

RECEIVER'S INITIAL FORENSIC REPORT

I. Purpose and Scope of this Report

1. This Receiver's Initial Forensic Report (this "***Report***") is submitted for the following purposes to: (i) respond to inquiries from creditors, investors and other interested parties (collectively, "***Stakeholders***") requesting an accounting of investments, loans and the general findings of the Receiver concerning the financial behavior of the Receivership Entities;¹ (ii) provide the Court and Stakeholders with foundational information for the claims process and anticipated future issues concerning equitable forms of distribution to Stakeholders; and (iii) to address certain claims asserted by partners and RSA parties related to certain Joint Ventures and to quantify the value of investments in Joint Ventures.

2. In accordance with the Appointment Order, the Receiver initiated a discovery phase and investigation into the financial affairs of the Receivership Entities and documents related to the Receivership Assets. The Receiver investigated sources and uses of funds by the Receivership Entities, from their inception to the present, and sought to identify any Receivership Assets that, if recovered, would yield a net benefit to the Receivership. The Receiver and his team concentrated their forensic accounting efforts on the following tasks, some of which were previously addressed in the Receiver's six previous reports to the Court (the "***Status Reports***"):

- a. Recover and review documents related to the Receivership Entities to determine the sources and uses of cash of the Receivership Entities.
- b. Investigate the business and financial activities of the Receivership Entities, including inter-entity transfers, nature of investments, etc.
- c. Identify Receivership Entity investors and other creditors, identify and locate Receivership Assets, and lay the foundation for a future claims process.

¹ Capitalized terms not defined herein have the meanings given to them in the Receiver's Seventh Report.

- d. Identify inappropriate transactions e.g. inconsistencies in distributions or debt payments, and other activity that resulted in inequitable treatment for investors.
- e. Produce supporting documentation or financial records to aid the Receiver in its efforts to marshal and preserve the Receivership Assets, and to assist the Receiver in defending or responding to third party litigation against the Receivership Entities.
- f. Determine if the various Receivership Entities were operated by Defendants without regard to corporate formalities and separateness;
- g. Support a myriad of regulatory agency information requests.

II. Objectives of this Report

3. The objectives of this Forensic Report are to provide preliminary observations regarding:

- a. Whether the Receivership Entities commingled investor funds;
- b. If the Receivership Entities were managed by Defendants without regard to corporate formalities and separateness;
- c. Whether the finances of the Receivership Entities were mismanaged so that it is difficult to segregate the various transactions, costs, investment returns and losses, and other aspects of the various entities and transactions from one another; and
- d. Where the funds obtained by the Receivership Entities were ultimately directed.

4. The Receiver's analysis is based on a detailed review of the Receivership Entities' accounting ledgers, bank statements, investor operating agreements, and investment transaction data. Where documents were insufficient to reach any further conclusions, the Receiver has noted this in the relevant sections, below.

III. Executive Summary

5. The Receiver's investigation continues and the findings in this report may change based on further information. However, based on the information currently available and the Receiver's preliminary analysis, at this time, the Receiver is of the of the opinion that:

- It was a regular business practice for the Receivership Entities to fund the acquisition of real estate (or pay expenses for a new project) prior to raising money from investors specifically for that project with repayment of the original funding often not accounted for, inadequately accounted for, or nonexistent;
- The Receivership Entities' accounting and business practices, coupled with regularly not opening bank accounts for projects, caused the frequent blending of project funding with Receivership Entities' investor money or money from other sources;
- The Receivership Entities preferred certain investors to others without regard to their respective rights resulting in 377 investors receiving more cash from the Receivership Entities than they invested while approximately 50 investors never received any cash distributions - these 50 investors contributed less than \$350,000 each, with the average contribution just below \$150,000;
- The former principals of PSW and the StoryBuilt enterprise violated operating agreements, favored some investors over others, used investment funds and loans received in connection with certain projects to pay outstanding amounts due in connection with earlier projects, filed incorrect tax returns, and either failed to create or created inaccurate and unsupported financial statements;
- The Receivership Entities used Dayton investor funds to pay fictitious profits to Ravenna investors; and
- Class B1 investors, including the Principals, received distributions at times during when Note payments were not being timely made and were entitled to priority.

IV. Documentation Collected

6. As reflected in the Receiver's Initial Status Report dated August 25, 2023, the Receiver took possession of PSW's business premises, assumed control of the operations, and collected all books and records, both physical and electronic. The Receiver continues to investigate the Receivership Assets, bank statements, tax returns, accounting records, corporate and investment level entity governance documents and entity operating agreements, offering documents, corporate debt instruments and agreements, supporting correspondence and/or other documents governing and controlling the foregoing and any special purpose entities, and the investor database and reporting system, Juniper Square.

7. In addition to obtaining full global administrator access to the Receivership Entities' electronic file servers, the Receiver has secured access to the servers and taken a forensic image of all files, emails, and the accounting software files. The Receiver has also obtained records from banks and other financial statements via informal document requests or subpoenas (collectively, with the hard-copy files and information on the servers, referred to as the "**Records**").

V. Procedures Performed

8. The Receiver and its forensic team reviewed information located in the Records and performed in-depth analyses related to projects Ravenna, Goose Run, Bruno, and Dayton. Records were also reviewed related to projects Ozzie, Charley, Kramer, West Dallas Urban Village, Clementine (aka Menchaca Condominiums), Frank West, Lucy (aka Penn Place Condos), Luma, and Meridian North Bluff. Joint Venture investor agreements were reviewed related to noteholders and all classes of investors. Much of the Receiver's observations and findings as of the date hereof are based on extensive review of the available accounting ledgers and investment transaction data for the Receivership Entities. The forensic team analyzed the overall cash flow of the Receivership Entities, including project-specific sources and uses of cash.

9. The Receiver and his forensic team have performed the following procedures to date:

- a. reviewed investments and payments to understand the financial behavior and patterns the former principals exhibited;
- b. analyzed cash balances and transactions related to uses of investor cash contributions after receipt;
- c. reviewed accounting reports related to intercompany activity, and the accounting team's attempted intercompany reconciliation;
- d. confirmed investor balances with bank receipts based on a representative sample size;
- e. confirmed investment balances with investors on a representative sample size;

- f. reviewed reconciliation and discrepancies of investor balances with equity balances on tax returns; and
- g. reviewed email correspondence between the Principals and investors related to questionable transactions.

VI. Financial Overview

10. The Receiver's analysis shows that it was a regular business practice for the Receivership Entities to fund the acquisition of real estate (or pay expenses for a new project) prior to raising money from investors specifically for that project. Repayment of the original acquisition funds was often not accounted for, inadequately accounted for, or did not occur. These practices, coupled with regularly not opening bank accounts for projects, caused the frequent blending of project funding with Receivership Entities' investor money or from other sources (*e.g.* loans).

11. According to PSW accounting personnel and previous employees, the principals failed to communicate many materially significant financial transactions or the rationale supporting those activities to the accounting and finance team or to senior executives. This partially explains the inadequate support and resulting inaccuracy of financial statements and tax returns.

12. The Receiver noted material, frequent, and negligent financial activity. Further investigation may result in some explanation but it appears that significant financial activity was not supported by documentation, which in and of itself significantly challenges (and may entirely defeat) any hopes of maintaining the separateness of the Receivership Entities.

13. After reviewing available investor data, the Receiver determined that 726 investors held stakes in the Receivership Entities through notes, equity, limited partnership interests, or RSAs. Of these 726 Stakeholders:

- a. approximately 200 were employees of the company who were granted Class B2 equity as a part of their employment (*i.e.*, no cash contributed);
- b. 316 of the 726 investors received more cash distributions over the course of their investment than cash contributed; and

- c. an additional 33 have neither contributed to nor received cash from any of the Receivership Entities.

14. Based on the foregoing, 377 investors have a net cash credit balance with the Receivership Entities, *i.e.*, these investors *received* more cash from the Receivership Entities than they invested.

15. A total of 492 investors contributed approximately \$200 million to Receivership Entities and an estimated \$141 million in cash distributions have been made to a total of 606 investors.

16. There are approximately 50 investors that have contributed cash to Receivership Entities and never received any cash distributions. These 50 investors contributed less than \$350,000 each, with the average contribution just below \$150,000.

17. Forensic work performed to date indicates that the former principals of PSW and the StoryBuilt enterprise (collectively, the “*Principals*”) violated operating agreements, favored some investors over others, used investment funds and loans received in connection with certain projects to pay outstanding amounts due in connection with earlier projects, filed incorrect tax returns, and either failed to create or created inaccurate and unsupported financial statements. The Principals disregarded corporate formalities and principles of corporate separation and, as previously reported, transferred money between entities with little documentation or investor knowledge. For example, the Principals caused the Receivership Entities to:

- a. grant equity or basis increases for some investors in projects, but not others;
- b. include partners on tax returns that are not listed in agreements and for which there are no contributions recorded;
- c. record property acquisition in the incorrect year for a Goose Run project tax return;
- d. gave Receivership Entities ‘phantom’ equity credit or created intercompany balances on the returns in an apparent attempt to make the tax books balance, *i.e.*,

PSW's equity account was evidently used as a plug amount to balance the debits and credits for an entity; and

- e. fail to charge or overcharged special purpose entities for fees due under the respective governance agreements, resulting in inaccurate inter-entity amounts due and from. (For Goose Run, for example the amount due to PSW appears to be more than \$1 million.).

18. Findings concerning distributions and payments activity executed by the Principals are as follows:

- a. distributions and payments do not appear to have been properly prioritized based on the governing agreements with investors and shareholders;
- b. distributions and payments to the Principals as well as some larger investors do not appear to have been made equitably within the classes of investors;
- c. new investments immediately preceded distributions made to larger, favored investors unrelated to the intended projects;
- d. the Receivership Entities regularly rolled over certain investors' equity accounts with so-called accrued gains from earlier projects to later projects, with the agreement of relevant investors (The Receiver is presently unable to discern how rollover values of approximately \$29 million were calculated or communicated to existing or previous investors.);
- e. instances of "non-cash basis markup" or "adjusted basis – markup", which increased the investor's equity share in a new project entity. ; and
- f. cash related to basis markups was supposed to be contributed from Receivership Entities' profit on a previous project where the investor had been an equity holder.

19. After reviewing the economics of various projects, it appears that not all projects where investors were offered the rollover option produced a positive net income. This resulted in new projects being under-capitalized – the equity shown was created through non-cash transactions based on inflated values from transfers of land to a special purpose entity or from highly exaggerated financial results from completed projects.

20. The Receivership Entities' equity sometimes increased in certain projects without the agreement of or notification to investors. This would dilute outside investors' shares in the

relevant Receivership Entity and was possibly an attempt to manipulate the debt-to-equity ratio to meet specific debt covenants required by a project's secured lenders.

21. In addition to inflating its equity in relevant Receivership Entities, the Principals caused Receivership Entities to distribute funds inequitably to the Stakeholders. This was in violation of relevant governing documents and is discussed in further detail below.

VII. Project Related Findings

A. Findings Related to Cougar Equities

22. A project known as Speedway Condos was originally developed and sold by one of the Principals, Ryan Diepenbrock, in his own name. When significant construction defects became evident, the Speedway Condos were repurchased and held for repair and resale by Cougar Equity, which was owned by two of the Principals, Ryan Diepenbrock and Anthony Siela, and other individuals possibly related to Principals. On one balance sheet found by the Receiver, PSW was identified as having an interest in Cougar Equity, but relevant tax returns show PSW as having no interest.

23. The Speedway Condos were sold by Cougar Equity with builders' warranties provided by Cougar Equity. But, as construction defects emerged again, the Principals caused relevant Receivership Entities to spend significant sums of money over several years to rectify such defects. The Receiver has not been able to confirm that any of the Receivership Entities held any actual ownership of any of the Speedway Condos, received any proceeds from the sale of thereof, or had any documented contractual relationship with Cougar Equity that obligated PSW to pay for this repair work on the homes. The Receiver is researching the chain of ownership, payments made to the benefit of Cougar Equity, and the rationale for those payments. However, at

this time, the Receiver has not located any documents justifying the use of PSW funds to pay for repairs to the Speedway Condos.

B. Findings Related to the Ravenna (aka “Winston”) Project

24. PSW formed a company called 6556 Ravenna, LLC, which was created to own, develop, and sell townhomes in the Ravenna project (later renamed as “Winston”). The investment offering and governance documents for Ravenna/Winston state that upon sale of a townhome (but with the Manager having sole discretion as to the timing and amount), the Company would distribute net cash flow proceeds to investors: (i) first to repay their capital contributions, (ii) then to pay accrued and unpaid Preferred Distributions of \$700 per Class A Unit (each priced at \$5,000) per annum (or 14% per annum), and (iii) then the remainder of net cash flow to the Class B Member, PSW Real Estate, LLC. Section 6.7 of the Operating Agreement states that “no Member will be entitled to any distributions from the Company (whether in return of such Member’s Capital Contributions or otherwise) except as provided in this Agreement.” Records of the Receivership Entities indicate that the Ravenna project *lost* more than \$4.5 million, yet its limited partners were *paid a 35% return on their investments*. This money used to provide full returns to Ravenna investors, despite the projects financial losses, appears to have come directly from investors in the Dayton project as discussed in the below section.

C. Findings of the Dayton Project

25. An interesting pattern emerged from the analysis related to the Dayton investment in relation to payments made to Ravenna investors. The bulk of the Dayton investor dollars, \$6,050,000, were received during the last two weeks of June 2022. *In that same time frame*, \$4,309,644 was distributed to Ravenna limited partners, which exceeded the approximately \$3,500,000 received by the relevant Receivership Entity from Ravenna sales prior to that time.

Receivership Entity records indicate that the Ravenna project *lost* more than \$4.5 million, yet as described above its limited partners were *repaid a 35% return on their investments*.

26. Of the 19 Dayton investors, 6 were also Ravenna investors, accounting for 51.5% of the distributions made on Ravenna and 48.2% of the contributions made to Dayton. Thus, at the time Ravenna investors were being paid a 35% profit on a project that lost millions, many of those same investors put millions of dollars into Dayton. At the same time, the relevant Receiver Entity's cash declined from approximately \$3.5 million on June 16, 2022, to approximately \$1.96 million on June 30, 2022. Although analysis continues, at this time the Receiver believes that the Receivership Entities used Dayton investor funds to pay fictitious profits to Ravenna investors. See Exhibit "A".

D. Findings Related to the Goose Run Project.

27. The Goose Run Project received aggregate investor contributions of \$3,150,000.00 in April of 2021 from RSAs, obligating the Goose Run Project entity to pay the RSA participants returns from the sale of each finished lot. From the received RSA contributions, \$2,950,000.00 was used to redeem the original property acquisition equity partner (the "*Initial Investor*"), referred to as the "Initial Investor" in the RSA documents, which amount appears to be the correctly calculated preferred and capital returns under the operating agreement to accomplish the redemption given. The amount paid to the Initial Investor, however, was \$300,000 *more* than the amount disclosed to the RSA investors, a result of additional interest accruing prior to the redemption.

28. The RSA offering documents did not disclose that the redemption of the Initial Investor was subject to additional compounding interest based on the timing of the redemption, nor was any attempt made to connect the redemption amount to any fair market value of the

property. At the time of receiving the RSA funds, PSW did not open a bank account in the name of the relevant Receivership Entity. PSW thereafter funded pre-development costs from PSW's general treasury, during a time PSW was experiencing operating deficits. PSW closed on debt re-financing with American Bank of Commerce ("ABC") in May 2021 at which time a bank account was opened for the project's relevant Receivership Entity and thereafter construction loan funds were advanced from ABC. Additional funds were spent on Goose from other Receivership Entity bank accounts. It appears that the Receivership Entities provided approximately \$1.7 million in funding to pay for Goose Run costs but that activity was not adequately accounted for. The Goose Run property was acquired in 2018, but the Receivership Entity that owned the real property did not recognize the acquisition until 2019.

E. Findings Related to the Bruno Project

29. The Receivership Entity related to the Bruno project received \$2,900,000 in capital contributions from the Bruno Class A investors. Four of these investors received non-cash basis markups, totaling \$15,000 with no further explanation or detail. These markups are not described in the governing documents for the Bruno project and the Receiver found no related communication with Class A investors. Bruno Class B and C investors were given capital account credits based on contributing their tenant-in-common interests in the Bruno land. The Class C investor, SB-Bruno Holdings, LLC, which is wholly owned by PSW, received an equity credit of \$1,500,000, less (i) the cost to repay the secured real estate loan and (ii) initial development costs. Corporate formalities were not followed at Bruno. Expenses were paid from a mix of other Receivership Entities' bank accounts and Bruno's own bank account.

30. Cash disbursements from project Bruno were inconsistent with cash received each month. In some months, more disbursements were made than cash received, and in other months,

more cash was received than paid out. From September 1, 2022, through June 30, 2023, PSW received nearly \$800,000 more than it disbursed for Bruno. By June 30, 2023, Bruno's accounts payable balance included more than \$500,000 in unpaid invoices and the intercompany balance due to Bruno from PSW was only \$95,000. These cash flow issues combined with liens filed by subcontractors, default rate interest and penalties, and poor economics of Bruno led to the Receiver determining that there was no value to Stakeholders and allowing the secured lender to foreclose. Bruno underscores the general inattention to proper accounting in support of maintaining the corporate formalities of the separate project and parent level entities utilized at PSW.

F. Other Project Related Observations

31. On several projects, real estate values appear to have been inflated without economic support to encourage additional investment and to support the Principals' request that investors "rollover" their returns to new projects rather than receive the cash that may have been due to them. In some cases, returns appear to have been incorrectly calculated and not in compliance with the governing documents or normal accounting practices. Again, this may have been done to encourage new investment based on incorrect economic returns.

32. In three projects (Bruno, Goose Run, and Kramer) certain, but not all, investors were granted "non-cash basis markups" which are not the cash value received and for which is not adequately explained in any documentation yet discovered by the Receiver, leading to concerns of inequitable treatment among investors of the same class. The Receiver also found discrepancies between the tax returns and financial statements related to these entities. The Receiver has not found documentation or rationale for the different (favorable) treatment for these investors. See Exhibit "B".

G. Corporate Level Investment Observations – Payments to Class A, Class B, and Noteholders

33. Payments to Corporate Noteholders. Most corporate notes were issued as part of two series of notes, issued in 2020 and 2022. The risk factors for each series of notes discloses that proceeds of the notes may be used to redeem existing investors and to pay then-outstanding convertible promissory notes. The payment obligations of the notes are senior to non-redemption distributions to any class of corporate level investors. Further the 2020 series stated in its summary of terms that all notes in the series “will rank *pari passu* in right of payment with respect to each other and all payments to [2020 Series] noteholders will be made *pro rata* based on the aggregate unpaid amounts under the Notes at such time.” The Receiver has found many instances of distributions going to Class B1 investors, including the Principals, at times during when Note payments were not being timely made. This means that payments to Class B1 investors were made inconsistent with the terms of the corporate notes and in violation of the loan documents.

34. Additionally, *pari passu* treatment of 2020 Series noteholders was not fully respected in that there are instances of payment being made to some members of the class but not others.

35. Class A Payments. The operating agreements gave Class A shareholders a higher priority to distributions than the Class B and C shareholders. However, this structure was not always followed. Class B shareholders received higher payouts in certain periods and the Receiver has not discovered documentation or accounting notation explaining or supporting this treatment (*i.e.*, if Class B distributions were actually repayments for loans such as from prior deferred distributions, those shareholder notes are missing). Finally, Class B1 (and occasionally B2) shareholders were allowed to convert their Class B equity into Class A equity, thereby end-running the distribution order and diluting Class A. The Receiver has not found any documentation to support or explain this treatment.

36. Class B Payments. Class B is divided into three sub-classes: (i) Class B1 for the founders and early executives (severance of employment being a repurchase trigger); (ii) Class B2 for employee profit share units, with various vesting rules; and (iii) Class B3 for certain large amount, legacy investors that received greater returns but bore additional risk of being behind class A. Under the relevant Receivership Entity operating agreements, distributions to Class B unit owners were conditioned upon the availability of net cash flow and distributions to Class A investors. Additionally, payments to B1 are subordinated to payments having been made to Classes B2 and B3; and payments to the Co-Founders in excess of a certain threshold are deferred until all other B1 distribution rights have been satisfied. The Board entered into B3 Rights Agreements with the Class B3 owners that agreed no distributions, compensation, salary or other payment would be made to the Principals during any default under the B3 Rights Agreements². The foregoing payment restrictions are referred to herein as “Distribution Restricted Periods” and the B3 additional restriction on Co-Founder payment, compensation and distribution is referred to herein as the “Co-Founder Payment Restricted Periods”.

- a. B1 Payments. – Distributions – both in the form of cash and in the form of Class A units – that were made to the B1 Members, including the Co-Founders during the Distribution Restricted Periods. The Receiver has not found any documentation supporting a waiver of the restrictions against these distributions. Some of the distributions were in the form of Class A Units issued in lieu of Class B cash distributions. Because these Class A Units were issued during Distribution

² From January 5, 2022 to March 17, 2022, at which point an amendment was signed to delay the Jan 5, 2022 payment to July 5, 2022 and from July 5, 2022 to September 21, 2022, at which point an amendment was signed to delay the July 5, 2022 payment to July 5, 2023. From January 5, 2023 to the appointment of the Receiver on August 1, 2023.

Restricted Periods, there were not distributions owing and thus to Receiver's knowledge there was no exchange of value for the Class A Units issued.

- b. B3 Payments. The Receiver has been unable to determine whether payments made per the B3 Rights Agreements were made in accordance with a "Distributions Restricted Period" to the extent they were made when distributions were not being paid to Class A. The structure of the payment obligations has been deemed by at least one auditing firm to qualify them as debt rather than equity. The failure of the Board to document Class B3 to adequately fit into either the intended B3 category of equity or the category of notes may therefore have disadvantaged Class A investors. The Principals regularly received payments of salary and other distributions during the "Co-Founder Payment Restricted Periods" defined in Footnote 1 above, during which times the Class B3 Agreement was in default, meaning the Principals were prohibited from receiving any compensation, salary, distribution or other payment during any such default.

VIII. Conclusion and Next Steps

37. The Receiver continues to analyze the Records of the Receivership Entities. Additional analysis will focus on quantifying claims for clawing back inappropriate distributions and claims against the Principals and others who obtained windfalls.

EXHIBIT “A”

Ravenna Project Analysis

Limited Partner Investment \$3,200,000
Limited Partner Return **\$4,309,644**
Return on Investment 35%

Ravenna Project Loss \$4,591,291
StoryBuilt Loss after Distribution \$5,700,935

Project Revenue		
Gross Revenue	\$19,862,910	
Cost of Sales	(\$749,807)	
Taxes/Licenses	(\$51,171)	
Advertising/Marketing	(\$8,815)	
Wages	(\$4,840)	
Other Expenses	(\$987)	
Professional Services	(\$879)	
SG&A	(\$767)	
Office Expense	(\$375)	
Travel/Meals/Fun	(\$286)	
Sales Revenue		\$19,044,984

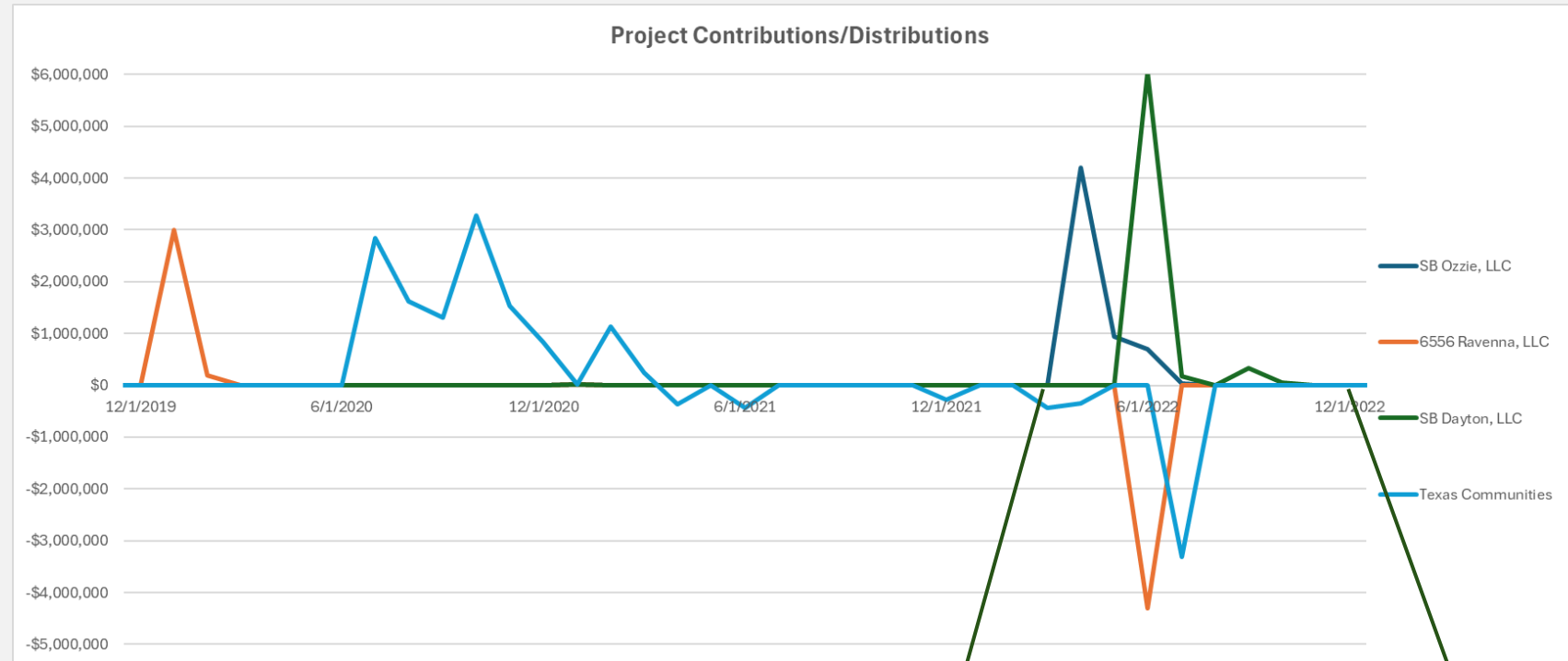
Project Expenses		
Hard Costs	(\$10,694,003)	
Land / Asset Cost	(\$5,420,104)	
Interest	(\$2,386,983)	
Soft Costs	(\$1,875,597)	
StoryBuilt Overhead	(\$1,458,180)	
Financing Costs	(\$787,935)	
Land Commissions	(\$544,607)	
Land Closing Costs	(\$468,866)	
Total Project Expenses		(\$23,636,276)

<u>Project Gain/(Loss)</u>	<u>(\$4,591,291)</u>
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Capital Distribution Timing

Summary

- StoryBuilt Paid Ravenna Limited Partners \$4.3M from the StoryBuilt Corporate Account after only receiving \$3.5M in proceeds, which remained in Ravenna's account until the end of July 2022
- The only money in the account that could cover the full Ravenna distribution was newly invested capital from Dayton
- StoryBuilt did not receive the remaining proceeds to cover the \$4.2M distribution until December 2022
- The Ravenna project cost \$4.6M more to develop than it sold for, which was a direct loss to StoryBuilt's equity contribution. StoryBuilt still paid \$4.3M to LP Investors which ultimately resulted in an \$5.7M loss to StoryBuilt



StoryBuilt Corporate Account (6021)

Dates	Action
6/16/2022	-Corporate Account Ending Balance of \$3,515,843
6/17/2022 - 6/30/2022	-Dayton Capital Contributions of \$6,050,000
6/23/2022 - 6/30/2022	-Distribute \$4,309,644 to Ravenna Limited Partners from Corporate Accounts
6/30/2022	- Only expenses paid on Dayton in June 2022, \$741 in Legal Fees
6/30/2022	-Corporate Account Ending Balance of \$1,955,231

Dates	Action
6/15/2022 - 6/23/2022	-Receive \$3,668,973 in Sales Proceeds to Ravenna Account
6/23/2022 - 6/30/2022	-Distribute \$4,309,644 to Ravenna Limited Partners from Corporate Accounts
7/20/2022 - 7/29/2022	-Transfer Ravenna Sales Proceeds to Corporate Accounts
12/1/2022 - 12/30/2022	-Receive \$2,286,593.91 in Sales Proceeds to Ravenna Account

EXHIBIT “B”

Entities	Books Balanced				Books Agree to Tax Returns		Capital Per Books = Agmts/Docs	Non-Cash Step Ups	Specific Transaction Issues	Rollover Equity	Large Interco Balances to Recon
	2020	2021	2022	2023	2020	2021					
PSW Real Estate, LLC											
SB Willa Commercial, LLC	100% owned, disregarded entity. Books combined/consolidated/comingled with SB Income Portfolio										
Willa Commercial TIC	NA	NA	Yes	NA	NA	NA	Yes	No	TIC Agreement never executed. Investors apparently promised interest in the income fund rather than an interest in a single asset	No	Yes
PSW Springdale, LLC	100% owned, disregarded entity. Books combined/consolidated/comingled with other PSW entities. Project is intertwined with a consolidated investment as part of a condo regime w/ shared costs										
SB Austin 84, LLC	IHP took over return prep for the 2022 return. Books balanced, capital agreed and books turned over to IHP. Project is intertwined with a consolidated investment as part of a condo regime w/ shared costs										
6556 Ravenna, LLC	Yes	No	No	No	Yes	No	No	No	Capital and preferred returned to investors, despite apparent net loss per books	No	Yes
SB-Bruno, LLC	NA	Yes	Yes	Yes	NA	Yes	No	Yes, \$15K total	Lender funded, unpaid invoices	No	Yes
SB Manchaca Road, LLC	Yes	Yes	Yes	Yes	No	No	Yes	No		No	Yes
SB Webberville Road, LLC	Yes	Yes	Yes	NA	No	No	No	No		No	Yes
George 116-Austin, L.P.	Official books and returns done by Hearthstone. Note buyer deposits went to SB rather than to JV account										
SB-Downtown Plano, LLC	100% owned, disregarded entity. Books combined/consolidated/comingled with other PSW entities										
SB-Kramer, LLC		Yes	Yes		NA	NA	Yes	Yes, \$10.4K total		No	Yes
SB-Dayton, LLC	NA	NA	NA	Yes	NA	NA	No	No	Land not acquired	No	Yes, mostly related to contributions received into the Corp bank account
SB-Parfitt, LLC	NA	NA	Yes	Yes	NA	NA	NA	No	None	No	No
PSW White Rock Trail, LLC	Yes	Yes	Yes	Yes	No	No	Yes	Yes, \$80K total	Acquisition recognized in wrong year on return. Started 2018, no separate bank acct until 2021	No	Yes
PSW West Dallas Urban Village, LLC	Yes	Yes	Yes	Yes	Yes	Yes	Yes	No	Intertwined with PG JVs	No	Yes
Fixed Maintenance and Repair, LLC	Yes	Yes	Yes	No	Yes	Yes	Yes	No	Acquired by SB in 2022 for cash and units	No	Approx. \$300K due to Fixed from var. SB affiliated entities
SB-San Miguel Holdings GP, LLC	Shell companies set up for acquisition of property management company that never happened. No Activity.										
SB-San Miguel Holdings, LLC	Shell companies set up for acquisition of property management company that never happened. No Activity.										
Storybuilt (fka PSW Homes, LLC)	100% owned, disregarded entity. Books combined/consolidated/comingled with other PSW entities										
Storybuilt Community Management	100% owned, disregarded entity. Books combined/consolidated/comingled with other PSW entities										
SB Joint Venture GC, LLC	100% owned, disregarded entity. Books combined/consolidated/comingled with other PSW entities										
SB JV Property Management, LLC	100% owned, disregarded entity. Books combined/consolidated/comingled with other PSW entities										
PSW Seattle, LLC	100% owned, disregarded entity. Books combined/consolidated/comingled with other PSW entities. Supposed to segregate WA GC and Dev. Svcs.										
PSW Urban Homes, LP	100% owned, disregarded entity. Books combined/consolidated/comingled with other PSW entities										
PSW GC, LLC	100% owned, disregarded entity. Books combined/consolidated/comingled with other PSW entities										
PSW RE, LLC	100% owned, disregarded entity. Books combined/consolidated/comingled with other PSW entities										
Theme Studio, LLC	100% owned, disregarded entity. Books combined/consolidated/comingled with other PSW entities										
PSW Seattle Real Estate, LLC	100% owned, disregarded entity. Books combined/consolidated/comingled with other PSW entities										
PSW Land Acquisitions, LLC	100% owned, disregarded entity. Books combined/consolidated/comingled with other PSW entities										
SB Builders, LLC											
SB-Frank Condo, LLC											
1600 S. First, LP											
Pinehurst Land LP	Official books and returns done by Hearthstone. Units conveyed to 6556 Ravenna in satisfaction of incentive fees due to SB										
PSW 900 Eastline	X	X	NA	NA	Yes	Yes	Yes	No	Sold 2021	No	No
Austin Wellspring Mgt, LLC											
PSW-ECS, LLC											
PSW-GET Marketing, LLC	No actual books, but transactions ran through PSW RE accounts										

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Amy Hinson on behalf of Bradley Purcell
Bar No. 24063965
ahinson@reedsmith.com
Envelope ID: 85812954
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Associated Case Party: G.E.T. MARKETING, LLC

Name	BarNumber	Email	TimestampSubmitted	Status
Todd Headden		theaden@haywardfirm.com	3/21/2024 1:30:21 PM	SENT
Trey Cook		tcook@akuratedynamics.com	3/21/2024 1:30:21 PM	SENT
Siarra Villarreal		svillarreal@haywardfirm.com	3/21/2024 1:30:21 PM	SENT
Herbert CharlesShelton II		cshelton@haywardfirm.com	3/21/2024 1:30:21 PM	SENT

Associated Case Party: PSW REAL ESTATE, LLC

Name	BarNumber	Email	TimestampSubmitted	Status
Elin Isenhower		eisenhower@winstead.com	3/21/2024 1:30:21 PM	SENT
Crystal Sanchez		csanchez@winstead.com	3/21/2024 1:30:21 PM	SENT
Emil Calhoun		ecalhoun@winstead.com	3/21/2024 1:30:21 PM	SENT
James Ruiz		Jruiz@winstead.com	3/21/2024 1:30:21 PM	SENT
Josh Fairchild		josh.fairchild@storybuilt.com	3/21/2024 1:30:21 PM	SENT
Alex Allemann		aallemann@winstead.com	3/21/2024 1:30:21 PM	SENT

Associated Case Party: STAPLETON GROUP, INC.

Name	BarNumber	Email	TimestampSubmitted	Status
Keith Aurzada		KAurzada@ReedSmith.com	3/21/2024 1:30:21 PM	SENT
Bradley Purcell		BPurcell@reedsmith.com	3/21/2024 1:30:21 PM	SENT
Deborah Burger		DBurger@stapletoninc.com	3/21/2024 1:30:21 PM	SENT
Audrey Nefkens		ANefkens@stapletoninc.com	3/21/2024 1:30:21 PM	SENT
Taylre Janak		TJanak@reedsmith.com	3/21/2024 1:30:21 PM	SENT

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Associated Case Party: STAPLETON GROUP, INC.

Taylre Janak		TJanak@reedsmith.com	3/21/2024 1:30:21 PM	SENT
Alicia Nixon		anixon@reedsmith.com	3/21/2024 1:30:21 PM	SENT
Devan Dal Col		ddalcol@reedsmith.com	3/21/2024 1:30:21 PM	SENT
Charletta Dawson		cdawson@reedsmith.com	3/21/2024 1:30:21 PM	SENT
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Clifford Dunman		cdunman@reedsmith.com	3/21/2024 1:30:21 PM	SENT
Mark Eckard		meckard@reedsmith.com	3/21/2024 1:30:21 PM	SENT

Associated Case Party: CrossFirst Bank

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Timothy Woods		twoods@higierallen.com	3/21/2024 1:30:21 PM	SENT

Associated Case Party: First United Bank & Trust Co.

Name	BarNumber	Email	TimestampSubmitted	Status
Litigation Department		lit@dentonlawyer.com	3/21/2024 1:30:21 PM	SENT

Associated Case Party: GUARANTY BANK & TRUST, N.A.

Name	BarNumber	Email	TimestampSubmitted	Status
Stephen Roberts		sroberts@srobertslawfirm.com	3/21/2024 1:30:21 PM	SENT

Associated Case Party: AMERICAN BANK OF COMMERCE

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Associated Case Party: AMERICAN BANK OF COMMERCE

Name	BarNumber	Email	TimestampSubmitted	Status
Eric JTaube		eric.taube@hklaw.com	3/21/2024 1:30:21 PM	SENT
William RileyNix, III		trip.nix@hklaw.com	3/21/2024 1:30:21 PM	SENT

Associated Case Party: Amarillo National Bank

Name	BarNumber	Email	TimestampSubmitted	Status
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Case Contacts

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Case Contacts

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Mike Bergthold		mbergthold@stapletoninc.com	3/21/2024 1:30:21 PM	SENT

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Amy Hinson on behalf of Bradley Purcell

Bar No. 24063965

ahinson@reedsmith.com

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Case Contacts

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Matthew T. Taplett		mtaplett@popehardwicke.com	3/21/2024 1:30:21 PM	SENT
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Jamie Boquet		jboquet@pecklaw.com	3/21/2024 1:30:21 PM	SENT
Marie Olivier		molivier@terrythweatt.com	3/21/2024 1:30:21 PM	SENT
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D. M. Dalton, Jr.		ddalton@jonesallen.com	3/21/2024 1:30:21 PM	SENT
Monica Rodriguez		mrodriguez@abdmlaw.com	3/21/2024 1:30:21 PM	SENT
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Scott T. Citek		scitek@lammsmith.com	3/21/2024 1:30:21 PM	SENT
Carolyn Perkins		cperkins@neliganlaw.com	3/21/2024 1:30:21 PM	SENT
Barrett C. Leshner		blesher@hallettperrin.com	3/21/2024 1:30:21 PM	SENT
Christopher MAnaya		canaya@ccsb.com	3/21/2024 1:30:21 PM	SENT
Joey A Chavez		jchavez@cstrial.com	3/21/2024 1:30:21 PM	SENT

Associated Case Party: Partners Group StoryBuilt Holdings, LLC

Name	BarNumber	Email	TimestampSubmitted	Status
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Associated Case Party: Partners Group StoryBuilt Holdings, LLC

Name	BarNumber	Email	TimestampSubmitted	Status
Mark Taylor		mark.taylor@hklaw.com	3/21/2024 1:30:21 PM	SENT

Associated Case Party: OVATION FINANCE HOLDING 5 LLC

Name	BarNumber	Email	TimestampSubmitted	Status
Brent McIlwain		Brent.McIlwain@hklaw.com	3/21/2024 1:30:21 PM	SENT
David CSchulte		david.schulte@hklaw.com	3/21/2024 1:30:21 PM	SENT

Associated Case Party: Capscar, LLC

Name	BarNumber	Email	TimestampSubmitted	Status
Gretchen Scardino		gretchen@scardinollp.com	3/21/2024 1:30:21 PM	SENT

Associated Case Party: DALLAS CAPITAL BANK, N.A.

Name	BarNumber	Email	TimestampSubmitted	Status
Brian Vanderwoude		vanderwoude.brian@dorsey.com	3/21/2024 1:30:21 PM	SENT

Associated Case Party: Edward Russ

Name	BarNumber	Email	TimestampSubmitted	Status
C. BentleyHarris		bentley.harris@akerman.com	3/21/2024 1:30:21 PM	SENT
Adam Swick		adam.swick@akerman.com	3/21/2024 1:30:21 PM	SENT

Associated Case Party: Frank Eirinberg

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ahinson@reedsmith.com
Envelope ID: 85812954
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Associated Case Party: Frank Eirinberg

Name	BarNumber	Email	TimestampSubmitted	Status
Adam Swick		adam.swick@akerman.com	3/21/2024 1:30:21 PM	SENT
C. BentleyHarris		bentley.harris@akerman.com	3/21/2024 1:30:21 PM	SENT

Associated Case Party: Rebecca Vaughn

Name	BarNumber	Email	TimestampSubmitted	Status
Oliver Thoma		oliver.thoma@westwebblaw.com	3/21/2024 1:30:21 PM	SENT
Michael Gentry		mike.gentry@westwebblaw.com	3/21/2024 1:30:21 PM	SENT
Billy SHart		billy.hart@westwebblaw.com	3/21/2024 1:30:21 PM	SENT

Associated Case Party: UT Company, LLC

Name	BarNumber	Email	TimestampSubmitted	Status
Hector ABeltrán		hbeltran@carreon-beltran.com	3/21/2024 1:30:21 PM	SENT

Associated Case Party: 900 S. 1ST STREET MASTER CONDOMINIUM ASSOCIATION, INC.

Name	BarNumber	Email	TimestampSubmitted	Status
E. Jasonbillick		jbillick@abdmlaw.com	3/21/2024 1:30:21 PM	SENT

Associated Case Party: JPMorgan Chase Bank, N.A.

Name	BarNumber	Email	TimestampSubmitted	Status
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ahinson@reedsmith.com
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Associated Case Party: JPMorgan Chase Bank, N.A.

Name	BarNumber	Email	TimestampSubmitted	Status
Kent Hofmann		khofmann@lockelord.com	3/21/2024 1:30:21 PM	SENT