt with superior long term debt financing and improved leverage and liquidity. Through active management, reduced FPIC's debt-to-total capitalization ratio from 30% to 16%.
- Actively participated in management of the subsidiaries' reinsurance programs, including leading and/or participating in renewals, experience analysis, coverage structure, contract and pricing negotiations and other aspects. Led the successful negotiations and execution of a large finite reinsurance agreement in which significant risk transfer and surplus relief were successfully achieved.
- Completely re-organized and enhanced the finance function organization-wide. Established FPIC's first internal audit and internal control ("SOX") functions. Attracted and recruited high caliber finance resources comprised largely of CPAs and MBAs. Modernized business financial reporting and disclosure tools and introduced balanced scorecard management reporting and executive dashboards. Assisted business unit teams as internal customers resulting in improved financial reporting and operating performance of their businesses and product lines.

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- Led FPIC's successful implementation of SOX requirements resulting in clean Section 302 and 906 certifications and in clean audit opinions on internal controls over financial reporting from management and the independent auditors. Accomplished sweeping improvements in financial reporting and internal controls, including standardized close processes, calendars, reporting packages and communications; and the implementation of a new consolidation and analysis support system. Achieved lower cycle times and improved information, accuracy and reliability; which positioned the company well to achieve SOX compliance.

Genworth Financial, Inc. (NYSE: GNW; formerly GE Financial Assurance)
Senior Vice President, CFO, First Colony Life & Subs – March 1998 to November 1999

Genworth Financial, Inc. (formerly GE Financial Assurance Holdings, Inc.; a subsidiary of GE Capital Corporation) is a large publicly traded financial security company that provides insurance, investment, and financial products and services in the United States and internationally. First Colony Life Insurance Company ("FCL") was acquired by GE Financial Assurance in 1997. GE Financial Assurance subsequently was spun-off by GE Capital and is now Genworth Financial.

- Recruited by FCL and GE, in part, to help lead this large acquisition through substantial post-acquisition change and integration into the GE family. Served as one of six senior leadership team members responsible for the GE businesses based in Lynchburg, VA, including FCL and other life and annuity distribution, product factory and servicing business units with contracts under management combined of over \$32 billion.
- Principal liaison with GE Financial Assurance Holdings, Inc. on significant matters involving strategic, financial and business plans and decisions, including establishment of all financial goals and targets for the Lynchburg-based GE businesses. Met or exceeded all financial targets and achieved double digit growth in production and income.
- Instrumental in leading ~80 finance personnel based in Lynchburg, VA and New York in the successful reorganization and integration of the distribution, product factory and legal entity finance teams, including the recruitment and development of several new key finance resources. Effectively led the transition of First Colony Life finance teams to GE controllership, FP&A, expense and budget, and treasury management functions and platforms, including integration of actuarial processes and resources.
- Responsible for the successful implementation of Six Sigma™ quality for finance processes, as well as the provision of finance support for other major quality initiatives at the Lynchburg business unit. One of our Finance Six Sigma projects was a nominee for the top GE Capital Corporation Six Sigma Quality Award during 1999.
- Successfully completed GE Six Sigma™ training and achieved Green Belt certification. Successfully completed GE finance training, including attendance by invitation of GE Advanced Finance Council. Selected for attendance of GE's prestigious Global Business Management Course, which is by invitation only and intended for high potential management candidates.