

G.E.T. MARKETING, LLC,	§	IN THE DISTRICT COURT
	§	
<i>Plaintiff</i>	§	
	§	
v.	§	459 th JUDICIAL DISTRICT
	§	
PSW REAL ESTATE, LLC,	§	
	§	
<i>Defendant</i>	§	TRAVIS COUNTY, TEXAS

RECEIVER’S SEVENTH STATUS REPORT

The Stapleton Group, Inc., in its capacity as receiver (“**Receiver**”), files this *Seventh Status Report* for the month ended January 31, 2024, and would respectfully show this Court as follows:

I. INTRODUCTION

1. On July 31, 2023 (the “**Appointment Date**”), the Court entered the *Order Appointing Receiver* (the “**Receivership Order**”) pursuant to which the Court appointed the Receiver over the operations and property of the above-captioned defendant, PSW Real Estate, LLC (“**PSW**”) and its affiliates listed on Exhibit A attached to the Receivership Order (the “**Affiliates**” and, together with PSW, the “**Receivership Entities**”). The receivership created under the Receivership Order (the “**Receivership**”) commenced on August 1, 2023.

2. On the Appointment Date, the Receivership Entities were in the process of developing twenty-nine (29) residential properties across four states (the “**Developments**”), certain of which were owned outright by PSW and certain of which were owned through joint ventures with third-party entities (“**Joint Ventures**”). The Developments have complicated capital structures including but not limited to, multiple lenders, hundreds of individual and small family office investors and institutional investors. As of the Appointment Date, the

Developments were reported to be in various stages of progress. A handful of Developments were in the beginning design phase, while others included partially completed homes that were build-to-suit projects that were presold to future residents.

3. At the outset of the Receivership, the Receiver engaged in discussions with StoryBuilt's investors, committee members, current and former board members, current and former executives, and former principals (collectively, the "*Constituent Representatives*"), all of whom felt strongly about the value of the Receivership Entities. The Constituent Representatives stated their opinions that:

- the loan-to-value ratio on the real estate portfolio was below 50% - meaning the properties were worth at least twice the debt on each property;
- Developments were ready to move forward and those in mid-construction could be restarted and finished quickly;
- there was significant value in presenting the Receivership Entities to the market as going concerns based on:
 - strong accounting, development and operation teams with operating systems capable of supporting the Developments and
 - innovative and profitable Developments in highly desirable markets;
- the investor group would support the Receivership financially including a representation by the principals that two major investors had committed to invest more than \$10 million; and
- the Joint Venture partners would support a going concern marketing strategy.

4. The negative aspects of the Receivership Entities were characterized by the Constituent Representatives as limited to (i) poor management; (ii) accusations of misconduct against PSW's principals; (iii) lawsuits filed against certain Receivership Entities by Joint Venture partners, investors, subcontractors, and other creditors; (iv) illiquidity; and (v) unpaid payroll and benefits obligations. At the time the Receiver was appointed, the Receivership Entities were completely out of cash, even after borrowing more than \$3 million from hard-

money lenders, some at interest rates in excess of 280%. PSW had already been or was soon to be removed as Manager of certain of the Affiliates by its Joint Venture partners. As a result, a compliance committee was formed and an oversight committee was created to oversee management prior to the Appointment Date.

5. As described in more detail below, after the very challenging month of December 2023, the Receiver determined that it received wildly optimistic opinions and information from the Constituent Representatives concerning the value of the Developments, the value of the Receivership Entities as a collective going concern, and the ability of the Receivership Entities to continue operations. As a result, the Receiver changed course in the administration of the Receivership with a focus on quickly liquidating the remaining assets and reducing administrative costs.

6. Prior to the Appointment Date, PSW operated and invested in in alternate lines of business (collectively, the “*Extraneous Businesses*”), including (i) home owner association (“*HOA*”) management services; (ii) a company named “Fixed Maintenance,” that provided plumbing, painting, electrical and other services to the Receivership Entities and third-party customers; (iii) minority ownership of eProperty Care (“*EPC*”) (with an option for full acquisition), a smart building property technology (aka prop-tech) company, with an option to purchase EPC¹; (iv) EPC software to manage PSW controlled projects; and (v) minority ownership (with plans of full acquisition) of HomeBase, a complimentary prop-tech software company for property owners and managers, which was recently sold.

¹ In connection with its investment in EPC, PSW hired two executives of EP and hired one or more new employees to facilitate the growth of EPC and the prop-tech platform as a vertically integrated company. PSW spent significant amounts on marketing and infrastructure for the prop-tech platform assuming that PSW would exercise its option and consummate the purchase of 100% of the equity of EPC.

7. The Extraneous Businesses generated significant net losses for PSW. The Receiver is assessing the value of PSW's minority interest in HomeBase and potential ways to monetize that interest, which is currently held in the form of an approximately \$1.2 million promissory note that matures in December 2024 (the "*HomeBase Note*"). The Receiver is collecting accounts receivable for Fixed Maintenance, whose operations were shuttered prior to the receivership. The Receiver plans to retain a collection agency to support the collection of the remaining receivables. The Extraneous Businesses are unlikely to yield significant money to the Receivership, with the exception of the HomeBase Note about which the Receiver receives regular updates from the HomeBase administrator.

8. Since the Appointment Date, the Receiver has taken control of the finances of the Receivership Entities and has engaged in discussions with creditors and investors regarding the preservation of value of the assets of the Receivership Entities (now, the "*Receivership Assets*"). The Receiver entered into multiple Rule 11 agreements with lenders to forestall foreclosure and with litigants to stay legal activity. The Receiver continues to negotiate with Joint Venture partners and lenders to realize value in the Joint Ventures. The Receiver has made progress providing value for creditors, investors, and all other stakeholders by instituting an organized and orderly claims process, undertaking a forensic accounting, completing some homes that were partially constructed, and negotiating to sell, preserve and increase the value of the Receivership Assets.

9. In the Receiver's Sixth Report filed January 30, 2024, the Receiver stated its intent to focus on reducing administrative costs and liquidating remaining Receivership Assets. The Receiver is executing on that plan. Simultaneously, the Receiver continues its forensic investigation of the Receivership Entities' and evaluation of claims appearing from such

investigation. The Receiver terminated additional employees during January 2024 and prepared closed its physical offices in Austin, Texas. The Receiver and its professionals are reducing efforts on activity unlikely to result in a net return to the Receivership. Continued legal activities from a limited number of investors require the Receiver and its professionals to react, somewhat counteracting the Receiver's efforts to reduce costs and reducing the overall return to all investors.

10. Many valuable assets will be devalued without the protection of the Receivership and many innocent third parties will be harmed if the Developments are thrown back into the thicket of pre-Receivership litigation. The Receiver continues to evaluate every major initiative to assess the likely net return to creditors and investors. The Receiver will continue to evaluate the costs and benefits of the Receivership.

II. SUMMARY OF RECEIVERSHIP OPERATIONS

A. Marshaling and Preserving Assets

Identifying Assets

11. The Receiver has collected, reviewed, updated and, in some cases, created books and records detailing the Receivership Entities' active and dormant projects. Because of the complex (and blurred) interrelationships and collective operation of the Receivership Entities, the Receiver is identifying and evaluating the capital structure of all of the Receivership Entities and related Developments to the extent possible. To the best of the Receiver's knowledge and information and based on a sound and thorough investigation, the Receiver has determined that as of January 31, 2024, the Receivership held an interest in nine (9) Developments² and fifteen

² The Developments include Frank Commercial, Lucy, Clementine, Frank West, Charley, Ozzie, North Bluff, Kramer, and Jolene.

(15) Joint Ventures³ across three states. The majority of the Receivership Entities and related Developments are encumbered by secured debt, plus various levels of preferred equity, Class A, Class B, and Class C investors, and revenue sharing agreement (“*RSA*”) investors. The Receiver is calculating the Receivership Entities’ interests in all projects, including the Developments and Joint Ventures. The table below shows the remaining Developments and estimated associated secured debt.

Secured Debt

Project	Location	Secured Debt	Notes
Charley	Austin	\$9,123,416	
Kramer	Austin	\$3,597,000	
Ozzie	Denver	\$500,000	Investment Bank loan to the Receiver
Lucy	Austin	\$2,249,332	8 homes remaining
North Bluff	Austin	\$3,779,468	15 homes remaining
Clementine	Austin	\$1,996,721	4 homes remaining
Frank West	Austin	\$9,563,282	11 homes remaining
Jolene	Dallas	\$46,102,048	\$17.1M 1st Position with B1 Bank, \$29M 2nd Position with PG
Frank Commercial	Austin	\$8,307,620	Commercial Property hosting StoryBuilt offices

Unsecured Debt & Equity

Source	Principal	Accrued Interest	Notes
Receiver’s Notes	\$2,546,598	\$138,110	
Past Due Payroll	\$1,800,000	N/A	
Unsecured Creditors	\$24,855,063	\$2,584,738	Corporate Notes, vendor claims, homebuyer claims, etc.
Limited Partners	\$40,196,361	\$6,827,727	
Equity	\$79,408,265	\$7,584,033	

12. The Receiver is evaluating and analyzing each of the Developments to determine how best to maximize returns to creditors and investors. The Receiver has already entered into several agreements with senior secured noteholders to allow the foreclosure of specific Receivership Assets that would not return funds to the Estate. The Receiver is in the process of

³ The joint-venture projects and related Joint Venture Partners include George (Hearthstone), Ellie May (IHP), Scout, Stanley, Archie, Sumie, Frank North, Frank South, Longview, Polaris, Callie (aka Morgan Junction), Judy, Josephine, Thornton Flats, and Thornton MU (All Partners Group).

marketing specific projects to determine whether abandonment, recapitalization, or sale of such projects is in the best interest of the many stakeholders of the Receivership (the “*Stakeholders*”).

13. Upon taking over, the Receiver located and took possession of all known bank accounts of the Receivership Entities. Attached hereto as **Exhibit 1** is a summary of liquid assets identified through January 31, 2024. During January 2024, the Receiver continued gathering support and governance documents required to turn over the HOA operating accounts to the HOAs that it will no longer manage. After further investigation, the Receiver determined that most of the HOA accounts were not Receivership Assets and were not reported to this Court as such. The HOAs have provided documentation confirming their HOA manager and contact information. The Receiver has transferred most of the HOA funds to the HOA managers as directed by the HOA and is no longer spending time on most HOA matters. Following the transfer of funds and the capture of historical bank records, the Receiver closed numerous bank accounts.

The Receivership continues to focus on return to Stakeholders.

14. As reported in the Receiver’s Sixth Report, numerous factors led to a rapid change in strategy from rehabilitation of an operating development company to liquidation of any assets in which there appeared to be equity for the Stakeholders. During the first quarter of 2024, the Receiver worked with its Investment Banker to secured bids for the sale of Project Charley. After further negotiations and analysis of bids, the Receiver filed a sale motion for Project Charley on March 4, 2024, the Receiver filed an Amended Motion to Approve (I) Bidding Procedures in Connection with the Sale of Certain Real Property in Austin, Texas, and Related Improvements, Contract Interests and Personalty, (II) Stalking Horse Agreement and

Related Break Up Fee and Expense Reimbursement, and (III) Sale of Property (the “*Charley Sale Motion*”). The Charley sale is expected to yield in several million dollars to the Estate.

15. The Investment Banker and Receiver continue to negotiate with the secured lenders in Projects Lucy, North Bluff, Frank West and Clementine to determine how to create the most value from those remaining projects.

16. The Receiver’s activities in January 2024 included, but were not limited to, the following:

- responding to myriad inquiries regarding project status and details to support buyers and Investment Banker, including numerous calls with potential Charley buyers;
- responding to information requests and subpoenas and determining more efficient ways to provide access to all regulatory agencies;
- negotiating with investors in Project Ozzie regarding a potential settlement;
- identifying additional claims against the former principals to add to the existing lawsuit;
- completing 2022 and 2023 financial statements to the extent possible (and determining that completing the tax returns would not provide additional return to the investors due to the cost, and inaccuracy of previously filed returns);
- focusing forensic accounting efforts to confirm instances of comingling of funds, improper distributions, and other financially material activity that appeared to violate corporate boundaries and agreements with investors; and
- transferring HOA operational management and financial control to HOAs.

17. Many external and unexpected factors drove legal and Receiver activity higher than planned in January 2024, although those expenses are lower than incurred in previous months. Such additional activity included, but was not limited to:

- responding to an injunction motion filed by a group of investors in one project;
- responding to threatened litigation by a group of investors in Ozzie, then beginning negotiations on a settlement agreement;

- litigation of an appeal concerning entry of the Receivership Order;
- engaging remaining lenders on remaining Texas Communities projects to determine best way to maximize return to the Estate; and
- supporting home sales efforts following home construction completion.

18. Little new information was received in January 2024 that would materially impact the overall recovery to the investors, especially in the short term. The Receiver determined that the shorter-term sources of cash are limited to asset sales and claims against third-parties. The monetization of PSW's interests in the Joint Ventures is unlikely to create cash for investors in the short-term and most of the Joint Venture developments have relatively long completion timeframes. Unless the Joint Venture partners sell or otherwise monetize the Joint Venture projects sooner than anticipated, those investments will not generate cash. Collection of tax credits, recoveries from claims, and collection on various receivables could span several years.

19. Accordingly, the short-term vs. long-term asset monetization forecast requires the Receiver to focus efforts and expenditures on those activities that provide short-term return to Stakeholders while maintaining oversight on the assets with a longer-term return. Managing long-term investments and other assets is expected to require a significantly less expensive Receivership operation.

Operations

20. The Receivership operates with a small staff necessary to complete construction in process, development and entitlement, support PSW's Joint Venture interests, perform accounting tasks, and sell completed homes. Prior to the appointment of the Receiver, PSW terminated or furloughed most employees based on an inability to meet payroll obligations. As of the appointment of the Receiver, the Receiver terminated all remaining employees as PSW had only minimal liquid assets available to meet payroll obligations. As cash flow was identified

(including from the issuance of Receiver Certificates), certain Austin employees were re-hired by the Receiver as necessary for the ongoing operations discussed in this Seventh Report. The Receiver retained employees in Seattle to serve the projects in Seattle under construction that are managed by Joint Venture. Compensation for the Receiver's employees in Seattle is paid by Partners Group, not the Estate.

21. As communicated to the Court in December, the Receiver is reducing operating expenses to the extent possible. The Receiver terminated approximately one-third of its remaining Austin-based employees the first week in January 2024, and made additional staffing and compensation reductions throughout the month.

22. Approximately thirteen (13) employees remain as of the date of this report, of which three (3) are salaried employees paid by the Receiver, four (4) are independent contractors working minimal hours, and six (6) are salaried employees paid by a third-party (collectively, the Receiver's "*Personnel*"). Employees are paid their ordinary wages from cash on hand and through receivership certificates. The Receiver previously implemented employee retention measures and is paying a limited number of employees a small retention bonus following the successful completion of their roles.

23. In early September 2023, the Receiver tasked certain Personnel with (i) assessing the condition of partially completed homes, (ii) determining the cost to complete those homes, and (iii) providing comprehensive analyses to the secured lenders of those properties describing how to maximize associated value. The Receiver and its Personnel held numerous meetings and onsite tours with interested lenders.

24. During January 2024, the Receiver made significant strides toward the critical milestones in finishing homes under construction, building upon the momentum established in

December 2023. The Receiver's primary focus was on energizing the homes and advancing towards final inspections. As of the date of this report, ten (10) homes have obtained permanent power, paving the way for the initiation of final punchwork. The remaining five (5) homes are expected to receive permanent power in February 2024. Notably, five (5) of the homes under construction are expected to receive certificates of occupancy shortly, with closings expected to follow shortly thereafter.

25. The Receiver continued to interact with home buyers with existing purchase contracts during January 2024 to determine their continued interest in closing. Of the twelve (12) remaining open purchase contracts, ten (10) homebuyers have indicated their interest in closing on the home under contract. A summary of the number of open contracts and responses from home buyers is attached as **Exhibit 4**. Proceeds from the sale of homes will be used to repay senior secured lenders and any excess proceeds will be held by the Receivership pending further Court order. If the Receiver determines that the Receivership will not benefit financially from the completion of homes, it may choose an alternative plan for those specific homes.

26. During January 2024, the Receiver increased its operational focus on four major functions: (i) the forensic analysis, (ii) sales of existing projects, (iii) construction, and (iv) supporting the investment banking process. Accounting, legal and IT personnel continue to respond to regulatory agencies outside the normal course of business. In-house functions no longer performed by the Receiver include historical financial statement revision or creation, HOA management, architecture and design, sales and marketing, third-party maintenance and repairs, software development, and managing the Joint Ventures.

Employment of Professionals

27. The Receiver continues to employ Reed Smith LLP as its counsel to advise the Receiver in connection with a full panoply of legal work, including but not limited to, identification and preservation of Receivership Assets, negotiations with claims holders, preparation and filing of pleadings and appearances in Court, and general legal analysis, advice and initial and responsive communications concerning the Receivership. The Receiver continues to employ Law Office of Matthew Welch due to his intimate knowledge of the Receivership Entities.

Litigation Claims.

28. The Receiver filed litigation against several former principals of PSW. The Receiver anticipates that the forensic analysis will support the filing of additional claims and is actively evaluating the value of the potential recoveries to the Estate by pursuing those claims.

Proposed Transactions

29. To preserve and maximize the value of the Receivership's remaining Developments, the Receiver intends to enter into certain transactions, including but not limited to, new financing agreements to avoid foreclosures or continue construction, replacing PSW as general contractor or primary developer, and other transactions to avoid losses and maximize the value of Receivership Assets.

30. In early January 2024 the Receiver received a letter from counsel representing investors in Project Ozzie requesting that the Receiver resign as Manager of the property owner and to abandon the project to the Ozzie investors. On March 19, 2024, the Receiver filed a motion to approve a settlement agreement with the Ozzie investors that would return some

money to the Estate and relieve the Estate of the liabilities associated with owning the Ozzie project and management of the ownership entity.

Financial Overview

31. The Receiver continues to maintain oversight and control of the Receivership Entities’ funds. Through January 31, 2023, PSW issued Receiver’s Certificates in the amount of \$2,557,679. See **Exhibit 3**.

The following is a summary of cash balances in Receivership bank accounts as of January 31, 2024:

<u>Accounts</u>	DRAFT
CNB	\$ 1,910,701
JPM	366,239
Guaranty Bank	71,436
Misc. Banks	2,317
Total	\$ 2,350,693
Cash Restrictions	
Cash Restricted by Fixed Maintenance	(266,853)
Total	\$ 2,083,840

Exhibit 2 includes a detailed cash activity through January 31, 2024. The Receiver continues to closely monitor cash and cash flow projections to maximize returns to Stakeholders.

B. Regulatory matters

32. The Receiver continued to provide information to eight governmental authorities during January and February 2024: (i) the Federal Bureau of Investigation, (ii) the Texas Comptroller of Public Accounts, (iii) the Texas State Securities Board, and (iv) the Internal Revenue Service, (v) the U.S. Securities and Exchange Commission, (vi) the US Department of

Labor; (vii) State of Washington Labor and Industries; and (viii) the Texas Labor Board. The Receiver is cooperating with all governmental authorities. The Receiver is producing documents and information responsive to subpoenas issued by governmental authorities on a rolling basis. The Receiver expects the costs of preparing responses will continue to be significant. The Receiver is working with its counsel to minimize the expenses of responding and coordinating gathering information for the forensic accounting to the extent possible to avoid duplication of efforts.

C. Identifying and Organizing Claims

33. The Receiver is in the process of identifying all creditors of each Receivership Entity. This is an ongoing process that requires a sizeable portion of the Receiver's time. As of January 31, 2024, the Receiver had already received 1083 completed claim forms.

34. The Court approved the *Motion to Establish Claims Procedures, To Approve Claim Form, and to Approve Injunction Notice* (the "**Claims Motion**") on October 5, 2023. Following the Court's approval, the Receiver implemented an online claims portal to allow claim holders the ability to provide their claims efficiently (<https://storybuiltreceivership.com/>). The Receiver will establish a claims bar date by separate motion and approval from the Court.

D. Liquidating Assets

35. To maximize returns to Stakeholders, the Receiver intends to market all remaining monetizable Receivership Assets as efficiently as possible. As described above, the Receiver has filed the Charles Sales Motion and the Ozzie Motion, which will monetize the Estate's interest in those projects.

36. The Receiver chose to turnover master condominium association management of two mixed use projects and a partially completed residential community to the respective HOAs

through a Rule 11 Agreement filed with the court, and retained a residential real estate specialist to support the marketing and sale of homes. The Receivers will seek court approval for any such retentions.

E. Financial Reporting

37. The Receiver's accounting team progressed on completing PSW's 2022 and 2023 financial statements, to the extent possible, and supported forensic accounting, investment banking and claims processing initiatives. The Receiver determined that further efforts towards completing historical financial statements and the related tax returns will not likely increase the potential return to Stakeholders. During January 2024 the Receiver's accounting accomplished the following:

- General:
 - Updating the general ledgers for previously unrecorded activity (including significant intercompany activity), created draft 2022 and 2023 financial statements, and
 - Downsized the internal accounting department
 - Completed Yardi (property and community management) close outs
 - Continued claims reconciliation process (agreeing submitted claims to approved AP lists, researching exceptions to validate claims and update AP details
 - Interviewed firms for tax work, obtained bids and recommended that the Receiver not move forward as the cost of preparing tax returns exceeds the value of the related K-1s
 - Completed all monthly bank reconciliations through January 2024 and closed unneeded accounts after capturing historic activity.
 - Continued Fixed Maintenance collection efforts, cleared outstanding sales tax reporting issues to allow state-related entities to pay amounts owed.
- Project/Joint Venture:
 - Progressed single family home construction and related loan draws
 - Supported JV partners preparation of year financial statements and related tax returns
- HOA/Community Management:
 - Communicated that Receivership would not provide any additional support to the HOAs

F. Forensic Accounting

38. As initially described to the Court, the Receiver continues its iterative approach to the forensic accounting project to drive efficiency and value to the stakeholders. The Receiver believes that there will soon be a point in time where additional forensic accounting efforts will not improve recovery to Stakeholders.

39. The goal of the forensic accounting project overview is to:

- Confirm investor and creditor funding details;
- Analyze distributions and debt payments;
- Propose distribution plan for Court approval; and
- Identify potential claw-back claims.

40. The forensic analysis is included in a separate report filed concurrently with this report. The Receiver's forensic work performed to date indicates that PSW's principals violated operating agreements, favored some investors over others, filed incorrect tax returns, and either failed to create or created inaccurate or unsupported financial statements. PSW's principals disregarded corporate formalities and principles of corporate separation and, as previously reported, transferred money between entities with little documentation or investor knowledge.

41. During January 2024, the Receiver expanded the time frame covered by its forensic analysis to include all investments, payments and the financial behavior and patterns of PSW's former principals. Such additional analysis is needed to support a "money in/money out" analysis likely to prove necessary for the ultimate resolution of the Receivership Entities.

G. Claims Resolution and Distributions

42. After liquidating the Receivership Assets, the Receiver will file a motion to establish a distribution plan with the Court. The following discussion relates to the assets

remaining after payments to secured lenders and to satisfy administrative expenses of the receivership estate.

43. The Claims process is underway. The claims portal provides a means for creditors and investors to describe what is owed to them and to upload relevant documentation. The Receiver will reconcile claims using the Receivership Entities' records. Detailed historical bank records were provided to the Receiver in late December 2023, which the Receiver is using to construct financial statements and track relevant cash flows. Distributions and loan payments will also be analyzed using bank records, PSW financial records, the investment software records, the agreements governing those investments, and the PSW financial records.

44. The Receiver is closely monitoring the myriad vendor and employment claims submitted to better understand the future effort required to verify those claims then manage the distribution of funds.

45. The Receivership Entities did not function as separate entities. PSW's principals violated basic concepts of corporate separateness. Distributions were not made according to relevant governance agreements, equitably within classes, or in an otherwise financially responsible manner. Capital transactions involving various classes of stock may not prove to have economic substance or be supported by the appropriate corporate documentation.

46. As a result, the Receiver does not intend to distribute proceeds from the sale of Receivership Assets upon sale, except for payment of specifically related secured debt obligations and expenses of the administration of the Receivership. Further distributions will be made upon completion of the forensic accounting and a motion presented to the Court for approval or other appropriate action. Except for the foregoing uses, the Receiver will not distribute any Receivership Assets without an order from the Court.

Respectfully submitted,

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CERTIFICATE OF SERVICE

I hereby certify that, on March 21, 2024, a true and correct copy of the foregoing document was served on all counsel of record pursuant to the Texas Rules of Civil Procedure via the Court's electronic filing system.

/s/ Bradley J. Purcell

Bradley J. Purcell

EXHIBIT 1

Bank Account Balances

Bank Cash Balances Exhibit		DRAFT		Aug. 1st Balance	Jan 31st Balance
PSW Account Balances					
City National Bank					
	CNB Receiver's Account		-		1,798,700
	CNB Fixed Maintenance Account		-		112,000
	City National Bank Total Balance		<u>\$ -</u>		<u>\$ 1,910,701</u>
JP Morgan					
	*9215 - Fixed Maintenance and Repair, LLC Account		12,373		265,671
	*6559 - PSW Homes LLC Account		18,675		62,590
	*6021 - PSW Real Estate, LLC Account		(22,031)		-
	*2537 - PSW Real Estate, LLC Account		-		-
	*2750 - SB 4190 West Colfax LLC Account		732		-
	*0231 - SB-Bruno, LLC, LLC Account		1,421		-
	*5158 - 6556 Ravenna, LLC Account		1,200		-
	*5315 - SB JV Property Mgmt, LLC Account		118		-
	*8776 - SB-Kramer, LLC Account		4,180		-
	*8727 - SB-Ozzie, LLC Account		-		-
	*8632 - SB SF Holdings, LLC Account		2,807		-
	*8750 - SB Dayton, LLC Account		165		-
	*8569 - Fixed Maintenance and Repair, LLC Account		2,760		37,978
	JP Morgan Total Balance		<u>\$ 22,400</u>		<u>\$ 366,239</u>
Guaranty Bank					
	*2345 - PSW Real Estate, LLC *2345		-		-
	*6577 - PSW Real Estate, LLC *6577		(10)		-
	*9249 - Willa Comm SBC, LLC *9249		14,573		71,436
	Guaranty Bank Total Balance		<u>\$ 14,563</u>		<u>\$ 71,436</u>
ABC Bank					
	*4588 - PSW White Rock Trail, LLC Account		160		-
	ABC Bank Total Balance		<u>\$ 160</u>		<u>\$ -</u>
Dallas Capital					
	*9129 - SB DT Plano		-		507
	Frost Bank Total Balance		<u>\$ -</u>		<u>\$ 507</u>
Frost Bank					
	*1121 - PSW Luma LLC Account		-		-
	Frost Bank Total Balance		<u>\$ -</u>		<u>\$ -</u>
Moody Bank					
	*7674 - SB-Bruno, LLC, LLC Account		1,855		1,810.21
	Moody Bank Total Balance		<u>\$ 1,855</u>		<u>\$ 1,810</u>
Prosperity Bank					
	*3420 - PSW Real Estate, LLC Account		-		-
	Prosperity Bank Total Balance		<u>\$ -</u>		<u>\$ -</u>
Susser Bank					
	*2854 - PSW Real Estate LLC Account		-		-
	Susser Bank Total Balance		<u>\$ -</u>		<u>\$ -</u>
Veritex					
	*7710 - PSW Urban Homes, LLC Account		493		-
	Veritex Total Balance		<u>\$ 493</u>		<u>\$ -</u>
	PSW Account Total Balances		<u>\$ 39,471</u>		<u>\$ 2,350,693</u>

EXHIBIT 2

Cash Detail Schedule

PSW Real Estate LLC dba StoryBuilt				DRAFT
Cash Activity from August 1 to January 31, 2024				
	Aug 1 to Dec 31, 2023	Jan 1 to Jan 31, 2024	Total	
Total PSW Bank Account Balances	\$ 39,471		\$ 39,471	
Cash Receipts:				
Sale Proceeds	3,825,989	[1]	-	3,825,989
Borrowed via Receivers Certificates	1,088,709		3,509	1,092,218
Accounts Receivable Collections	513,211		58,504	571,716
Loan from Investment Bank	500,000		-	500,000
Rent Receipts	168,578		48,976	217,554
Reimbursements & Other	57,974	[2]	1,262	59,236
Total Cash Receipts	\$ 6,154,461		\$ 112,252	\$ 6,266,712
Cash Payments:				
Professional fees	(2,111,242)		(25,948)	(2,137,190)
Payroll & Benefits, net	(622,046)		(412,763)	(1,034,808)
Insurance policies	(385,653)		(34,966)	(420,619)
Monthly Debt Service - Willa	-		-	-
Software/Technology	(143,905)		(29,245)	(173,149)
Misc Operating Expenses	(72,940)		(28,291)	(101,232)
Property Maintenance & Taxes	(72,706)		(12,530)	(85,236)
Banking Fees	(2,500)		(756)	(3,256)
Total Cash Payments	\$ (3,410,992)		\$ (544,498)	\$ (3,955,490)
Total PSW Bank Account Ending Balances	\$ 2,782,939		\$ 2,350,693	\$ 2,350,693
Cash Restricted by Fixed Maintenance	-		-	(266,853)
Total Available PSW Bank Account Ending Balances	\$ 2,782,939	[3]	\$ 2,350,693	\$ 2,083,840

[1] Sale proceeds from the delivery of two apartments in Project Nora sold prior to the Receivership and on Goose Run, sold during the Receivership

[2] Includes misc refunds, reimbursements, escrow refund being researched for which entity it is due to

[3] Three accounts were inadvertently included in the initial inventory and should not be considered assets of the receivership estate. Two of those accounts were labeled "PSW West Dallas Urban Village"

[4] Professional Fees paid to StoryBuilt's former in house counsel for work performed

[5] A portion still to be determined of the rent receipts less the monthly debt service already paid will be payable to the secured lender, Guaranty Bank

[6] The Receiver was granted access to \$600,000 of Fixed Maintenance funds. Of the total \$315,772 Fixed cash included here, \$148,796 is available to use and \$266,853 is restricted.

[7] Reference Bank Cash Balance Exhibit for a breakdown of balances by account

EXHIBIT 3

StoryBuilt Receiver Certificates

Investor	Date Funded	Amount Funded	Notes
Trey Cook	08/01/2023	\$1,380,008	Amount used to hold off foreclosure of several Balance Sheet Assets on 7/5/2023. \$380,000 was for Health Insurance premium paid July 31, 2023. Certificate Issued
Forty Six & 2 Design LLC	08/01/2023	10,000	Not shown in the Receiver's account. Amount was used before the account was setup. Certificate Issued.
Ben Rutkowski	08/01/2023	10,000	Not shown in the Receiver's account. Amount was used before the account was setup. Certificate Issued.
Anthony Siela	08/01/2023	35,000	Not shown in the Receiver's account. Amount was used before the account was setup. Certificate Issued.
Jerald Ryan Diepenbrock	08/01/2023	15,453	Paid directly to health insurance provider. Certificate being reissued under correct name.
Shepler Brothers & Company,	08/01/2023	15,000	Paid directly to health insurance provider, Certificate issued
Jerald Diepenbrock	08/09/2023	25,000	Deposit shown in the Receiver's account, Certificate issued.
Anthony Siela	08/11/2023	65,000	Deposit shown in the Receiver's account, Certificate issued.
Trey Cook	08/14/2023	50,000	Deposit shown in the Receiver's account, Certificate issued.
Gerald Byrd	08/14/2023	200,000	Deposit shown in the Receiver's account, Certificate issued.
Shirley Diepenbrock	08/14/2023	25,000	Deposit shown in the Receiver's account, Certificate issued.
Robert D. Kingsland	08/29/2023	25,000	Deposit shown in the Receiver's account, Certificate issued.
Cindy Quarte and Dave Quirart	09/01/2023	50,000	Deposit shown in the Receiver's account, Certificate issued.
Kim McAtee and Jamie McAtee	09/01/2023	30,000	Deposit shown in the Receiver's account, Certificate issued.
Guillermo Sesma	09/12/2023	249,970	Deposit shown in the Receiver's account, Certificate issued.
Emily E. Cruthirds	09/12/2023	50,000	Deposit shown in the Receiver's account, Certificate issued.
Garrett M. Cook	09/13/2023	50,000	Deposit shown in the Receiver's account, Certificate issued.
Travis D. Cook	09/15/2023	25,000	Deposit shown in the Receiver's account, Certificate issued.
Jerry Todd Cook	09/15/2023	50,000	Deposit shown in the Receiver's account, Certificate issued.
Travis Cook	09/20/2023	25,000	Deposit shown in the Receiver's account, Certificate issued.
Guillermo Sesma	09/25/2023	50,000	Deposit shown in the Receiver's account, Certificate issued.
Mark Ezell	12/31/2023	11,620	Payment of FM Corporate Card
Daniel Schroeder	10/02/2023	50,000	Deposit shown in the Receiver's account, Certificate issued.
Phillip Hastings	10/20/2023	25,000	Deposit shown in the Receiver's account, Certificate issued.
Phillip Hastings	10/23/2023	25,000	Deposit shown in the Receiver's account, Certificate issued.
Mark Ezell	12/31/2023	3,513	Payment of FM Corporate Card
Mark Ezell	12/31/2023	3,606	Payment of FM Corporate Card
Mark Ezell	01/19/2024	3,509	Payment of FM Corporate Card
Total		\$2,557,679	

EXHIBIT 4

Homebuyer Contracts

Project Name	Unit	Address	Sale Status	Contacted
Clementine	1	5107 Manchaca Rd	Spec	Yes
Clementine	2	5107 Manchaca Rd	Spec	Yes
Clementine	3	5107 Manchaca Rd	Under Contract	
Clementine	4	5107 Manchaca Rd	Under Contract	Yes
Clementine	5	5107 Manchaca Rd	Under Contract	Yes
Clementine	6	5107 Manchaca Rd	Under Contract	Yes
Clementine	7	5107 Manchaca Rd	Spec	
Clementine	8	5107 Manchaca Rd	Spec	
Clementine	9	5107 Manchaca Rd	Spec	
Clementine	10	5107 Manchaca Rd	Under Contract	Yes
Clementine	11	5107 Manchaca Rd	Spec	
Clementine	12	5107 Manchaca Rd	Spec	
Frank West	1	900 S. 2nd Street	Spec	
Frank West	2	900 S. 2nd Street	Spec	
Frank West	3	900 S. 2nd Street	Spec	
Frank West	4	900 S. 2nd Street	Spec	
Frank West	5	900 S. 2nd Street	Spec	
Frank West	6	900 S. 2nd Street	Spec	
Frank West	7	900 S. 2nd Street	Spec	
Frank West	18	900 S. 2nd Street	Spec	
Frank West	19	900 S. 2nd Street	Under Contract	Yes
Frank West	20	900 S. 2nd Street	Spec	
Frank West	21	900 S. 2nd Street	Spec	
Frank West	22	900 S. 2nd Street	Under Contract	Yes
Frank West	23	900 S. 2nd Street	Spec	Yes
Lucy	10B	1190 Sarabeth Way	Spec	
Lucy	11B	1188 Sarabeth Way	Under Contract	Yes
Lucy	12A	1187 Sarabeth Way	Under Contract	Yes
Lucy	12B	1186 Sarabeth Way	Under Contract	Yes
Lucy	13A	1185 Sarabeth Way	Under Contract	Yes
Lucy	13B	1184 Sarabeth Way	Spec	
Lucy	14A	1183 Sarabeth Way	Under Contract	Yes
Lucy	14B	1182 Sarabeth Way	Under Contract	Yes
Lucy	15A	1181 Sarabeth Way	Under Contract	Yes
Lucy	15B	1180 Sarabeth Way	Under Contract	Yes
North Bluff 3	67	814 N Bluff Dr	Under Contract	Yes
North Bluff 3	68	814 N Bluff Dr	Under Contract	Yes
North Bluff 3	69	814 N Bluff Dr	Spec	
North Bluff 3	70	814 N Bluff Dr	Under Contract	Yes
North Bluff 3	71	814 N Bluff Dr	Spec	
North Bluff 3	72	814 N Bluff Dr	Under Contract	Yes
North Bluff 3	73	814 N Bluff Dr	Under Contract	Yes
North Bluff 3	74	814 N Bluff Dr	Under Contract	Yes
North Bluff 3	75	814 N Bluff Dr	Under Contract	Yes
North Bluff 3	76	814 N Bluff Dr	Spec	
North Bluff 3	77	813 N Bluff Dr	Spec	
North Bluff 3	78	814 N Bluff Dr	Under Contract	Yes
North Bluff 3	79	814 N Bluff Dr	Under Contract	Yes
North Bluff 3	80	814 N Bluff Dr	Under Contract	Yes
North Bluff 3	81	814 N Bluff Dr	Under Contract	Yes

EXHIBIT 5

Accounting Achievements:

JANUARY

General

- Reviewed Newstar and Yardi accounting records. Attempted to create draft 2022 and 2023 financial statements. Most initially resulted in unbalanced books. Worked to reconcile books and to tie into prior year tax returns and audit schedules noting that many of the entity level books could not be reconciled to prior year tax returns and other support/reporting.
- Attempted to engage a third party CPA firm to complete tax returns. Given the poor quality of the books, the disagreements noted between books and records, returns and operating agreements, the bid to complete the work came back quite high- approximately \$320K in total for 2022 and 2023 with the expectation that final fees might wind up being more. It should be noted that for 2021, tax prep fees were approximately \$250K in total for that year alone.
- Continued to issue checks and final reporting to HOAs
- Continued claims reconciliation process, matching claims to approved invoices and researching claims not supported by approved invoices.
- All bank reconciliations completed through October 2023, most through November 2023. Continued to consolidate cash balances and close accounts.
- Filed sales tax reports for Fixed through November.
- Continued Fixed collection efforts. Collections dwindling and recommending that Receiver engage a professional collection firm to finish collection efforts.

Project/Joint Venture

- Progressed single family home construction and related loan draws
- Supported JV partners preparation of year financial statements and related tax returns

HOA/Community Management

- Communicated that Receivership would not provide any additional support to the HOAs

FEBRUARY

General

- Abandoned further reconciliation of prior year books and attempts to complete tax returns due to time and money constraints. Recommending that we announce to all investors/owners/partners that we won't be completing the work and that they should work with their own tax preparers/advisors as to how to treat/report that fact
- Final payments sent to HOAs
- Continued claims reconciliation process, matching claims to approved invoices and researching claims not supported by approved invoices.
- Completed bank reconciliations through December 2023
- Completed 2022 Franchise tax report for Fixed to be filed in March.

- Continued Fixed collection efforts. Collections dwindling. Engaged a professional collection firm to finish collection efforts.
- Reduced accounting staff by 1.

Project/Joint Venture

- Progressed single family home construction and related loan draws
- Supported JV partners preparation of year financial statements and related tax returns
- Closed accounts and delivered funds to JV Partners (PG, IHP)
- Facilitated transition of Willa Commercial asset to lender control.