

PETITIONER: TGCA Pel LLC and Travis Goad	CASE NUMBER:
RESPONDENT: Pelorus Capital Group LLC	

3. b. (3) **Amount or property in dispute.** This petition involves a dispute over (*check and complete all that apply*)

(a) the following amount of money (*specify amount*): \$ 347,414.84

(b) property (*if the dispute involves property, complete both of the following*)

(i) consisting of (*identify property in dispute*): Books and records

(ii) having a value of (*specify value of property in dispute*): \$

(4) **Venue.** This court is the proper court because (*check (a) or (b)*):

(a) this is the court in the county in which the arbitration was held.

(b) the arbitration was not held exclusively in any county of California, or was held outside of California, **and** (*check one or more of the following*):

(i) this is the court in the county where the agreement was made.

(ii) this is the court in the county where the agreement is to be performed.

(iii) the agreement does not specify a county where it is to be performed and was not made in any county in California, and the following party resides or has a place of business in this county (*name of party*):

(iv) the agreement does not specify a county where it is to be performed and was not made in any county in California, and no party to this action resides or has a place of business in California.

4. **Agreement to arbitrate.**

a. **Date.** Petitioner and respondent entered into a written agreement on or about (*date*): January 3, 2021

b. **Attachment.** A copy of the agreement is submitted as Attachment 4(b) and incorporated herein by this reference.

c. **Arbitration provision.** Paragraph 11.21 of the agreement provides for arbitration of disputes arising out of the agreement as follows (*either copy the arbitration provision in full or summarize the provision*):

See Attachment 4(b).

5. **Dispute subject to arbitration.** A dispute arose between petitioner and respondent concerning the following matter covered by the agreement to arbitrate (*summarize the dispute*):

Petitioner sought to effectuate its right to inspect Respondent's books and records pursuant to the Operating Agreement and Delaware law, to which Respondent objected.

6. **Arbitrator.** The following person was duly selected or appointed as arbitrator (*name of each arbitrator*):
Barbara A. Reeves, Esq. (JAMS)

7. **Arbitration hearing.** The arbitration hearing was conducted as follows (*complete both of the following*):

a. **Date** (*each date of arbitration*): February 23, 2026

b. **Location** (*city and state where arbitration was conducted*):
Irvine, CA

8. **Arbitration award.**

a. **Date of award.** The arbitration award was made on (*date*): February 23, 2026

b. **Terms of award.** The arbitration award (*check one or more of the following*)

(1) requires petitioner respondent to pay the other party this amount: \$ 347,414.84

(2) requires neither party to pay the other anything.

(3) is different as to different petitioners and respondents.

(4) provides (*specify other terms or check item 8(c) and attach a copy of the award*):

c. **Attachment of Award.** A copy of the award is submitted as Attachment 8(c).

9. **Service of award.**

a. The signed award or an accompanying document indicates that the award was served on petitioner on (*date*): Feb 23, 2026

b. Petitioner alleges that a signed copy of the award was actually served on (*date*):

PETITIONER: TGCA Pel LLC and Travis Goad RESPONDENT: Pelorus Capital Group LLC	CASE NUMBER:
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10. **Petitioner requests that the court** *(check all that apply)*


- a. **confirm the award, and enter judgment according to it.**
- b. **correct the award and enter judgment according to the corrected award, as follows:**
 - (1) The award should be corrected because *(check all that apply)*
 - (a) the amount of the award was not calculated correctly, or a person, thing, or property was not described correctly.
 - (b) the arbitrator exceeded his or her authority.
 - (c) the award is imperfect as a matter of form.
 - (2) The facts supporting the grounds for correcting the award alleged in item 10b(1) are as follows *(if additional space is required, check here and submit facts on an attachment labeled 10b(2))*:
 - (3) The award should be corrected as follows *(if additional space is required, check here and describe requested correction on an attachment labeled 10b(3))*:
- c. **Vacate (cancel) the award.**
 - (1) The award should be vacated because *(check all that apply)*
 - (a) the award was obtained by corruption, fraud, or other unfair means.
 - (b) an arbitrator was corrupt.
 - (c) the misconduct of a neutral arbitrator substantially prejudiced petitioner's rights.
 - (d) the arbitrator exceeded his or her authority, and the award cannot be fairly corrected.
 - (e) the arbitrator unfairly refused to postpone the hearing or to hear evidence useful to settle the dispute.
 - (f) an arbitrator failed to disclose within the time for disclosure a ground for disqualification of which the arbitrator was then aware.
 - (g) an arbitrator should have disqualified himself or herself after petitioner made a demand to do so.
 - (2) The facts supporting the grounds for vacating the award alleged in item 10c(1) are as follows *(if additional space is required, check here and submit facts on an attachment labeled 10c(2))*:
 - (3) Petitioner does does not request a new arbitration hearing.
- d. **Award petitioner interest** from *(date)*:
 - (1) at the statutory rate.
 - (2) at rate of _____% per year.
- e. **Award petitioner costs of suit**
 - (1) in the amount of: \$
 - (2) according to proof.
- f. **Award petitioner attorney fees incurred in this action** *(check only if attorney fees are recoverable in this action according to statute or the parties' agreement)*
 - (1) in the amount of: \$
 - (2) according to proof.
- g. **Award petitioner the following other relief** *(describe relief requested; if additional space is required, check here and describe relief on an attachment labeled 10g):*

11. **Pages and attachments.** *Number of pages attached:* 36

Date: March 31, 2026

Amit Rana

(TYPE OR PRINT NAME)



(SIGNATURE OF PETITIONER OR ATTORNEY)

ATTACHMENT 4(b)

PELORUS CAPITAL GROUP, LLC

**AMENDED AND RESTATED
LIMITED LIABILITY COMPANY OPERATING AGREEMENT**

DATED AS OF JANUARY 3, 2023

REDACTED

REDACTED

11.21 **Binding Arbitration.** ANY DISPUTE, CLAIM OR CONTROVERSY ARISING OUT OF OR RELATING TO THIS AGREEMENT OR THE BREACH, TERMINATION, ENFORCEMENT, INTERPRETATION OR VALIDITY THEREOF, INCLUDING (WITHOUT LIMITATION) THE DETERMINATION OF THE SCOPE OR APPLICABILITY OF THIS AGREEMENT TO ARBITRATE, OR ANY OTHER DISPUTE, CLAIM OR CONTROVERSY ARISING OUT OF ANY INTERACTION BETWEEN THE COMPANY AND A MEMBER, SHALL BE BROUGHT WITHIN ONE YEAR OF ITS ACCRUAL AND BE DETERMINED BY ARBITRATION IN THE COUNTY OF ORANGE, STATE OF CALIFORNIA, BEFORE ONE ARBITRATOR. THE ARBITRATION SHALL BE ADMINISTERED BY JAMS PURSUANT TO ITS COMPREHENSIVE ARBITRATION RULES AND PROCEDURES (IF THE AMOUNT IN CONTROVERSY EXCEEDS \$250,000) OR ITS STREAMLINED ARBITRATION RULES AND PROCEDURES (IF THE AMOUNT IN CONTROVERSY IS LESS THAN OR EQUAL TO \$250,000). IF THE ARBITRATION IS A CLASS ARBITRATION, THE AGGREGATE AMOUNT, OF THE PURPORTED CLAIMS OF ALL PUTATIVE CLASS MEMBERS, SHALL BE USED TO DETERMINE WHICH RULES APPLY. JUDGMENT ON THE AWARD MAY BE ENTERED IN ANY COURT HAVING JURISDICTION THEREOF. THIS CLAUSE SHALL NOT PRECLUDE PARTIES FROM SEEKING PROVISIONAL REMEDIES IN AID OF ARBITRATION FROM A COURT OF APPROPRIATE JURISDICTION. THE PREVAILING PARTY IN ANY DISPUTE, CLAIM OR CONTROVERSY HEREUNDER SHALL BE ENTITLED TO RECOVER ITS COSTS OF ARBITRATION AND REASONABLE ATTORNEYS' FEES THEREFOR.

Initials: ^{DS} DS
Initials: KS
Initials: KS
Initials: _____

LIMITATION) THE DETERMINATION OF THE SCOPE OR APPLICABILITY OF THIS AGREEMENT TO ARBITRATE, OR ANY OTHER DISPUTE, CLAIM OR CONTROVERSY ARISING OUT OF ANY INTERACTION BETWEEN THE COMPANY AND A MEMBER, SHALL BE BROUGHT WITHIN ONE YEAR OF ITS ACCRUAL AND BE DETERMINED BY ARBITRATION IN THE COUNTY OF ORANGE, STATE OF CALIFORNIA, BEFORE ONE ARBITRATOR. THE ARBITRATION SHALL BE ADMINISTERED BY JAMS PURSUANT TO ITS COMPREHENSIVE ARBITRATION RULES AND PROCEDURES (IF THE AMOUNT IN CONTROVERSY EXCEEDS \$250,000) OR ITS STREAMLINED ARBITRATION RULES AND PROCEDURES (IF THE AMOUNT IN CONTROVERSY IS LESS THAN OR EQUAL TO \$250,000). IF THE ARBITRATION IS A CLASS ARBITRATION, THE AGGREGATE AMOUNT, OF THE PURPORTED CLAIMS OF ALL PUTATIVE CLASS MEMBERS, SHALL BE USED TO DETERMINE WHICH RULES APPLY. JUDGMENT ON THE AWARD MAY BE ENTERED IN ANY COURT HAVING JURISDICTION THEREOF. THIS CLAUSE SHALL NOT PRECLUDE PARTIES FROM SEEKING PROVISIONAL REMEDIES IN AID OF ARBITRATION FROM A COURT OF APPROPRIATE JURISDICTION. THE PREVAILING PARTY IN ANY DISPUTE, CLAIM OR CONTROVERSY HEREUNDER SHALL BE ENTITLED TO RECOVER ITS COSTS OF ARBITRATION AND REASONABLE ATTORNEYS' FEES THEREFOR.

Initials: _____

Initials: _____

Initials: _____


Initials: TG

REDACTED


IN WITNESS WHEREOF, this Agreement has been executed as of the Effective Date.

THE COMPANY:

PELORUS CAPITAL GROUP, LLC,
a Delaware limited liability company

By: 

Daniel Leimel, Jr.
Manager

By: 

James Robert Sechrist
Manager

REDACTED

TGCA PEL LLC,
a Florida limited liability company

By: _____
Travis Goad
President

[Signature page to Amended and Restated Limited Liability Company Operating Agreement
of Pelorus Capital Group, LLC]

IN WITNESS WHEREOF, this Agreement has been executed as of the Effective Date.

THE COMPANY:

PELORUS CAPITAL GROUP, LLC,
a Delaware limited liability company

By: _____
Daniel Leimel, Jr.
Manager

By: _____
James Robert Sechrist
Manager

REDACTED

TGCA PEL LLC,
a Florida limited liability company

By: Travis Goad _____
Travis Goad
President

[Signature page to Amended and Restated Limited Liability Company Operating Agreement
of Pelorus Capital Group, LLC]

REDACTED

[Signature page to Amended and Restated Limited Liability Company Operating Agreement
of Pelorus Capital Group, LLC]

ATTACHMENT 8(c)

JAMS ARBITRATION: REF. NO. 5200001899

Travis Goad, TGCA Pel LLC,
Claimant,
and
Pelorus Capital Group, LLC,
Respondent.

FINAL AWARD

Place of Arbitration: Orange County, CA

Date of Interim Award: September 2, 2025

Date of Second Interim Award: December 2, 2025

Date of Partial Final Award: January 20, 2026

Date of Final Award: February 23, 2026

Parties and Counsel. The Parties to this arbitration are identified in the caption and are represented as follows:

Samidh Guha Esq.
Venable LLP
151 E. 42nd St.
New York, NY 10036
Email: sguha@venable.com

Counsel for Claimant Travis Goad

Jason R. Outlaw Esq.
William J. Lasker Esq
Alston & Bird, LLP
1201 W. Peachtree St.
Ste 4900
Atlanta, GA 30309
Tel: 404-881-7941
Fax: 404-881-7777
Email: jason.outlaw@alston.com
Will.Lasker@alston.com

Counsel for Respondent Pelorus Capital
Group, LLC

The undersigned Arbitrator having been duly appointed by JAMS to serve as Arbitrator and having fully considered the allegations, submissions, and evidence of the Parties, finds, concludes and issues this Final Award as follows.

I. INTRODUCTION AND PROCEDURAL STATEMENT

Claimant TGCA Pel LLC and Respondent Pelorus Capital Group, LLC, are party to Pelorus' Amended and Restated Limited Liability Company Operating Agreement, dated as of January 3, 2023, which contains a "Binding Arbitration" provision at Paragraph 11.21, requiring the arbitration of "[a]ny dispute, claim or controversy arising out of or relating to this Agreement ... or any other dispute, clam or controversy" between the company and a Member.¹ The Arbitration provision provides that JAMS is to administer the arbitration under its Streamlined Arbitration Rules and Procedures, before a single arbitrator, to be conducted in Orange County, California, and that the prevailing party "in any dispute, claim or controversy hereunder" shall be entitled to costs and reasonable attorneys' fees. The Federal Arbitration Act applies, and the applicable substantive law is the law of the State of Delaware.

Claimant filed a Demand for Arbitration on or about September 5, 2024. Claimant commenced this arbitration for the purpose of enforcing its information rights contained in the parties' Grant Agreement and Amended and Restated Limited Liability Company Operating Agreement, both dated January 3, 2023. Claimant's Demand is set forth here, for clarity and reference:

"TGCA Pel LLC ("TGCA") has a membership interest in Pelorus Capital Group, LLC ("PCG") pursuant to the January 3, 2023 Grant Agreement. Mr. Travis Goad is the controlling member of TGCA. TGCA, as a member of PCG, is entitled under §§ 4.3 and 5.9 of PCG's January 3, 2023 Amended and Restated Limited Liability Company Operating Agreement to access and inspect PCG's books and records upon ten days' notice and to receive financial reports. TGCA is also entitled to receive financial reports on a regular basis pursuant to the Grant Agreement (pp. 11-12). TGCA has issued many requests for such access and provided reasons for inspection, but PCG has unilaterally denied these requests. TGCA brings this arbitration demand to enforce its rights to inspect PCG's books and records and receive financial reports. TGCA also seeks attorney's fees and arbitration costs in connection with this proceeding pursuant to § 11.21 of PCG's Operating Agreement."

¹ Claimant Travis Goad is the controlling member of TGCA, and the Parties do not dispute that he is a proper Claimant. Throughout this arbitration, Counsel have referred to Travis Goad and TGCA interchangeably as Claimant.

Respondent filed a Response on September 18, 2024. A Case Management Conference was held on November 11, 2024. The Arbitrator ordered Claimant to provide a more specific identification of the information and documents sought. On November 15, 2024, Claimant submitted a list of the books, records and information sought in his Demand.

The Arbitration Hearing was calendared for December 18, 2024. On December 4, 2024, that Hearing date was vacated, per request of the Parties. Instead, the Parties agreed to submit Initial Briefing in support of their respective positions regarding their claims and defenses. The purpose of that briefing was to provide notice to each Party and to the Arbitrator of the support for the claims and defenses, and to determine whether and to what extent an evidentiary hearing was necessary, or whether a ruling might be made based solely upon the Agreements and briefing.

Following briefing, on February 19, 2025, the Arbitrator issued an Order, concluding that “Claimant Travis Goad’s request for an order requiring Respondent Pelorus Capital Group to permit an inspection of its books and records, based solely upon the Grant Agreement and the Operating Agreement, is denied.” The Order instructed the Parties to confer and advise the Arbitrator whether they wished to have a Hearing, to address issues raised that were outside of the four corners of the Agreements, i.e., Claimant’s contention that he had been assured of access to books and records in negotiating the Grant Agreement, and Respondent’s position that access to books and records was governed by Sections 4.3 and 11.3 of the January 3, 2023 Amended and Restated Limited Liability Company Operating Agreement (“Operating Agreement”), which in turn incorporated “Section 18-305 of the Act,” and that Claimant had not shown that his request for access complied with the requirements enumerated in Section 18-305.

On March 4, 2025, Respondent advised that it did not believe an evidentiary hearing is warranted. Claimant stated that it intended to submit a request for inspection in accordance with the requirements of Section 18-305 for the same books and records sought in its arbitration Demand, in order for TGCA to (a) properly apprise the current value of its ownership interest in the management vehicle, (b) determine any improper dilution of its interest, and (c) investigate potential misconduct and misappropriation of funds. Accordingly, Claimant submitted a books and records demand (“Books and Records Demand”) pursuant to Sections 4.3 and 11.3 of the Operating Agreement on March 4, 2025.

A Case Management Conference was held on March 12, 2025, to discuss Claimant’s request for an evidentiary hearing. Respondent argued that moving forward with an evidentiary

hearing prior to Respondent having responded to the Books and Records Demand would be premature. On March 16, 2025, the Arbitrator issued an Order reserving ruling on the request for an evidentiary hearing pending the response to Claimant's Books and Records Demand.

Respondent responded on March 20, 2025, denying the "request for books and records of the Company and certain of its affiliates pursuant to Sections 4.3 and 11.3 of the January 3, 2023 Amended and Restated Limited Liability Company Operating Agreement (the "Demand")." Respondent stated that Claimant had not shown a proper purpose for the inspection request, noting that a manager of a Delaware limited liability company may keep information confidential in the face of inspection demands if the manager in good faith believes that disclosure is not in the best interests of the company, citing 6 Del. C. § 18-305(c) and judicial authorities interpreting Section 18-305. Respondent stated that recent developments provided additional support for Respondent's suspicions that Claimant has an improper purpose in seeking to inspect its books and records, arguing that Claimant has been engaged in a course of misconduct, including improperly using and disclosing Respondent's and its affiliates' confidential information to third parties. Respondent contends that Claimant is weaponizing such confidential information in an effort to destabilize the current management and operations of Pelorus Fund, LLC. Respondent also stated that the Books and Records Demand's requests are improperly overbroad and seek documents that are not necessary and essential to Mr. Goad's stated purposes. "[I]n the interest of avoiding further dispute," Respondent offered "to make available for inspection certain non-privileged corporate books and records, upon execution of the attached March 2025 Confidentiality and Non-Disclosure Agreement Governing the Inspection of Books and Records, and without waiving any of its objections to the Demand."

The Parties informed the Arbitrator of Respondent's denial of the Books and Records Demand on April 12, 2025, and filed position statements on April 22 and 28, 2025. A Status Conference was held on May 8, 2025.

On May 9, 2025, following the Status Conference, the Arbitrator issued an Order requiring Claimant to respond to Respondent's March 20 Response, and to confer with Respondent to identify additional documents that are needed, and why. The Arbitrator further ordered the Parties to enter into an appropriate protective order covering the documents that Respondents agreed to produce, and ordered Respondents to then promptly produce those documents. The Parties did not comply. On January 8, 2026, following the submission of proposed confidentiality orders by the

parties, the Arbitrator issued a Confidentiality and Non-Disclosure Order Governing the Inspection of Books and Records.

Second, Claimant was ordered to provide a Chart identifying the additional specific documents or categories of documents requested, after reviewing those documents produced by Respondents, and to state the reasons why the additionally requested documents are necessary. The purpose of the Chart was to provide clarity to the Parties' positions regarding the inspection Demand.

Third, the Parties requested the submission of briefs in advance of the evidentiary Hearing to identify and focus the issues to be addressed at the Hearing, identify witnesses needed for the hearing, and assist in a determination of the length and location of the Hearing. Pursuant to the Parties' agreement, a briefing schedule was set.

Rather than complying with this order, on May 29, 2025, Claimant requested that Respondent's counsel, Alston & Bird, recuse itself, on the ground that it had a conflict of interest representing both the Pelorus Fund, and the managers, Mr. Leimal and Mr. Sechrist. Respondent responded on June 3, 2025. The Arbitrator denied the motion on June 16, 2025, after considering all the briefing and exhibits.

After waiting for Claimant's Submissions as ordered on May 29, 2025, and not having received them, on June 16, 2025, the Arbitrator reminded Claimant of the deadlines for its submissions. On June 19, 2025, when Claimant still had not responded and had missed the deadline for its Opening Brief, the Arbitrator issued an Order to Show Cause.

At the OSC hearing on June 26, 2025, Counsel for Claimant apologized and explained that due to his closing of his law firm and moving to a new firm effective June 1, 2025, and losing his associate who had been working on this arbitration, he had failed to change his email address on JAMS Access, and had failed to see the filings posted on JAMS Access.

The Arbitrator declined to impose sanctions, as requested by Respondent, in light of Claimant's Counsel's explanation, acceptance of responsibility, and understanding the difficulties of closing a law firm and moving to a new law firm.

The Parties submitted Opening Briefs and Exhibits on June 18 (Respondent), June 29 (Claimant), and July 11, 2025 (Respondent), in opposition to and in support of Claimant's Demand for the inspection of books and records pursuant to Sections 4.3 and 11.3 of the Operating

Agreement, and pursuant to Delaware Limited Liability Company Act, section 18-305 (“Section 18-305”).

A Status Conference was held on July 24, 2025. The Parties jointly requested the Arbitrator to rule on Claimant’s books and records inspection Demand on the Briefs and Exhibits without a hearing. The Parties agreed that the Grant Agreement’s integration clause foreclosed the need for a hearing or extrinsic evidence. *See also* JAMS Streamlined Rules, Rule 18, Waiver of Hearing. (“The Parties may agree to waive oral Hearing and submit the dispute to the Arbitrator for an Award based on written submissions and other evidence as the Parties may agree.”)

On August 28, 2025, the Arbitrator issued an Order requesting Claimant to submit further specificity explaining for each category of books and records requested, how those books and records are essential to the proper purpose of Claimant’s Demand.

An Interim Award was issued on September 2, 2025, concluding that Claimant TGCA/Travis Goad has established three proper purposes for his inspection request: (a) to properly apprise the current value of TGCA’s ownership interest in Pelorus Capital Group, LLC and Pelorus Data Project, LLC, (b) to determine any improper dilution of its interest, and (c) to investigate potential misconduct and misappropriation of funds. However, the Arbitrator found that Claimant has not shown that the document categories requested are necessary and essential to its stated purposes. Claimant was ordered to provide a chart identifying the specific documents or categories of documents within its Demand that are necessary and essential to achieving the purposes of its Section 18-305 Demand, with an explanation of why each document or category is necessary.

On September 9, 2025, Claimant submitted an updated version of the Chart of Requested Documents which narrowed the categories and provided the justification for each category of documents. Respondent responded on September 17, 2025, arguing that Claimant had still failed to meet its burden to identify the necessary and essential records in each of the categories of its Demand. On September 19, 2025, the Arbitrator issued a Case Management Order giving Claimant an opportunity to submit his list of documents to comply with Section 18-305’s specificity requirement.

Following a Status Conferences on November 11, 2025, Claimant submitted a Further Narrowed Document Request List, with justifications for each category. Respondent responded on November 20, 2025, arguing that Claimant’s submission remained deficient.

A Second Interim Award was issued on December 2, 2025, ordering Respondent to produce

the following books and records:

- Pelorus Capital Group, LLC : Detailed general ledger, monthly bank statements for this account, unaudited balance sheet, for the period January 2023 to date; and 2024 K1s for all members, and the 2024 entity tax return.
- PMG Solutions: Detailed general ledger, monthly bank statements for this account, unaudited balance sheet, for the period January 2023 to date; and 2024 K1s for all members, and the 2024 entity tax return.

Pursuant to paragraph 11.21 of the Operating Agreement, the prevailing party in any arbitration shall be entitled to recover its costs of arbitration and reasonable attorney fees. The Second Interim Award found that Claimant is the prevailing party.

Following the Second Interim Award, Respondent refused to produce the ordered documents for inspection, stating that it was awaiting receipt and review of a Final Award “so that it may then determine its next steps, including, but not limited to, seeking relief from the Final Award.” Respondent also disputed the conclusion that Claimant was the prevailing party, and requested briefing on the prevailing party issue and amount of fees and costs. The Parties requested that a Final Award be issued “granting inspection of the documents enumerated in the Second Interim Award, subject to the application for costs and fees being addressed separately.”

Accordingly, a Partial Final Award was issued on January 20, 2026, incorporating the Interim Award and Second Interim Award, and resolving all issues presented to the Arbitrator in this matter, and pursuant to the request of the Parties, reserving the prevailing party issue and application for fees and costs for bifurcated briefing and ruling.

The Parties submitted briefing on prevailing party issues and submitted their Applications for Fees and Costs, with the final reply brief submitted on February 20, 2026. This Final Award updates the Partial Final Award to reflect and rule upon the issues raised by the Parties.

II. BACKGROUND AND FACTS

A. The Parties, Their Membership in Pelorus, and Claimant's Resignation, and Demand

On January 3, 2023, the Parties, TGCA PEL LLC, a Florida limited liability company controlled by Travis Goad, and Pelorus Capital Group, LLC, a Delaware limited liability company, entered into an Amended and Restated Limited Liability Company Operating Agreement (“Operating Agreement”) and a Grant Agreement. Claimant was admitted as a member of PCG, reflecting his ownership stake. Pursuant to the terms of the Grant Agreement dated January 3, 2023 with PCG, Claimant was granted a 20% membership interest in PCG. The membership interest carried a sharing ratio of 20%, entitling Claimant to receive 20% of the distributions from PCG’s net cash flow.

Daniel Leimel, Jr. is the Chief Executive Officer of Pelorus Capital Group, LLC (“PCG”), which is the sole member of Pelorus Management Group, LLC (“PMG”), which in turn is the sole manager of Claimant. The Managers of PCG are Lost Winds Capital, Inc. (“Lost Winds”), which is wholly owned by Mr. Leimel, and JRS Capital USA, Inc. (“JRS Capital”), which is wholly owned by Rob Sechrist, who is the President of PCG. The Managers of PMG are Lost Winds and JRS Capital.

Around the same time Claimant was granted the membership interest and sharing ratio in PCG, PCG’s Managers appointed Claimant Goad Managing Partner of PCG pursuant to their delegation of authority under Section 5.5 of the LLC Operating Agreement. Despite his Managing Partner title, Claimant was not a Manager of PCG. Similarly, TCGA was not a Manager of PCG. PCG’s Operating Agreement states that the appointed Board of Managers is Lost Winds and JRS Capital who, in their “sole and absolute discretion, shall have complete authority and exclusive control to conduct any business on behalf of the Company without the consent of any Member, which authority may be delegated in part as provided in Section 5.5.”

Mr. Goad resigned as Managing Partner of Pelorus on May 29, 2024, at which time he relinquished his rights, duties, and responsibilities as an officer of PCG, while maintaining both his ownership interest as a general partner of the Fund’s management vehicle, and his investment interest in PCG as a limited partner in the Fund. Mr. Goad’s resignation triggered the forfeiture of 1.25% of Claimant’s PCG membership interests and 1.25% of Claimant’s sharing ratio. These

forfeitures resulted in a 6.25% reduction in Claimant's monthly guaranteed payment – from \$28,000 to \$26,250.

During the time he was a member of Respondent, and during his employment with PCG, Claimant had access to information that Respondent considers to be confidential information. Over time, certain disputes over the management of the Fund arose between Mr. Leimel and Mr. Sechrist on the one hand, and Mr. Goad, on the other hand. In or about 2024, Respondent started becoming aware of what it considered to be Mr. Goad's breaches of his confidentiality obligations.

Following his resignation, Mr. Goad continued to hold himself out to the public as being authorized to speak on behalf of PCG and its affiliates, posting on LinkedIn on May 30, 2024: "I've chosen to resign from my officer role as Managing Partner of Pelorus Capital Group, effective immediately. I remain an owner in the general partnership and an investor in the fund. Happy to answer any questions. I can be reached at travis@tgcapitaladvisors.com." Respondent informed Mr. Goad's counsel that it had reason to believe Mr. Goad was in violation of his confidentiality obligations and requested confirmation that Mr. Goad understood and intended to fully comply with those obligations. Mr. Goad's counsel responded that his client "is fully aware of and will continue to honor his obligations under the LLC Agreement with respect to his confidentiality obligations" but added that Mr. Goad intended to respond to inquiries from PCG investors.

In August 2024, the majority members of PCG, Mr. Leimel, and Mr. Sechrist, decided to reduce all members' monthly guaranteed payments to \$2,500. After taking into account the 6.25% reduction referenced above, Claimant's revised monthly guaranteed payment came out to \$2,350. In March 2025, PCG's managers informed Claimant that the remaining members of PCG acting by majority approval decided not to issue guaranteed payments to any PCG members for the prior month.

Respondent alleges that Claimant continued to communicate with investors regarding the Fund. On January 2, 2025, the Managers of PCG issued Claimant a notice that it was in breach of its confidentiality obligations under the Operating Agreement and demanded that it take action to prevent further improper disclosure of PCG's and its affiliates confidential information. Per the terms of the Grant Agreement, Claimant had 30 days from the January 2 notice to cure its breaches. Claimant failed to acknowledge or respond to the notice and demand before the cure period expired. As a result, the Managers of PCG sent Claimant a letter on March 20, 2025 notifying it of the forfeiture of its remaining interests in PCG and its affiliates.

Meanwhile, as set forth above, on March 4, 2025, Claimant had served its Books and Records Demand for the inspection of PCG's and certain of its affiliates' corporate books and records. The Books and Records Demand alleges that Claimant suspects misconduct has occurred because (i) it has not received a quarterly distribution since January 2024; (ii) its monthly guaranteed payment was reduced from \$26,250 to \$2,350; and (iii) no guaranteed payment was distributed for the month of February 2025. In addition, the Books and Records Demand otherwise alleges that Claimant's financial interests have been diluted disproportionately to those of other PCG members.

Claimant asserts that its purpose in making the Books and Records Demand is "to investigate potential misconduct including, but not limited to misappropriation of funds owed to TGCA."

On March 20, 2025, counsel for PCG responded to Claimant's Demand, as set forth above. Respondent stated that the Company was nevertheless "willing to make available for inspection certain non-privileged corporate books and records" in the interest of avoiding further dispute. Specifically, the Company offered to provide, subject to a confidentiality agreement enclosed with the letter:

- The general ledger detail for all transactions correlated to the Guaranteed Payments and Member Distributions paid to the members of Pelorus Capital Group, LLC for the period January 1, 2023 through the date of the Demand.
- The quarterly and annual financial statements, to the extent they exist, for the following entities for the period beginning January 1, 2021 through the date of the Demand:
 - o Pelorus Capital Group, LLC
 - o Pelorus Management Group, LLC
 - o PMG Solutions, LLC
 - o Pelorus Data Project, LLC

Claimant did not respond to the Company's March 20 letter or the enclosed confidentiality agreement. The Fund Managers learned that Mr. Goad had begun calling investors, stating that he was forming a group of investors to make a demand for the group to be bought out of the Fund or to replace the current Fund Managers.

On April 3, 2025, Pelorus Fund, LLC filed a Demand for Arbitration against Mr. Goad with the AAA, captioned *Pelorus Fund, LLC v. Travis Goad* – AAA Case No. 01-25-0001-6904 (the

“AAA Arbitration”), addressing Mr. Goad’s breaches of confidentiality and Respondent’s concerns that Mr. Goad was conspiring with investors to replace the Fund Managers (“Investor Issues”), and seeking emergency relief to enjoin Mr. Goad from continuing to disclose its confidential and privileged information. The Fund moved for a preliminary injunction, offering evidence that Mr. Goad had been forwarding confidential information to his Gmail account and to other investors.

On June 20, 2025, the Arbitrator in the AAA Arbitration issued Interim Award No.1, a preliminary injunction enjoining Mr. Goad from, *inter alia*, “using, disclosing, or disseminating any of Claimant’s Confidential Information . . . and . . . contacting or soliciting any of Claimant’s investors identified in Claimant’s Confidential Information to discuss the Confidential Information and any derivatives.”

B. The Books and Records Demand

On March 4, 2025, Claimant sent a Books and Records Demand seeking information pursuant to §§ 4.3 and 5.9 of PCG’s LLC Operating Agreement and the Grant Agreement, incorporating Section 18-305 of the Delaware Limited Liability Company Act, from Respondent and related entities.

In the March 4, 2025 Books and Records Demand, Claimant stated three purposes for his inspection request: (a) to properly apprise the current value of TGCA’s ownership interest in Pelorus Capital Group, LLC and Pelorus Data Project, LLC, (b) to determine any improper dilution of its interest, and (c) to investigate potential misconduct and misappropriation of funds.

Specifically, Claimant contends that it is entitled to an inspection of the following books, records, and financial reports from Pelorus Capital Group (January 2023 to present and ongoing) and the following entities associated with PCG, Pelorus Management Group, LLC (January 2022 to present and ongoing, PMG Solutions, LLC (January 2023 to present and ongoing), Pelorus Data Project, LLC (January 2020 to present and ongoing):

- Detailed General Ledgers (in Excel Format)
- Monthly Bank Statements for All Accounts Associated with the Entities
- Unaudited Quarterly and Annual Reports
- Unaudited Financial Statements
- Unaudited Balance Sheets and Income Statements

- Loan Documents to and from the Entities
- Calculation of Distributions to any and all Members
- Detailed Schedule of all Checks/Payments paid to or from any of the Entities to any of the Entity Partners
- A Description of the Purpose of the Checks/Payments Issued from any of the Entities to Entity Partners

In addition, based upon recently learned information, Claimant also sought detailed General Ledger and a schedule of checks/payments made to or from Dan Leimel Jr., Lost Winds Capital, James Rob Sechrist, JRS Capital USA Inc.

TGCA, as a member of PGC, is entitled under §§ 4.3 and 11.3 of the Operating Agreement to access and inspect PCG's books and records upon ten days' written notice pursuant to Section 18-305 of the Act. TGCA is also entitled to receive financial reports on a regular basis pursuant to §§4.4 and 11.1 of the Operating Agreement, and the Grant Agreement.

C. Relevant Provisions of the LLC Operating Agreement and the Grant Agreement

The following are relevant provisions of the LLC Operating Agreement and the Grant Agreement relevant to Claimant's demand for books and records.

The LLC Operating Agreement set forth the terms pursuant to which the Members would operate the Company. The Grant Agreement sets forth the terms concerning Claimant's Membership Interest and, in the event of conflict between the terms of the LLC Operating Agreement and the Grant Agreement, the terms and provisions of the Grant Agreement control.

Operating Agreement

4.3 Books and Records; Place; Access. In accordance with Section 11.3, the Company shall maintain, and shall cause its Subsidiaries to maintain, books and records at the Company's principal office or such other place as may be designated by the Board. Upon providing ten days prior written notice to the Company, setting forth in reasonable detail the reasons therefor, any Member or its designated Representative will have the right, during normal business hours, pursuant to Section 18-305 of the Act, to have access to and inspect, at its sole cost and expense, such books and records.

11.3 Books and Records. At all times during the term of the Company, the Board shall maintain at the Company's principal office the information and records that the Members are entitled to obtain from the Company pursuant to Section 18-305(a) of the Act. Each Member or its designated Representative shall have access to, and the right to review such financial books, records, and documents during reasonable business hours, and the Company will make available all documents referred to in the preceding sentence within ten days after the Board's receipt of a written request for such access and review, setting forth in reasonable detail the reasons therefor. Each Member acknowledges that this provision regarding access and review of financial books, records and documents are reasonable and in accordance with the provisions of § 18-305(9)[sic] of the Act.

These sections condition access to the books and records on compliance with § 18-305 of the Act.

Section 5.9 provides for access to financial statements and reports:

5.9. Financial Statements and Reports. The Company shall provide to each Member (i) unaudited financial statements of the Company and its Subsidiaries and (ii) unaudited quarterly financial statements of the Company and its Subsidiaries as provided by Section 4.4; provided, that, in each case, each Member agrees to hold any information regarding the Company or its Subsidiaries received pursuant to this Agreement and the information rights contained in this Agreement in confidence in accordance with Section 11.18 below; provided, further, that unless otherwise agreed by the Company and the Member in writing, the rights provided under this Section 5.9 and Section 4.4 shall cease immediately as to any Member that becomes employed by, or otherwise provides services to, a Competitor.”

Section 5.9 does not condition access to the financial statements and reports on compliance with § 18-305 of the Act.

The **Grant Agreement** also addresses access to the books and records at issue in this arbitration:

Reporting. The Company and the Founders agree that, whether or not TG or Grantee are providing services to any Company Entity and whether or not TG or Grantee provide services to a Competitor, Grantee will be entitled to receive (i) the reports set forth in Section 4.4, 11.1 of the LLC Agreement and any other reports provided to Members in the Company during all periods in which Grantee is a Member in the Company, and (ii) so long as Grantee and TG were not terminated for Cause and Grantee owns any direct or indirect interest in a Fund Entity (including as a result in the ownership of equity in such Fund Entity, the applicable Covered Manager or the applicable Carried Interest), (A) all standard and uniform reports and commentaries provided to investors in such Fund Entity and (B) all quarterly and annual reports of such Fund Entity and its Covered Manager.

Protections Against Non-Pro Rata Distributions or Payments. The Company and the Founders agree to (a) cause the Company to make monthly guaranteed payments to Grantee and the member owned by each Founder and (b) not permit the Company or any Covered Manager to make any guaranteed payment to the Founders (a) unless Grantee also receives the same guaranteed payment (the "Permitted Guaranteed Payments"); provided, however, in the event that the Membership Interest of Grantee (and its Permitted Transferees) is at any time less than 20%, the Permitted Guaranteed Payments that Grantee is thereafter entitled to receive shall be reduced by an amount equal to the percentage equivalent of (i) 1 minus (ii) the quotient determined by dividing (x) the remaining Grantee Membership Interest by (y) 20.

Distributions, Payments and the Like. The parties to the Grant Agreement hereby agree that no preferential payments, distributions, loans or advances will be made by the Company or any other Fund Entity or Covered Manager to or for the benefit of the Founders or any of their respective Affiliates and to the detriment of Grantee (i.e., with Grantee not receiving the same economic entitlement Grantee would have received if such amount would have been distributed by the Company in respect of the Membership Interests).

Protection of Grantee Interests. The parties to the Grant Agreement hereby agree not to permit or cause the dilution of the Membership Interest, Additional Opportunity Fund Grantee Equity Interest, and the Additional Grantee Equity Interests to which Grantee is entitled pursuant to the terms of this Grant Agreement except as a result of [events not applicable here].

The Grant Agreement further expressly stated in the opening that:

The LLC Agreement and this Grant Agreement set forth the entire understanding among the parties concerning the Grantee Membership Interest and the subject matter hereof and supersede all of their previous written and oral communications on the topic. Except as otherwise provided for in this Grant Agreement, all other terms contained in the LLC Agreement shall govern the Grantee Membership Interest in the Company; provided, however, that the parties to this Grant Agreement hereby agree that in the event of any conflict between the terms and provisions of this Grant Agreement and the terms and provisions of the LLC Agreement or any organizational document of any Affiliate of the Company, the terms and provisions of this Grant Agreement shall control.

The provisions of the Grant Agreement provide Claimant with protections against non-pro rata distributions or payments, protection against preferential distributions, however denominated, distributions, to or for the benefit of the Mr. Leimel or Mr. Sechrist or their affiliates and

to the detriment of claimant, and protection against dilution of Claimant's membership interest. The provision governing access to books and records is limited to those reports set forth in Section 4.4, 11.1, and other reports provided to all members, and does not require compliance with Section 18-305 of the Act.

Claimant TGCA, operating through its principal Travis Goad, owned approximately 18.75% of PCG as of May 29, 2024 when he resigned his PCG officer position over investor issues unrelated to his PCG ownership. Claimant maintains that he was and remains contractually entitled to his ownership share of the management fees and other net cash flow received by PCG in connection with its management services to the Pelorus Fund entities.

Claimant's share was distributed to him through two mechanisms: a monthly guaranteed payment of \$28,000 which served as a draw on his distribution and the balance of his distribution at year end. Mr. Leimel, Jr. and Mr. Sechrist are the two other owners of PCG and received their shares through the same mechanism – an equivalent Monthly Draw and their proportionate Distribution Balance.

Claimant's resignation on May 29, 2024 was based upon concerns that Claimant raised about related party loans entered into by Mr. Leimel, Jr. and Mr. Sechrist with Pelorus investor funds and their refusal to disclose these transactions and their personal interests in them to the Pelorus investors (Investor Issues). Upon Claimant's resignation from its PCG officer position, Mr. Leimel, Jr. and Mr. Sechrist unilaterally reduced Claimant's Monthly Draw from \$26,250 to \$2,350 in August 20024 and then in December 2024 unilaterally eliminated Claimant's Monthly Draw altogether. Mr. Leimel, Jr. and Mr. Sechrist did not pay Claimant his 2024 Distribution Balance.

Claimant contends that the distributions that have been withheld are significant sums of money. In 2023, the total amount distributed to PCG Owners was approximately \$2,760,000. Mr. Leimel, Jr. received a Total Distribution of approximately \$1,324,881 in distributions, Mr. Sechrist received a Total Distribution of \$883,254.40 in distributions and Claimant received a Total Distribution of \$552,034, reflective of their respective ownership interests. Claimant contends that because Mr. Leimel, Jr. and Mr. Sechrist "gated" the Fund that generates these management fees, the PCG revenue stream in 2024 should have been the same or at least very close to the revenue generated in 2023. Yet, following Claimant's resignation as an officer in May 2024, PCG reduced then eliminated his Monthly Draw and never paid his Distribution Balance.

Claimant believes that PCG, under the direction of Mr. Leimel, Jr. and Mr. Sechrist, ceased to provide Claimant with this contractually required Monthly Draw and Distribution Balance to retaliate against Claimant for raising the unrelated Investor Issues. Mr. Leimel and Mr. Sechrist have been as odds with and Mr. Goad since late 2023 when Mr. Goad first pressed them to make disclosures to the Pelorus investors regarding the Investor Issues.

Respondent argues that Claimant does not have a proper purpose for seeking the disclosure of information. Rather, Respondent contends that Claimant, wishes to replace the managers of Pelorus Fund, LLC, and has breached his confidentiality obligations to the Fund. Further, Respondent learned another Fund investor, David Weiden had joined with Mr. Goad, and they made a demand to inspect and copy certain Fund books and records pursuant to California Corporations Code Sections 17701.13 and 17704.10. As set forth above, the Managers of PCG sent Claimant a letter on March 20, 2025 notifying it of the forfeiture of its remaining interests in PCG and its affiliates. Respondent thus argues that Claimant no longer has standing for its Section 18-305 demand.

Claimant counters that Respondent's objections raise Investor Issues that have no bearing on this arbitration, which seeks only to assess the value of Claimant's ownership rights in PCG and if Respondent has improperly reallocated Claimant's withheld interests.

III. ANALYSIS

Claimant brought this arbitration to obtain access to books and records from PCG and affiliated entities documents to determine the propriety or not of the reduction and subsequent elimination of distributions in connection with it PCG ownership. (Demand, quoted *supra*.) Claimant has shown that its PCG distributions were reduced and then eliminated. The issue is whether the two majority members, Mr. Leimel, Jr. and Mr. Sechrist, reallocated Claimant's distributions to themselves through some other PCG mechanism or took any other improper action. Claimant posits that a review of the PCG detailed general ledger and bank statements, which track all payments from PCG and affiliates, would demonstrate either that Mr. Leimel, Jr. and Mr. Sechrist have taken distributions in some other form of payment or not.

The language of the Grant and Operating Agreements entitle Claimant to unaudited balance sheets and income statements, unaudited financial statements, unaudited quarterly and annual reports, and K-1s. Sections 4.4, 5.9, 11.1 of LLC Operating Agreement. The Agreements also

entitle Claimant to “the information and records that the Members are entitled to obtain from the Company pursuant to Section 18-305(a) of the Act” upon written request consistent with Section 18-305 of the Act. (“Each Member or its designated Representative shall have access to, and the right to review such financial books, records, and documents during reasonable business hours, and the Company will make available all documents referred to in the preceding sentence within ten days after the Board's receipt of a written request for such access and review, setting forth in reasonable detail the reasons therefor”), as well as the same information from Pelorus’ subsidiaries. (“Company shall maintain, and shall cause its Subsidiaries to maintain, books and records.”) (Sections 11.3 and 4.3 Operating Agreement.)

The Arbitrator’s Order of February 19, 2025, denied Claimant’s request for books and records which request was based on Claimant’s contention that it had unconditional rights to financial information, without needing to comply with the requirements of Section 18-305. Claimant contended that it had been assured during negotiations with Respondent that its right to access books and records was absolute and not subject to Section 18-503. The Arbitrator ruled that such information regarding assurances made during negotiations went beyond four corners of the documents, and would require a hearing. Claimant did not seek a hearing to introduce that evidence at that time, nor to establish that it was entitled to the books and records under Section 18-305.

However, on March 4, 2025, Claimant informed the Arbitrator that in light of the ruling issued on February 19, 2025, and without waiving its position that TGCA and its managing member Travis Goad are entitled to the books and records sought under the Operating and Grant Agreements, it was serving its Demand contemporaneously under Section 18-305 of the Delaware Limited Liability Company Act for the same books and records sought under the Grant Agreement and the Operating Agreement, “in order for TGCA to (a) properly apprise the current value of its ownership interest in the management vehicle, (b) determine any improper dilution of its interest, and (c) investigate potential misconduct and misappropriation of funds, and requested an evidentiary hearing. Respondent responded that same day that “Respondent does not believe an evidentiary hearing is warranted.” Respondent acknowledged that it had previously requested an evidentiary hearing “so that we could properly present the defenses available to Respondent under Delaware law in the event Claimant argued it had submitted a proper inspection demand under Section 18-305(e) of the Delaware Limited Liability Company Act.” Respondent referenced its December 19, 2024 Response in Opposition, that the Parties’ Operating Agreement “entitle

members to inspect the documents referenced in Section 18-305(a) of the Act but only pursuant to a written request demonstrating a proper purpose for such inspection” and confirmed the applicability of Section 18-305 “to determine Claimant’s access rights with respect to Respondent’s books and records.” (“Section 2.1 of the Operating Agreement expressly states that ‘[t]he Members hereby agree that during the term of the Company, the rights and obligations of the Members with respect to the Company will be determined in accordance with the terms and conditions of this Agreement and the Act.’ The term ‘Act’ is defined at Section 1.1 to mean ‘the Delaware Limited Liability Company Act (Title 6, Subtitle II, Chapter 18), as amended from time to time.’”)

The Parties agreed that the issue before the Arbitrator for decision was whether Claimant has met its burden under Section 18-305 of the Delaware LLC Act and Delaware law, and as set forth above, filed briefs and submitted the matter for ruling by the Arbitrator on the briefs, without the need for an evidentiary hearing.

A. Section 18-305

As set forth above, the Operating Agreement incorporates Section 18–305 of the Delaware LLC Act into the “Books and Records” provisions (§4.3 **Books and Record, Place, Access; §11.3 Books and Records**). Section 18–305(a) provides a member of an LLC with the right, to obtain, “upon reasonable demand for any purpose reasonably related to the member's interest as a member of the limited liability company” a list of books and records, including “information regarding the affairs of the limited liability company as is just and reasonable.”

To inspect books and records, a member of a Delaware LLC, like a stockholder of a Delaware corporation, must first establish by a preponderance of the evidence the existence of a proper purpose for inspection. A proper purpose is any purpose “reasonably related to the member's interest as a member[.] *Garner v. Authenticity.ai Invs., LLC*, 334 A.3d 1108, 1123 (Del. Ch.), as corrected (Apr. 1, 2025), judgment entered, (Del. Ch. 2025), *citing Sanders v. Ohmite Holdings, LLC*, 17 A.3d 1186 (2011), and 6 Del. C. § 18-305(f)(2).

Once a member has shown a proper purpose, the burden shifts to the Company to prove that the member’s avowed purpose is not his actual purpose and that his actual purpose for conducting the inspection is improper. *Garner v. Authenticity.ai Investors, LLC*, 334 A.3d 1108 (2025); 18-305 (c) (“The manager of a limited liability company shall have the right to keep confidential from the members, for such period of time as the manager deems reasonable, any information which the

manager reasonably believes to be in the nature of trade secrets or other information the disclosure of which the manager in good faith believes is not in the best interest of the limited liability company or could damage the limited liability company or its business”).

Inspection rights under Section 18-305 may be either expanded or limited by the governing limited liability company agreement. 18-305(g). The Operating Agreement provides “[u]pon providing ten days prior written notice to the Company, setting forth in reasonable detail the reasons therefor, any Member or its designated Representative will have the right, during normal business hours, *pursuant to Section 18-305 of the Act*, to have access to and inspect, at its sole cost and expense, such books and records.” (§4.3, emphasis added); *accord*, “Members are entitled to obtain from the Company *pursuant to Section 18-305(a) of the Act*.” (§11.3, emphasis added.) Because this language neither expands nor restricts (other than the ten-day notice period) Claimant’s inspection rights, his rights remain “co-extensive with Section 18-305[.]” *Sanders, supra*, at 1193.

B. Claimant Has a Proper Purpose, and Has Shown a Credible Basis of Potential Wrongdoing.

As set forth above, Claimant asserts three purposes for his inspection request: (a) to properly apprise the current value of TGCA’s ownership interest in Pelorus Capital Group, LLC and Pelorus Data Project, LLC, (b) to determine any improper dilution of its interest, and (c) to investigate potential misconduct and misappropriation of funds.

Respondent argues that Claimant’s additional requests for books and records in Claimant’s inspection demand fail for at least four reasons: (i) Claimant lacks standing to inspect PCG’s books and records; (ii) Claimant’s true purpose in making its inspection demand was to aid its improper campaign to replace the Fund’s managers; (iii) Claimant has failed to show a credible basis of wrongdoing; and (iv) Claimant has not and cannot show that the specific documents requested are necessary and essential to its stated purpose.

Under Delaware law, a member’s desire to value his interests in a company, particularly in a closely held company, “has long been recognized as a proper purpose[.]” *Woods Tr. of Avery L. Woods Tr. v. Sahara Enters., Inc.*, 238 A.3d 879, 890 (Del. Ch. 2020). “Because they do not receive the mandated, periodic disclosures associated with a publicly held [company],” a member may have a legitimate need to inspect the books and records to protect their investment. *Id.* (citing

Thomas & Betts Corp. v. Leviton Mfg. Co., 685 A.2d 702, 713) (Del. Ch. 1995)). As such, genuine valuation purpose is not a difficult task for an investor in a closely held company. The Arbitrator finds that Claimant's first stated purpose, valuation, is a proper purpose.

Claimant's second stated purpose, to determine any improper dilution of its interest, is likewise a recognized interest under Delaware law. Claimant has documented a good faith basis to believe that there have been violations of the guaranteed payments and quarterly distributions provided for in the PCG Operating Agreement in that no quarterly distributions have been disbursed to TGCA since January 2024, and its monthly guaranteed payments, intended as a draw on total distributions, diminished from \$26,250 to \$2,350 in violation of Pelorus' contractual obligations to TGCA. For the month of February of 2025, no monthly guaranteed payments was distributed. This would be a dilution of Claimant's interest where other managers do not reduce their guaranteed payments and/or distributions in a manner to those of TGCA, or where distributions were reallocated through some other PCG mechanism to either Mr. Leimel, Jr., Mr. Sechrist, some third party or other improper, unilateral reallocation.

Claimant's third purpose, to investigate potential misconduct and misappropriation of funds, follows from the first two. Here, Claimant has alleged and shown that its distributions diminished and then stopped. Desiring to investigate mismanagement is a proper purpose for an LLC member to request inspection of the LLC's books and records. Claimant has met the requirement to present some evidence to suggest a credible basis from which a court can infer that wrongdoing may have occurred. The credible basis standard imposes a low burden of proof and does not require a member to show by a preponderance of the evidence that wrongdoing is probable, for an LLC member to establish that its purpose of investigating mismanagement is proper, for the member's request to inspect the LLC's books and records. *Garner v. Authenticity.ai Investors, LLC*, 334 A.3d 1108, 1126 (2025).

Claimant cites *Sanders v. Ohmite Holding, LLC*, 17 A. 3d 1186 (2011), as confirming that Claimant's purpose of assessing the value of its ownership right is a proper purpose. In *Sanders*, the Defendant was a company in which Plaintiff acquired a 7.75% equity interest. Defendant unilaterally issued additional shares in the vehicle without Plaintiff's consent, thereby diminishing Plaintiff's interest from 7.75% of the company to 0.000775%, which it informed him of through the issuance of a Schedule K-1. Plaintiff sought to inspect the company's books and records via a demand letter to evaluate the "value of [his] ownership interest, the status of the business and

financial condition of Ohmite, the performance of Ohmite's management and the legitimacy of the dilution." *Id.* at 1189. Defendant rejected Plaintiff's request then offered a partial production of information. *Id.* Based upon limited information, Plaintiff suspected that Defendants engaged in self-dealing at the expense of his ownership interest. *Id.* at 1192.

The Chancery Court noted that pursuant to Section 18-305(a), a member of a Delaware LLC must establish a proper purpose, which is "one that is 'reasonably related to such person's interest' as a member." *Id.* at 1193. The Court held that "[v]aluing one's ownership interest is a proper purpose for seeking books and record," *Id.* (citing *Somerville S Trust v. USV P'rs, LLC*, 2002 WL 1832830, at *5 n. 4 (Del. Ch. Aug. 2, 2002); *Madison Ave. Inv. P'rs, LLC v. Am. First Real Estate Inv. P'rs, L.P.*, 806 A. 2d 165, 174 (Del. Ch. 2002), and "[i]nvestigating potential wrongdoing is also a proper purpose." *Id.* The *Sanders* Court also confirmed that the dilutive issuance by Defendants "suggests a possible breach of the duty of loyalty" and that Plaintiff needs only "to have a credible basis to suspect wrongdoing." *Id.* at 1194.

Respondent argues that *Sanders* is not on point because it involved dilution, and Claimant's issue is diminished distributions, not dilution. However, the Plaintiff's dilution interest in *Sanders* is similar to Claimant's interest in losing his distributions: the value of his interest has been diminished. As in *Sanders*, PCG unilaterally reduced and then eliminated entirely Claimant's Monthly Draw and then refused to pay his Distribution Balance for 2024. PCG did so following disputes among the Parties over the Investor Issues. The Arbitrator finds that Claimant infers and suspects, credibly and reasonably so, that payments that he should have received have gone elsewhere and to others, and, as in *Sanders*, has properly requested the books and records at issue to answer those questions.

For the reasons set forth above, the Arbitrator finds that Claimant satisfies the proper purpose prerequisite and has met its burden of proof by a preponderance that each of its stated purposes: (1) genuinely exists, and (2) is reasonably related to its interest in the company.

The burden thus shifts to the Respondent to prove that Claimant's avowed purpose is not his actual purpose and that his actual purpose for conducting the inspection is improper. Respondent has shown that Claimant has an interest in misusing confidential information by disclosing it to other investors as part of an effort to replace the managers of Pelorus Fund, LLC. Claimant argues that these Investor Issues have no bearing on this arbitration which seeks only to assess the value of Claimant's ownership rights in PCG and if Respondent has improperly reallocated Claimant's

withheld interests. A confidentiality agreement or protective order would protect Respondent's interests.

Claimant has explained that the information in the general ledger that it seeks has no relevance or bearing on either Respondent's AAA arbitration or in the Pelorus Investor Litigation, as they relate only to the internal allocation of the respective ownership interests and distributions among the parties to this arbitration. No Pelorus investor has any interest or claim for the PCG funds at issue here and therefore the information sought by Claimant is of no value to Pelorus investors or any third-party to PCG.

Respondent argues that Claimant's involvement in the Investor Litigation means that Claimant has "conceded that the documents they sought to inspect were no longer necessary to investigate alleged wrongdoing by the Company or its Board of Managers." *JJS, Ltd. v. Steelpoint CP Hldgs., LLC*, No. 2019-0072-KSJM, 2019 Del. Ch. LEXIS 1308, at *18 (Del. Ch. Oct. 11, 2019).

Claimant counters that it has no improper purpose, that it seeks the information solely to confirm the value of its ownership interest and whether money that should have come to Claimant was improperly diverted. Further, the preliminary injunction issued in the AAA Arbitration, and/or a confidentiality order in this arbitration, can be used to protect against improper use of the books and records. (The Interim Award in the AAA Arbitration distinguished the impermissible use of the confidential information from "the permissible activity of monitoring *his investment* in [the Fund]." (AAA Arbitration Interim Award at 12, emphasis in original).)

C. Claimant Has Identified Specific Books and Records That Are Necessary and Essential

Claimant is only entitled to books and records that are necessary and essential to its proper purposes. Having found Claimant established proper valuation, dilution, and investigation purposes, the next issue is the scope of inspection. Under Section 18-305(g), a "member's right [of inspection] shall be to obtain such information as is necessary and essential to achieving that purpose." Claimant bears this burden.

For a document to be essential, it must address "the crux" of the member's purpose and contain information that is unavailable from another source. *Bizzari v. Suburban Waste Services*,

2016 WL 4540292 at *7. The plaintiff in a Section 220² case must “justify each category of the requested production” (*Security First Corp. v. US Die Casting & Development*, 687 A.2d 563, 565 (1997), and the scope of the request must also be circumscribed with “rifled precision.” *Id.* at 569. *Accord, Sanders* at 1194-95 (a member must show that each category of the books and records is essential and sufficient, i.e., that he needs a disputed category of books and records for an identified proper purpose).

If the books and records being sought by a member are not essential for the member's purpose, then the inspection of a limited liability company's books and records can be denied as seeking materials beyond what is needed to perform the task; conversely, if the stockholder already has sufficient information from other sources or as a result of other books and records requests, then the inspection similarly can be curtailed. *Sanders*, 17 A.3d at 1195.

At the time of the Interim Award, the Arbitrator found that Claimant had not yet met its burden to identify the necessary and essential records in each of the categories of its Demand. Claimant had simply stated “[e]ach document category serves to ensure the veracity of other documents, permitting TGCA to fully investigate whether misconduct has occurred.” The only semi-specific justification provided by Claimant was with reference to the general ledgers, stating that “[a] review of the general ledger will permit Claimant to assess whether PCG has complied with these requirements or otherwise misused the funds to which Claimant is contractually entitled.” This is quite general, and addresses only the first category of documents sought.

By Order dated August 28, 2025, and in the Interim Award, the Arbitrator offered Claimant a second chance “to submit further specificity explaining for each category of requested books and records requested, how those books and records are essential to the proper purpose of Claimant’s demand.”

As set forth above, Claimant was ordered to provide a chart identifying the specific documents or categories of documents that are necessary and essential to achieving the purposes of its Section 18-305 Demand, with an explanation of why each document or category is necessary. Claimant complied on September 9, 2025 with a Chart of Requested Documents, and on November 11, 2025, submitted a Further Narrowed Document Request List, with justifications for each category.

² Delaware courts use authorities under Section 220 in interpreting Section 18-305.

Under Section 18-305(g), a member’s right of inspection shall be to obtain such information as is necessary and essential to achieving that purpose. The Claimant bears the burden of proving that each category of books and records is essential to accomplishment of the expressed purpose for the inspection, providing specific and discrete identification of the documents sought.

The Arbitrator has reviewed the updated submissions and charts from the Parties, and finds that the Claimant has met its burden that following books and records are necessary and essential to the Claimant’s three proper purposes for his inspection request:

- Pelorus Capital Group, LLC : Detailed general ledger, monthly bank statements for this account, unaudited balance sheet, for the period January 2023 to date; and 2024 K1s for all members, and the 2024 entity tax return.
- PMG Solutions: Detailed general ledger, monthly bank statements for this account, unaudited balance sheet, for the period January 2023 to date; and 2024 K1s for all members, and the 2024 entity tax return.

These books and records are necessary and essential to enable Claimant to value his interest in Pelorus Capital Group, LLC and Pelorus Data Project, LLC, to determine where money went that may have improperly diluted its interest, and to investigate potential misconduct and misappropriation of funds, including investigating Mr. Sechrist’s representation that a portion of the management fee was recharacterized and diverted to him and to Mr. Leimel. For a valuation purpose, the books and records that Claimant would need to inspect are financial statements, bank statements, accounting documents, and tax returns. For investigation purposes, Claimant “should be given enough information to effectively address the problem[.]” *Garner v. Authenticity.ai Invs., LLC*, 334 A.3d 1108, 1130 (Del. Ch. 2025), quoting *Saito v. McKesson HBOC, Inc.*, 806 A.2d 113, 115 (Del. 2002). In this case, that documents reflecting how managers were compensated and how managers are receiving money from PCG and affiliated entities, directly or indirectly.

D. Standing

Respondent argues that Mr. Goad forfeited his interests in PCG and its affiliates, and thus lacks standing to inspect the records sought in the Demand. Respondent offers a March 20, 2025, letter from Mr. Leimel and Mr. Sechrist informing Mr. Goad that his conduct had triggered a

forfeiture of his interests in PCG and its Affiliates. Claimant disputes the validity of his expulsion as a member from the Fund and TGCA's forfeiture of its current and future membership interests in PCG. That is a unilateral allegation from Respondent, attempting to extinguish Claimant's ownership interest during this arbitration, which has not been ruled upon. It raises issues, which, the Parties have told the Arbitrator, are being addressed in the separate AAA Arbitration brought by Respondent against Claimant. Respondent has not shown, in this arbitration that Claimant lacked standing to make its books and records Demand, either at the time it was made, or now.

E. Prevailing party

Both Claimant and Respondent contend that they are the prevailing party. Claimant argues that the central issue submitted to arbitration was whether Claimant was entitled to inspection, and the Arbitrator agreed, rejected Respondent's position that no proper purpose existed, and compelled production. Respondent argues that it is the prevailing party because it prevailed on the breach of contract claim, which is the claim subject to the fee-shifting provision in the Operating Agreement, while Claimant prevailed on the statutory claim under Section 18-305 of the Delaware Limited Liability Company Act.

The Arbitrator finds and concludes that Claimant is the prevailing party.

The fee-shifting provision in the Operating Agreement is contained in Section 11.21, "Binding Arbitration," which compels the arbitration of "*ANY DISPUTE, CLAIM OR CONTROVERSY ARISING OUT OF OR RELATING TO THIS AGREEMENT . . . OR ANY OTHER DISPUTE, CLAIM OR CONTROVERSY ARISING OUT OF ANY INTERACTION BETWEEN THE COMPANY AND A MEMBER . . .*" [and] *THE PREVAILING PARTY IN ANY DISPUTE, CLAIM OR CONTROVERSY HEREUNDER SHALL BE ENTITLED TO RECOVER ITS COSTS OF ARBITRATION AND REASONABLE ATTORNEYS' FEES THEREFOR.*" (Capitalization in original; emphasis added.) This is a broad arbitration clause, and does not differentiate between disputes that do or do not incorporate the remedies set forth in Section 18-305 of the Delaware Limited Liability Company Act, which is expressly incorporated into the *contractual* language of Sections 4.3 ("any Member or its designated Representative will have the right, during normal business hours, *pursuant to Section 18-305 of the Act*, to have access to and inspect, at its sole cost and expense, such books and records") and 11.3 of the Operating Agreement ("Each Member acknowledges that this provision regarding access and review of financial books,

records and documents are reasonable and in accordance with the provisions of § 18-305(9)[sic] of the Act.”)

Respondent’s argument that Claimant prevailed only on a statutory claim ignores the fact that Claimant proceeded under the Operating Agreement’s contractual provisions that expressly incorporated and required compliance with the statutory framework of Section 18-305.

Claimant initially sought to read the language of the Grant Agreement to allow it to obtain the books and records without the need for complying with the terms of Section 18-305, as incorporated within the Operating Agreement. The Arbitrator rejected that argument, and Claimant dropped back five yards and tried again, this time under the language of Sections 4.3 and 11.3, *as incorporating Section 18-305*. Respondent joined the issue, briefed it, and submitted it to the Arbitrator for resolution. Respondent did not argue that Claimant’s Demand under Sections 4.3 and 11.3, which expressly incorporated Section 18-305, was beyond the Arbitrator’s jurisdiction, or did not qualify as a “dispute, claim or controversy arising out of or relating to the [Operating Agreement] ... or “any other dispute, claim or controversy arising out of any interaction between the Company and a Member”. Respondent proceeded to brief the issues and submit them to the Arbitrator for ruling. The Arbitrator’s ruling was a ruling based upon a contract, the Operating Agreement, which incorporated the provisions of a statute (Section 18-305) to define the “access and review of financial books, records and documents” to which a Member was entitled. (Operating Agreement §11.3).

Claimant did not pursue his request for inspection as a statutory claim under Section 18-305 in the Court of Chancery, but rather consistently pursued his contractual rights and remedies in arbitration, as mandated by the Operating Agreement between the Parties. As such, as the prevailing party Claimant “shall be entitled to recover its costs of arbitration and reasonable attorneys’ fees therefor.” (Operating Agreement § 11.21).

F. Attorney fees and costs

Claimant requests \$263,927.66 in legal fees, and costs of the arbitration in the amount of \$83,487.18. Respondent argues that Claimant’s counsel has failed to meet its burden to demonstrate that the fees sought are reasonable.

Respondent correctly noted that Claimant’s initial submission was heavily redacted.

Accordingly, on January 17, 2026, Claimant submitted further information in support of the reasonableness of its fees by refining the redactions and resubmitting the invoices, to provide the Arbitrator the information necessary to assess reasonableness, without waiving attorney-client privilege or work-product protections.

The Arbitrator has reviewed the invoices submitted by Claimant and carefully considered the reasonableness of those fees. The Arbitrator finds and concludes that they are reasonable for this type of case considering counsel's skills and litigation experience.

The Arbitrator has considered the applicable factors set forth in the Rule 1.5(a) of the Delaware Lawyers' Rules of Professional Conduct, specifically focusing on the time and labor required, the novelty and difficulty of the questions involved, and the skill requisite to perform the legal service properly; the fee customarily charged in the locality for similar legal services; the amount involved and the results obtained; the time limitations imposed by the client or by the circumstances; and the experience, reputation, and ability of the lawyer or lawyers performing the services. *See, Mahani v. Edix Media Grp., Inc.*, 935 A.2d 242, 245–46 (Del. 2007). Mr. Guha was the lead counsel, and he is an experienced trial attorney with more than twenty-five years' experience. The rates charged are consistent with those customarily charged in this locality for comparable legal services, as evidenced by the rates and supporting information provided in Respondent's application. Considerable time and labor was involved. Claimant obtained the results sought, namely, an Award ordering that the documents and records sought be produced by Respondent.

The reasonableness of Claimant's fees are further evidenced by comparison to Respondent's fees. As set forth above, Claimant seeks legal fees of \$239,045.36 from the inception of these proceedings to the current date, a seventeen-month period. Respondent sought legal fees that total \$340,161.50, \$100,000 more than Claimant seeks, and for only a six-month period, from inception to February 2025.

IV. CONCLUSION

A. Claimant TGCA/Travis Goad has established three proper purposes for his inspection request: (a) to properly apprise the current value of TGCA's ownership interest in

Pelorus Capital Group, LLC and Pelorus Data Project, LLC, (b) to determine any improper dilution of its interest, and (c) to investigate potential misconduct and misappropriation of funds.

B. Claimant has shown that the following document categories requested are necessary and essential to its stated purposes:

- Pelorus Capital Group, LLC : Detailed general ledger, monthly bank statements for this account, unaudited balance sheet, for the period January 2023 to date; and 2024 K1s for all members, and the 2024 entity tax return.
- PMG Solutions: Detailed general ledger, monthly bank statements for this account, unaudited balance sheet, for the period January 2023 to date; and 2024 K1s for all members, and the 2024 entity tax return.

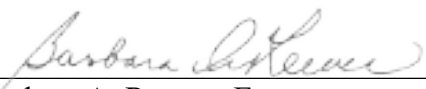
C. Respondent Pelorus Capital Group, LLC, is ordered to collect and immediately produce documents responsive to the document categories set forth above.

D. Claimant TGCA/Travis Goad is the prevailing party and entitled to reasonable costs and attorney fees under the Operating Agreement and governing Delaware standard.

E. Claimant TGCA/Travis Goad is awarded \$263,927.66 in legal fees, and costs of the arbitration of \$83,487.18

This is a Final Award, intended to be subject to confirmation by a competent court.

Dated: February 23, 2026



Barbara A. Reeves, Esq.
Arbitrator