



***Robert Sonnenschein, et. al. v. PVPE, LLC, et.  
al.***

***CV 2013-012420***

*Receivership Report*

*Of*

*Peter S. Davis*

*Court Appointed Receiver*

*October 7, 2014*

## Contents

<b>1.0</b>	<b>Background</b>	<b>1</b>
<b>2.0</b>	<b>Appointment of Receiver</b>	<b>1</b>
<b>3.0</b>	<b>Previous Report</b>	<b>1</b>
<b>4.0</b>	<b>Investor Committee</b>	<b>1</b>
<b>5.0</b>	<b>Fee Objection</b>	<b>2</b>
<b>6.0</b>	<b>Forensic Accounting</b>	<b>2</b>
<b>7.0</b>	<b>Update on Asset Liquidation</b>	<b>2</b>
7.1	<i>AF-1 Investments, LLC</i>	2
7.2	<i>Empire Financial Services, LLC</i>	3
7.3	<i>Acumen Energy Solutions, Inc. (formerly American Energy Solutions, Inc.)</i>	3
7.4	<i>Palo Properties, LLC</i>	5
7.5	<i>TCP-GBS, LLC</i>	6
<b>8.0</b>	<b>Receivership Accounting</b>	<b>6</b>
<b>9.0</b>	<b>Receivership Fees and Expenses</b>	<b>6</b>
<b>9.0</b>	<b>Conclusion</b>	<b>7</b>

## LIST OF EXHIBITS

---

Exhibit 1.....Receivership Banking Summary  
Exhibit 2.....Professional Fee Summary

## **1.0 Background**

On September 27, 2013, Lynne H. Anthony Revocable Trust dated 11/30/2001, Lynne H. Anthony as Trustee; Robert Sonnenschein, as an individual; Gerald R. Hale, as an individual; C. Scott Anthony, as an individual; Janie B. Hale, individually and as Trustee of Janie B. Hale Revocable Trust dated 11/4/1994; Carolyn Sue McMillon, as an individual; Larry McMillon, as an individual; James Stanley Powers, as an individual; and Patricia Ann Powers Trust, Patricia Ann Powers as Trustee (collectively the “Plaintiffs”) filed a Plaintiff’s Verified Complaint for Receivership (“Complaint”) against Palo Verde Capital, L.L.C., an Arizona limited liability company; PVPE, L.L.C., an Arizona limited liability company, Palo Verde Fund, L.P., a Delaware limited partnership; Palo Verde Private Equity Fund, L.P., a Delaware limited partnership; and Anthony R. Stacy, a married man (“Defendants”).

Plaintiffs alleged in both the Complaint and in the Amended Complaint (“Complaints”) for Receivership (“Amended Complaint”) that they relied on and trusted Defendant Stacy as their investment advisor to properly manage monies entrusted to him, and that Defendant Stacy failed to do so.

## **2.0 Appointment of Receiver**

On October 9, 2013, Peter S. Davis (“Receiver”) of Simon Consulting, LLC (“Simon”) was appointed Receiver over PVPE, LLC (f.k.a. Palo Verde Capital, LLC, f.k.a. Paragon Capital Advisors, LLC); Palo Verde Fund, L.P.; and Palo Verde Private Equity Fund, L.P., (“the Fund”) with full power of an equity receiver. The appointment of the Receiver was by stipulation of the Plaintiffs and Defendants. The Receivership Order requires the Receiver to, among other things, indentify, locate, recover, take control of and liquidate the Receivership Assets.

## **3.0 Previous Report**

The Receiver hereby incorporates the information contained in prior receivership reports in this report. The Receivers analyses are ongoing; therefore, information contained herein is preliminary and tentative, and subject to change.

## **4.0 Investor Committee**

Section 8.a of the Order requires the formation of an Investor Committee consisting of representatives of the following five limited partners of the Funds: Craig Jackson Trust, Robert Sonnenschein, C. Scott Anthony, Gerald R. Hale and Larry McMillon.

The Receiver is required to obtain Committee approval prior to employing any attorneys, accountants, contractors or other specialists in the administration of the Receivership. The Receiver is also required to consult with and gain approval of the

Committee prior to becoming involved with other actions or proceedings in state, federal or foreign courts. Further, the Receiver must obtain Committee approval prior to undertaking any forensic accounting activities relating to the Receivership Defendants, their accountants, auditors or other advisors/agents.

The Receiver continues to maintain regular communication with the investor committee, and updates individual investors as necessary. To date, the Receiver has conducted six investor committee meetings, and keeps committee members apprised of events impacting the Receivership.

## **5.0 Fee Objection**

On July 17, 2014 a group of five Palo Verde Fund, LP investors filed an Objection with the Receivership court, alleging that it is improper for the Receiver to seek payment from funds belonging to Palo Verde Fund, LP for work performed in relation to Palo Verde Private Equity Fund, LP. The Receiver submitted a response and declaration to the Court on August 15, 2014. The Receiver is awaiting the scheduling of oral argument by the court.

## **6.0 Forensic Accounting**

As noted in prior reports, the Receiver has solicited and received permission from the Investor Committee to perform a limited forensic accounting analysis on the receivership entities. At present, the Receiver, his staff and his counsel are working on the necessary requests (including subpoenas where necessary) for bank/brokerage statements and detailed accounting records that have not yet been provided. Additionally, the Receiver's staff is performing various analyses on the accounting information that has been received to date.

## **7.0 Update on Asset Liquidation**

Since the last report, the Receiver has focused significant attention on liquidating specific Receivership assets, detail of which is provided below. Refer to previous reports for status on assets not appearing in this report.

### **7.1 AF-1 Investments, LLC**

AF-1 Investments, LLC ("AF-1") was established in December 2009 to facilitate the purchase, by Arena Football One, LLC ("the League"), of certain assets of the former Arena Football League ("AFL") after that entity filed for Chapter 11 bankruptcy reorganization.<sup>1</sup> A total \$6,400,000 was loaned to the League in December 2009,<sup>2</sup> of which the Fund contributed \$1,350,000. The loan was repaid in full as of February 2012;

---

<sup>1</sup> December 15, 2009 AF1 Operating Agreement, Section 2.4

<sup>2</sup> December 15, 2009 AF1 Operating Agreement, Schedule 1.1

the Fund received \$209,164.03 in interest payments in addition to repayment of the principal loan amount. The Fund maintained a 21.09% equity ownership in AF-1.

The League approached the Receiver with an offer to purchase the Fund's 21.09% equity interest for a total of \$50,000 in May of this year. As previously reported the Receiver performed due diligence with respect to this offer and determined that \$50,000.00 was a fair and reasonable amount for the Fund's interest in this entity. On June 6, 2014 the Receiver filed a motion with the Court requesting approval of the sale of this equity. The Court subsequently approved the motion on July 30, 2014, and funds were received from the AFL on August 27, 2014. The sale was finalized on September 15<sup>th</sup> 2014 with the execution of the Release of Claims and Assignment of Interest documentation.

## **7.2 Empire Financial Services, LLC**

The Receiver entered into negotiations with Greenway Capital Markets ("GWCM") early in 2014 to purchase the Fund's 100% equity in Empire Financial Services of Tulsa, LLC ("EFS"), a Tulsa Oklahoma based equipment leasing and finance company. In early June 2014 the parties finalized an Asset Purchase Agreement ("APA") to purchase EFS for \$655,000; \$500,000 in cash with a \$155,000 promissory note. After thorough analysis the Receiver determined the offer to be fair and reasonable, and filed a motion with the Court requesting approval of the sale. Additionally, the Receiver executed a consulting agreement that allowed GWCM, upon deposit of \$500,000 to an escrow account, to assume management control of Empire while the court considered the motion.

On July 31, 2014 the Court approved the sale of EFS to GWCM. Management control remains with Empire as GWCM did not deposit \$500,000 into an escrow account as required to temporarily manage the company. To date GWCM has not paid the Fund for this asset and is in default with respect to the promissory note. GWCM has confirmed their commitment acquiring Empire, and have taken steps to line up secondary funding sources, should their primary source not come through. The Receiver continues to communicate with GWCM and monitors the situation closely.

In previous reports the Receiver noted that monies appeared to have been taken out of Empire for use on other investments and/or to enrich Tony Stacy. Further information and documentation surrounding these items was requested from Mr. Stacy, but little has been provided. The forensic review of these items, approved by the Investor Committee, is ongoing.

## **7.3 Acumen Energy Solutions, Inc. (formerly American Energy Solutions, Inc.)**

The Fund currently owns 100% of Acumen Energy Solutions ("Acumen");<sup>3</sup> a Leawood Kansas based company that provides a comprehensive suite of professional

---

<sup>3</sup> Per the initial Shareholders Meeting Minutes dated June 14, 2013

energy management services tailored to owners/operators of commercial, industrial and institutional facilities.

On June 2, 2014 the Receiver executed a binding letter of intent (“LOI”) with Brightergy, LLC, pursuant to which they, in accordance with certain conditions, agreed to acquire the assets of Acumen for approximately \$2,500,000, comprised of \$300,000 cash up front, assumption of \$1,050,000 of liabilities and approximately \$1,150,000 in deferred payments (subject to company performance post-sale). Brightergy subsequently assumed day-to-day management of Acumen pursuant to a June 6, 2014 Interim Management Agreement.

Throughout June, the principals of Brightergy worked closely with Paul Ross and the other key Acumen to get a deeper understanding of the company. Concurrently, Brightergy and the Receiver worked to draft an APA acceptable to both parties.

Despite the fact that Brightergy assumed management control of Acumen on June 6, 2014 they alleged that Paul Ross had not immediately given them full and complete access to the books and records of Acumen (against the direction of the Receiver).<sup>4</sup> Despite these concerns, however, Brightergy was at that time still willing to pursue the deal.

In mid July, Brightergy CEO Adam Blake began to voice concerns about the viability of Acumen, alleging that the company was nearing insolvency.<sup>5</sup> Mr. Blake cited an unusual lack of sales in the pipeline for May and June, which would likely result in reduced cash flow in later months and make it difficult for Acumen to meet its financial obligations.<sup>6</sup>

As noted in previous reports, four senior level Acumen managers voiced objections to the sale of Acumen to Brightergy, and engaged counsel. In speaking with Acumen employees and managers Brightergy began to believe that these four managers, Troy Moran, Shawn Rash, Mike Grandstaff and Brian Walterbach (“the Four Fiduciaries”), had potentially just stopped working, causing the decrease in orders.<sup>7</sup> These individuals were widely thought to be key to the future success of the business. They resigned from Acumen effective July 16<sup>th</sup>; shortly thereafter Brightergy notified the Receiver that they did not intend to follow through on the purchase of Acumen as described in the APA in process at that time. The Receiver directed Acumen to renew existing Errors and Omissions insurance coverage and engaged an attorney to review these events and potential claims, including those against the insurance policy.

---

<sup>4</sup> June 27, 2014 teleconference with Adam Blake, Tyler Staebell, Alan Meda, Keith Kenny, Peter Davis and Paula Durham.

<sup>5</sup> July 15, 2014 email from Adam Blake to Peter Davis.

<sup>6</sup> Ibid

<sup>7</sup> July 16, 2014 teleconference with Adam Blake, Tyler Staebell, Robert Shanklin, Mitchell Albert, Keith Kenny, Paula Durham and Peter Davis.

---

Despite the failure of the sale of Acumen assets on the whole there were two assets that the Receiver was able to sell. Brightergy purchased Acumen's data management contracts (including associated accounts receivable; credits, advanced payments, security deposits, etc; and related books and records) on July 31, 2014 for an amount equal to the EBITDA generated by the purchased assets. \$10,000 was paid at closing, and the balance will be paid on a deferred basis. Brightergy also purchased Acumen's energy management service line of business. In consideration for this sale Acumen received a cash payment of \$350,000, a portion of which was paid directly to CrossFirst Bank to pay off Acumen's existing debt. In addition, Acumen will receive a percentage of all retail commissions collected by the purchaser once a threshold is met (threshold is \$600,000 in retail commissions collected on or after August 1, 2014).

Palo Verde Fund, LP is a secured creditor of Acumen in second position to CrossFirst Bank. CrossFirst's lien against the assets of Acumen has been fully satisfied and released. The Receiver has taken steps to secure all remaining collateral from Acumen are paid to Palo Verde Fund, LP as a secured creditor of Acumen. To date, the Fund has recovered \$224,358. The Receiver is working to ensure that deferred proceeds from the asset sales outlined above are paid to Palo Verde Fund, LP.

As noted previously, Paul Ross was terminated effective June 30, 2014. Subsequent to his termination, Mr. Ross filed a Breach of Contract lawsuit in Kansas naming both Acumen Energy and the Receiver as defendants. The Receiver has engaged a Kansas attorney to represent both himself and Acumen in this matter. Response to the petition is due November 11, 2014.

The Receiver and his staff continue to investigate the events surrounding the demise of Acumen, in particular the conduct of Paul Ross and the Four Fiduciaries.

#### **7.4 Palo Properties, LLC**

In May 2009, Palo Verde Fund, L.P. purchased a residential property located in a North Scottsdale master-planned community commonly known as DC Ranch for approximately \$1.1M.<sup>8</sup> According to documents provided to the Receiver the home was purchased with the intent of holding for a three to five-year period before selling ("hold period"), with a projected double-digit return on investment after sale.<sup>9</sup>

As previously reported, the Receiver secured a broker and the property was placed on the market in November 2013. That broker agreement expired on July 4, 2014; however, a viable offer was not presented. The Receiver engaged a second broker on August 1, 2014, and an offer was received on August 21, 2014. The Receiver negotiated with the buyers and agreed to sell the property for \$877,500. The Receiver has a motion to approve this sale pending with the Court.

---

<sup>8</sup> Per MLS data; an investment summary document compiled by Ron Stone the Fund has a total of \$1.8M invested in the property, including furnishings.

<sup>9</sup> Per the Investment Summary document created by Ron Stone



A \$600,000 loan taken was against the property in January 2013 and initially matured in July 2013. There have been two six-month extensions and one three-month extension to the loan; one executed by Tony Stacy and two executed by the Receiver. The maturity date on the current extension is October 31, 2014. As noted previously, Mr. Stacy has represented that this \$600,000 is recoverable;<sup>10</sup> however, after repeated requests no further information has been provided. The Investor Committee approved an investigation into the disposition of the \$600,000 mortgage proceeds; that investigation is ongoing.

## **7.5 TCP-GBS, LLC**

The Fund contributed \$275,000 to a \$2.25M preferred equity subscription agreement with TCP-GBS in July of 2011.<sup>11</sup> TCP-GBS was formed to acquire Genie B's Specialties, d.b.a. GBS, a market leader in providing mattress protection covers and warranty service for bedding and furniture. The company designs, manufactures and distributes mattress protection covers and other textiles under different labels for major national retail and wholesale outlets and also provides insurance based furniture protection plans. Currently, the Fund retains a 6.11% preferred equity share of this LLC.

The Receiver has recently had several discussions with the manager of this investment, who has indicated that the timing is right for a potential offering to the investor group. As with the other TCP investments, the Subscription Agreement contains language giving the current TCP MS investor group a pre-emptive right to purchase the Fund's shares (or any shares) in the company. The Receiver is performing an analysis on the business in an effort to determine the fair market value of the Fund's holdings. Once this analysis is complete the Receiver will work with the manager to liquidate the Fund's equity in this investment.

## **8.0 Receivership Accounting**

Details of the cash processed through the Receivership bank account are attached hereto as Exhibit 1. The current balance of the Receivership account is \$147,139.51 as of September 30, 2014.

## **9.0 Receivership Fees and Expenses**

To date, the Receivership has incurred professional fees in the amount of \$579,946.71, \$110,941.40 of which has been paid. See Exhibit 2 for detail.

---

<sup>10</sup> December 10, 2013 meeting at Simon Consulting offices between Tony Stacy, Ron Stone, Peter Davis, Paula Durham and Jessica Corn.

<sup>11</sup> July 29, 2011 Subscription Agreement. Note that initial investment was \$350,000 but oversubscription resulted in a \$75,000 refund to the Fund.

**9.0 Conclusion**

As noted previously, this report is preliminary and tentative, and subject to change. The Receiver's investigation is ongoing; future updates to the Court will reflect any changes or additions to the information contained herein.



---

Peter S. Davis  
Receiver

October 7, 2014  
Date

---

**Palo Verde Receivership**  
Receiver Banking Summary

**Exhibit 1**

Type	Date	Num	Name	Memo	Description	Amounts
Deposit	10/23/2013		Tony Stacy	Deposit	Received from Defendants	\$ 75,000.00
Check	10/24/2013	4953	United States Treasury	45-1540577 Form 4506 Request	Tax Record Retrieval Expense	\$ (100.00)
Check	10/24/2013	4954	United States Treasury	26-0832045 Form 4506 Request	Tax Record Retrieval Expense	\$ (100.00)
Deposit	10/30/2013		Michael Nemeth	Rent deposit	Palo Properties, LLC	\$ 3,500.00
Check	10/30/2013	4955	Downtown Associates, LLC	Oct 2013 - Interest & Property Tax	Palo Properties, LLC	\$ (5,755.00)
Check	10/30/2013	4956	CamTech	Invoice No. 3305 for server imaging	Computer and Internet Expenses	\$ (567.79)
Deposit	11/08/2013		Colson Services Corp.	Deposit	USDA Loan J-46	\$ 6,587.64
Check	11/13/2013	1001	CamTech	Invoice No. 3370 for website creation	Computer and Internet Expenses	\$ (350.00)
Check	11/13/2013	1002	CamTech	Invoice No. 3371 for email exports	Computer and Internet Expenses	\$ (1,010.00)
Check	11/13/2013	1003	Downtown Associates, LLC	Nov 2013 - Interest & Property Tax	Palo Properties, LLC	\$ (5,755.00)
Check	11/15/2013	EFT	State Farm Insurance	20368 N 98th St - Property Insurance	Property Insurance	\$ (1,089.00)
Deposit	12/02/2013		Michael Nemeth	Deferred rent and refundable security deposit	Palo Properties, LLC	\$ 4,700.00
Check	12/02/2013	1005	CamTech	Invoice No. 3387 for email exports	Computer and Internet Expenses	\$ (3,675.00)
Check	12/02/2013	1006	CamTech	Invoice Nos. 3450 & 3451 for website & domain	Computer and Internet Expenses	\$ (140.00)
Deposit	12/03/2013		Colson Services Corp.	Deposit	USDA Loan J-46	\$ 7,439.77
Deposit	12/03/2013		Michael Nemeth	Rent Payment	Palo Properties, LLC	\$ 3,900.00
Check	12/13/2013	1004	Downtown Associates, LLC	Dec 2013 - Interest & Property Tax	Palo Properties, LLC	\$ (5,755.00)
Check	12/17/2013	1008	CamTech	Invoice No. 3410	Computer and Internet Expenses	\$ (3,675.00)
Check	12/17/2013	1009	CamTech	Invoice No. 3436	Computer and Internet Expenses	\$ (29.95)
Deposit	12/18/2013		Chase Acct 5004393217	Deposit	Pre-Receivership Accts	\$ 6.17
Deposit	12/19/2013		United States Treasury	Deposit	Return of Tax Record Retrieval Fee	\$ 200.00
Deposit	01/02/2014		Colson Services Corp.	Deposit	USDA Loan J-46	\$ 3,283.59
Check	01/03/2014	1010	CamTech	Invoice No. 3464	Computer and Internet Expenses	\$ (2,700.00)
Check	01/06/2014	1011	CamTech	Invoice No. 3522	Computer and Internet Expenses	\$ (29.95)
Deposit	01/08/2014		Michael Nemeth	Rent Payment	Palo Properties, LLC	\$ 3,900.00
Check	01/10/2014	1012	BizFilings	Inv 2023258	Miscellaneous Expense	\$ (16.95)
Check	01/16/2014	1013	Simon Consulting, LLC	Receiver fees-inception to Oct 31 2013	Professional Fees	\$ (27,291.43)
Check	01/16/2014	1014	Gutilla Murphy Anderson	Receiver attorney fees-inception to Oct 31, 2013	Professional Fees	\$ (19,144.42)
Check	01/16/2014	1015	CamTech	Invoice No. 3544	Computer and Internet Expenses	\$ (125.00)
Check	01/21/2014	1016	BizFilings	Renewal of Stat Agent PV Fund LP	Miscellaneous Expense	\$ (133.60)
Check	01/24/2014	1018	Downtown Associates, LLC	Jan 2014 - Interest & Property Tax	Palo Properties, LLC	\$ (5,755.00)
Deposit	01/29/2014		Colson Services Corp.	Deposit	USDA Loan J-46	\$ 5,357.44
Check	01/30/2014	1020	Downtown Associates, LLC	Feb 2014 - Interest & Property Tax	Palo Properties, LLC	\$ (5,755.00)
Deposit	02/05/2014		Michael Nemeth	Rent Payment	Palo Properties, LLC	\$ 3,900.00
Check	02/05/2014		Chase Bank	Service Charge	Bank Service Charges	\$ (95.00)
Check	02/28/2014	1021	McKinnon	Appraisal Report-DC Ranch House	Professional Fees	\$ (500.00)
Check	02/28/2014	1022	Litgistix	Copies - PV Energy rpts from Forest Oil	Professional Fees	\$ (765.65)
Check	02/28/2014	1023	Xact Data	Scanning of Liccar accounting data	Professional Fees	\$ (3,320.55)
Check	02/28/2014	1024	CamTech	Invoices 3576,3633 &3614	Computer and Internet Expenses	\$ (2,307.45)
Deposit	03/04/2014		BeesFree	Deposit	Wells Fargo Securities	\$ 282.43
Deposit	03/05/2014		Michael Nemeth	Rent Payment	Palo Properties, LLC	\$ 3,900.00
Check	03/05/2014	EFT	Chase Bank	Service Charge	Bank Service Charges	\$ (95.00)

**Palo Verde Receivership**  
Receiver Banking Summary

**Exhibit 1**

Type	Date	Num	Name	Memo	Description	Amounts
Deposit	03/14/2014		Service Fee Reversal	Deposit	Bank Service Charges	\$ 95.00
Deposit	03/14/2014		Service Fee Reversal	Deposit	Bank Service Charges	\$ 95.00
Check	03/24/2014	1025	Downtown Associates, LLC	March 2014 - Interest & Property Tax	Palo Properties, LLC	\$ (5,755.00)
Deposit	04/01/2014		Colson Services Corp.	Deposit	USDA Loan J-46	\$ 9,503.98
Deposit	04/03/2014		Michael Nemeth	April Pro-rated Rent Payment	Palo Properties, LLC	\$ 2,600.00
Check	04/11/2014	1026	CamTech	Invoice 3786	Computer and Internet Expenses	\$ (29.95)
Check	04/21/2014	1027	CamTech	3803	Computer and Internet Expenses	\$ (62.50)
EFT	04/21/2014		APS	Deposit for electric service at property	Palo Properties, LLC	\$ (705.00)
Deposit	04/21/2014		TCP-GBS Tax Distribuion	Deposit	TCP-GBS	\$ 4,863.43
Check	04/22/2014	1028	Michael Nemeth	Return of Security Deposit - tenant vacated	Palo Properties, LLC	\$ (3,500.00)
Check	04/24/2014	1029	Downtown Associates, LLC	April 2014 - Interest & Property Tax	Palo Properties, LLC	\$ (5,755.00)
Deposit	04/24/2014		Colson Services Corp.	Deposit	USDA Loan J-46	\$ 6,003.39
Deposit	04/24/2014		HHI, LLC	Deposit	Debt Payment Allocation	\$ 11,153.59
EFT	05/05/2014		APS	Electric Service	Palo Properties, LLC	\$ (35.53)
Check	05/05/2014	1030	Southwest Gas	Utility deposit and monthly fee	Palo Properties, LLC	\$ (187.48)
Check	05/05/2014	1031	Buddy Barbera	Landscape & Pool maintenance-realtor reimbursement	Palo Properties, LLC	\$ (326.00)
Deposit	05/09/2014		SDX, LLC	Tax distributions	SDX Acquisition, LLC	\$ 92,519.00
Check	05/13/2014	1033	CamTech	Invoice 3692	Computer and Internet Expenses	\$ (29.95)
Check	05/14/2014	1032	CamTech	Invoice 3872-remove Acumen doc from site	Computer and Internet Expenses	\$ (31.25)
Check	05/15/2014	1034	CamTech	Invoice 3855 - May web hosting/email	Computer and Internet Expenses	\$ (29.95)
Check	05/16/2014	1035	Connor & Winters	November fees	Professional Fees	\$ (2,340.00)
Check	05/16/2014	1036	Gutilla Murphy Anderson	November fees	Professional Fees	\$ (13,693.53)
Check	05/16/2014	1037	Simon Consulting, LLC	November fees	Professional Fees	\$ (43,822.02)
Check	05/23/2014	1038	Adobe Carpet Cleaning	Carpet Cleaning	Palo Properties, LLC	\$ (182.95)
Check	05/23/2014	1039	Downtown Associates, LLC	May 2014 - Interest & Property Tax	Palo Properties, LLC	\$ (5,755.00)
Check	05/27/2014	1040	Squeeky Kleen Windows	Window Cleaning Service	Palo Properties, LLC	\$ (320.00)
Check	05/27/2014	1041	Caddo Parish Clerk of Court	Aeromedical Collections Court Costs	Investment Expense	\$ (38.73)
Check	05/27/2014	1042	City of Scottsdale	Water/Sewer @ DC Ranch Property	Palo Properties, LLC	\$ (43.49)
Deposit	05/27/2014		Colson Services Corp.	Deposit	USDA Loan J-46	\$ 1,266.02
EFT	06/25/2014		APS	Electric Service	Palo Properties, LLC	\$ (246.14)
Check	06/13/2014	1043	Litgistix	Copies - PV Energy rpts from Forest Oil	Copy fees	\$ (267.95)
Check	06/13/2014	1044	CamTech	Invoice 3924-June web hosting/email	Computer and Internet Expenses	\$ (29.95)
Check	06/13/2014	1045	Southwest Gas	May Utilities	Palo Properties, LLC	\$ (28.11)
Check	06/24/2014	1046	Downtown Associates, LLC	June 2014 - Interest & Property Tax	Palo Properties, LLC	\$ (5,755.00)
Check	06/24/2014	1047	City of Scottsdale	Water/Sewer @ DC Ranch Property	Palo Properties, LLC	\$ (63.15)
EFT	06/25/2014		APS	Electric Service	Palo Properties, LLC	\$ (118.46)
Deposit	06/25/2014		Colson Services Corp.	Deposit	USDA Loan J-46	\$ 6,459.64
Deposit	07/03/2014			Deposit	HHI Investment	\$ 22,307.18
Check	07/18/2014	1048	Southwest Gas	June Gas Fee	Palo Verde Properties, LLC	\$ (25.74)
Check	07/18/2014	1049	CamTech	Invoice 4013-July web hosting/email	Computer and Internet Expenses	\$ (29.95)
Deposit	07/22/2014		Conterra Asset Management	Deposit	USDA Loan J-46	\$ 8,033.43
Check	07/25/2014	1050	Azure Blue Complete Pool Service	Pool Service at DC Ranch House	Palo Verde Properties, LLC	\$ (138.00)

**Palo Verde Receivership**  
Receiver Banking Summary

**Exhibit 1**

Type	Date	Num	Name	Memo	Description	Amounts
Check	07/25/2014	1051	City of Scottsdale	Water/Sewer @ DC Ranch Property	Palo Verde Properties, LLC	\$ (61.28)
Check	07/25/2014	1052	Downtown Associates, LLC	July 2014 - Interest & Property Tax	Palo Verde Properties, LLC	\$ (5,755.00)
Check	08/04/2014	1053	BizFilings	Renewal of Stat Agent PV Fund LP	Miscellaneous Expense	\$ (151.20)
Check	08/04/2014	1054	Southwest Gas	July Gas Fee	Palo Verde Properties, LLC	\$ (24.39)
EFT	08/07/2014		APS	Electric Service	Palo Verde Properties, LLC	\$ (293.28)
Check	08/13/2014	1055	Whitsitt & Whitsitt	Retainer for Kansas Attorney - Ross lawsuit	Acumen Energy Solutions	\$ (4,000.00)
Check	08/13/2014	1056	Marco's Crystal Clear Cleaning Service	Cleaning & Repair of DC Ranch Property	Palo Verde Properties, LLC	\$ (1,325.00)
Check	08/13/2014	1057	Void	VOID:	Palo Verde Properties, LLC	\$ -
Check	08/13/2014	1058	Arizona Stairs	Downpayment - stair repair	Palo Verde Properties, LLC	\$ (250.00)
Check	08/19/2014	1059	CamTech	Invoice 4100	Computer and Internet Expenses	\$ (29.95)
Check	08/19/2014	1060	Arizona Stairs	2nd Pmt - Stair Repair DC Ranch	Palo Verde Properties, LLC	\$ (250.00)
Check	08/19/2014	1061	Palo Verde Equity Fund	Acumen Acct	PVPEF - Comerica 0345 (Acumen)	\$ (100.00)
Deposit	08/21/2014		Conterra Asset Management	Deposit	USDA Loan J-46	\$ 5,103.46
Check	08/25/2014	1062	Downtown Associates, LLC	Aug 2014 - Palo Properties	Palo Verde Properties, LLC	\$ (5,755.00)
Check	08/25/2014	1063	Southwest Gas	July Water - Palo Properties	Palo Verde Properties, LLC	\$ (63.07)
Check	08/25/2014	1064	CamTech	Invoice 4127 - Website Update	Computer and Internet Expenses	\$ (62.50)
Deposit	08/27/2014			Deposit	AF-1 Investments	\$ 50,000.00
Check	09/03/2014	1065	southwest Bond Services	Bond Renewal AZ412047	Receivership Bond Expense	\$ (100.00)
Check	09/03/2014	1066	Azure Blue Complete Pool Service	August Pool Svc - DC Ranch	Palo Verde Properties, LLC	\$ (140.00)
Check	09/18/2014	1067	Azure Blue Complete Pool Service	July Pool Svc - DC Ranch	Palo Verde Properties, LLC	\$ (296.00)
Deposit	09/22/2014		TCP-Mach Speed Investment, LLC	Deposit	Tax distributions	\$ 15,064.49
Check	09/25/2014	1069	CamTech	Invoice 4187 - Website Update	Computer and Internet Expenses	\$ (29.95)
Check	09/25/2014	1070	City of Scottsdale	Water/Sewer @ DC Ranch Property	Palo Verde Properties, LLC	\$ (61.00)
Check	09/28/2014	1073	Downtown Associates, LLC	Sept 2014 - Palo Properties	Palo Verde Properties, LLC	\$ (5,755.00)
						<b>\$ 147,139.51</b>

**Palo Verde Receivership**

**Exhibit 2**

Summary of Professional Fees

Entity	Description	Amount	Paid Amount
Simon Consulting, LLC	October 2013 Invoice	\$ 27,941.43	\$ 27,941.43
Simon Consulting, LLC	November 2013 Invoice	\$ 43,822.02	\$ 43,822.02
Simon Consulting, LLC	December 2013 Invoice	\$ 38,100.78	
Simon Consulting, LLC	January 2014 Invoice	\$ 34,335.28	
Simon Consulting, LLC	February 2014 Invoice	\$ 10,327.00	
Simon Consulting, LLC	March 2014 Invoice	\$ 41,607.00	
Simon Consulting, LLC	April 2014 Invoice	\$ 17,958.25	
Simon Consulting, LLC	May 2014 Invoice	\$ 35,514.82	
Simon Consulting, LLC	June 2014 Invoice	\$ 31,662.94	
Simon Consulting, LLC	July 2014 invoice	\$ 63,353.16	
Simon Consulting, LLC	August 2014 Invoice	\$ 46,080.77	
<b>SUBTOTAL</b>		<b>\$ 390,703.45</b>	<b>\$ 71,763.45</b>

Gutilla Murphy Anderson	October 2013 Invoice	\$ 19,144.42	\$ 19,144.42
Gutilla Murphy Anderson	November 2013 Invoice	\$ 13,693.53	\$ 13,693.53
Gutilla Murphy Anderson	December 2013 Invoice	\$ 20,216.48	
Gutilla Murphy Anderson	January 2014 Invoice	\$ 14,515.89	
Gutilla Murphy Anderson	February 2014 Invoice	\$ 4,101.86	
Gutilla Murphy Anderson	March 2014 Invoice	\$ 4,100.35	
Gutilla Murphy Anderson	April 2014 Invoice	\$ 3,031.33	
Gutilla Murphy Anderson	May 2014 Invoice	\$ 6,949.56	
Gutilla Murphy Anderson	June 2014 Invoice	\$ 9,338.79	
Gutilla Murphy Anderson	July 2014 invoice	\$ 11,781.88	
Gutilla Murphy Anderson	August 2014 Invoice	\$ 13,942.62	
<b>SUBTOTAL</b>		<b>\$ 120,816.71</b>	<b>\$ 32,837.95</b>

Connor & Winter	November 2013 Invoice	\$ 2,340.00	\$ 2,340.00
Connor & Winter	December 2013 Invoice	\$ 4,155.50	
Connor & Winter	January 2014 Invoice	\$ 574.00	
Connor & Winter	February 2014 Invoice	\$ -	
Connor & Winter	March 2014 Invoice	\$ 4,221.80	
Connor & Winter	April 2014 Invoice	\$ 779.00	
Connor & Winter	May 2014 Invoice	\$ 853.45	
Connor & Winter	June 2014 Invoice	\$ 164.15	
Connor & Winter	July 2014 invoice	\$ -	
Connor & Winter	August 2014 Invoice	\$ -	
<b>SUBTOTAL</b>		<b>\$ 13,087.90</b>	<b>\$ 2,340.00</b>

Sprouse Schrader Smith	PV Energy	\$ 495.00	\$ -
Burch & Cracchiolo	Acumen	\$ 37,496.00	\$ -
Stinson Leonard Street	Acumen	\$ 2,775.00	\$ -
Bill Hughes	Acumen	\$ 1,375.00	\$ -
Mike Martin	Acumen	\$ 2,520.00	\$ -
Defusco & Udelman	Acumen	\$ 2,000.00	\$ -
Whitsitt & Whitsitt	Acumen /Paul Ross lawsuit	\$ 4,000.00	\$ 4,000.00
Eastman Smith	Acumen	\$ 5,172.65	\$ -
<b>SUBTOTAL</b>		<b>\$ 55,338.65</b>	<b>\$ 4,000.00</b>

**TOTAL INCURRED** \$ 579,946.71

Less Amounts Paid \$ 110,941.40

**TOTAL OUTSTANDING** \$ 469,005.31