



Robert Sonnenschein, et. al. v. PVPE, L.L.C., et. al.

CV 2013-012420

Receivership Status Report

Of

Peter S. Davis

Court Appointed Receiver

October 7, 2015

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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 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, L.L.C. (“Simon”) was appointed Receiver over PVPE, L.L.C. (f.k.a. Palo Verde Capital, L.L.C., f.k.a. Paragon Capital Advisors, L.L.C.); Palo Verde Fund, L.P.; and Palo Verde Private Equity Fund, L.P., (collectively referred to throughout as “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, identify, locate, recover, take control of and liquidate the receivership assets.

3.0 Previous Reports

The Receiver hereby incorporates the information contained in prior receivership reports in this report. The Receiver’s 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.¹

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 continues to keep committee members apprised of events impacting the receivership. The next meeting has been scheduled for October 22, 2015.

¹ The Receiver was informed recently of the resignation of Robert Sonnenschein from the committee.

5.0 Fund Tax Status

The Receiver and his staff continue to reconstruct historical financial statements for the receivership entities. The Receiver recently obtained permission from the investor committee members to engage a tax attorney to provide limited guidance in certain areas, where necessary. This effort will culminate in the preparation of tax returns for the receivership entities and K-1's for the limited partners.

6.0 Update on Asset Liquidation

The Receiver has successfully liquidated six assets to date: Empire Financial Services, L.L.C.; Acumen Energy Solutions, Inc.; Palo Properties, L.L.C.; Beesfree, Inc.; TCP-GBS I, L.L.C.; and AF-1, L.L.C. In addition, funds have been received from other investments for a variety of reasons. Recoveries to date, by investment, are detailed in Exhibit 1.

The liquidation of the below investments is final; therefore, a detailed summary is not included here:

- AF-1 Investments (liquidated)
- Bees Free, Inc. (liquidated)
- Palo Properties (liquidated)
- USDA Loan J00046 (finalized)

Updates on the remaining investments are detailed below.

6.1 TCP GBS I, L.L.C.

The Receiver negotiated the sale of the Fund's shares in TCP-GBS I, L.L.C. ("TCP-GBS") for a one-time payment of \$310,743, and to that end filed a *Motion to Approve Liquidation of Palo Verde Fund L.P.'s Interest in TCP-GBS* ("the Motion") on June 15, 2015. The Motion was approved by the Court on August 18, 2015. On September 4, 2015 a wire in the amount of \$55,069.42 was received from the TCP Group ("TCP"). TCP requested additional time to gather funds and pay the balance due. The Receiver agreed to extend the payment deadline thirty (30) days, requiring payment of the full balance by October 3, 2015. Further, the Receiver imposed, and TCP agreed to, a \$1,000 per-day penalty if the full balance was not paid by that date. On October 2, 2015 the Fund received a wire from TCP in the amount of \$255,673.58, representing the outstanding balance due on the asset. The liquidation of this asset is therefore complete.

6.2 Acumen Energy Solutions, Inc. (formerly American Energy Solutions, Inc.)

As noted in the October 7, 2014 Receivership Report, despite the failure of the sale of Acumen on the whole there were two Acumen assets that the Receiver was able to sell.

Acumen's data management contracts (consisting of the company's management of client utility bills and energy procurement related services) were sold to Brightergy, L.L.C. pursuant to a July 31, 2014 asset purchase agreement. The agreed upon purchase price was an amount equal to the EBITDA generated by the purchased assets for the twelve months commencing from the closing date of August 1, 2014. \$10,000 was paid at closing;² and any balance due was to be paid on a deferred basis, no later than the fourteenth full calendar month immediately following the closing date.

² These funds were used to pay the outstanding balance due to the vendor ProKarma for the software necessary to perform on the contracts.

Pursuant to the agreement the Receiver was provided an income statement for the purchased assets showing the revenue received and costs expended, as well as the resulting EBITDA generated, by the purchased assets for the twelve months after the close date of the sale. The Receiver's staff projected an approximate EBITA amount of \$47,250.³ According to the information provided by Brightergy the actual costs incurred to manage the purchased assets were less than projected; however, the revenue received was also less than projected amounts. According to Brightergy representatives many of the clients they anticipated being part of the acquisition cancelled service, resulting in actual revenues approximately \$93,000 less than projected. The lower revenue translated to a net loss of approximately \$8,500 during the period; the Fund will therefore not receive any further amounts related to the sale of this asset.

Brightergy also purchased Acumen's energy management service line of business, consisting of Acumen's energy services agent agreements; utility tax consulting services agreements; and all commissions pertaining to the associated contracts from and after August 1, 2014.⁴ In consideration for this sale Acumen received a cash payment of \$350,000, a portion of which was paid directly to secured creditor CrossFirst bank to pay off Acumen's existing debt. In addition, Acumen will receive fifty percent of all retail commissions received by the purchaser until all contracts are complete. This percentage becomes effective after the purchaser has received \$600,000 in commissions.

According to the analysis provided by Brightergy representatives, approximately \$558,000 in commissions has been received to date. Once the threshold of \$600,000 is met Brightergy will provide the Receiver with quarterly commission reports and applicable commission payments.

In addition, Palo Verde Fund, LP is a secured creditor of Acumen. Since the payment in full of the first secured creditor in September 2014, CrossFirst Bank, the Receiver has been working to secure Acumen assets for the Fund, including collection of outstanding Acumen receivables. To date \$238,851 has been recovered.⁵

6.3 Empire Financial Services of Tulsa, L.L.C.

The Receiver successfully liquidated the Fund's interest in Empire Financial Services of Tulsa, L.L.C. ("Empire") in July 2014 for a total of \$655,000. The purchaser paid \$400,000 in cash and a promissory note for the \$255,000 balance was executed ("the Note"). The terms of the note require monthly payments of principal and interest in the amount of \$3,135 beginning on December 15, 2014 and ending on October 15, 2017, when a balloon payment encompassing the remaining principal and interest is due. In addition, the Note calls for two balloon payments of \$50,000 each; one was due on March 15 and one will be due on October 15, 2015.

The purchaser continues to make each monthly payment of \$3,135 within the deadlines specified in the Note. As previously reported, the March 2015 balloon payment was not made and an extension to July 15, 2015 was requested. Shortly after the July deadline the Receiver was informed that Empire was unable to make the payment, but efforts to collect the necessary funds were ongoing.

³ July 31, 2014 Asset Purchase Agreement between Acumen Energy Solutions, Inc. and Brightergy, LLC; Schedule 2.1.

⁴ Brightergy formed an L.L.C. titled Supply Side 1, L.L.C. to effectuate this purchase.

⁵ This represents \$160,299 received from the sale of the energy management line of business; cash in Acumen's bank account; and collections of outstanding customer accounts receivable.

The Receiver believes that Empire is at this time committed to raising the funds to satisfy their agreement. Based on that belief, and the fact that the monthly payments are being made in a timely fashion, the Receiver is working with Empire to resolve the outstanding payment issue. Late fees continue to accrue at \$5,000 per month.

The Receiver will act appropriately and in the Fund's best interest should circumstances change, and will keep the Court informed regarding the status of this issue.

6.4 Aeromedical Collection Services, Inc.

Aeromedical Collection Services, Inc. ("ACS") is a medical reimbursement management company specializing in EMT billing/collection services, with an emphasis on air ambulance providers. The Fund loaned ACS \$250,000 in 2009.⁶ The loan terms require 7% interest per annum, and was underwritten by a personal guarantee from Dan Newman, owner of ACS.⁷

Mr. Newman filed for Chapter 11 bankruptcy on September 3, 2013 and Palo Verde Fund is listed as an unsecured creditor in the case.⁸ Palo Verde's creditor status stems from an August 2013 judgment against AES, MMA and Dan Newman in the amount of \$163,781, plus accrued and unpaid interest and daily per diem. On December 23, 2013 the Receiver filed a claim against the bankruptcy for \$215,857.79, representing the amount of the original judgment plus applicable interest and per diem amounts.

In July 2014 Mr. Newman circulated a Chapter 11 reorganization plan for approval.⁹ This plan provides for distribution of \$11,790 on a pro-rata basis to all unsecured creditors in the identified class until the outstanding amounts owed are paid in full. The Receiver voted to approve this plan; the bankruptcy court approved this plan on January 8, 2015.

The Receiver was noticed in August 2015 that the Chapter 11 bankruptcy was converted to a Chapter 7 case. The Receiver will take the necessary steps to assert a claim in the Chapter 7 case on behalf of the receivership; however, the Receiver believes that the chances for any recovery from the loan or subsequent judgment is highly unlikely.

6.5 PV Capital, L.L.C.

As reported in the January 7, 2015 status report the Fund loaned \$155,500.00 to unrelated entity PV Capital, L.L.C. ("PV Cap") in 2011. The Receiver held initial discussions with members of PV Cap regarding settlement of the obligation; however, no agreement was reached. The Receiver is currently working with counsel to determine the best course of action with respect to this investment.

6.6 TCP Mach Speed, L.L.C. (a.k.a. Apollo)¹⁰

The Fund contributed \$210,000 to a \$2.1M preferred equity subscription agreement with TCP-Mach Speed, L.L.C. ("Apollo") in February of 2011.¹¹ TCP-MS was formed to acquire Mach Speed Technologies ("MST"), an Oklahoma based manufacturer of low price-point digital media

⁶ July 13, 2009 Agreement between Palo Verde Fund, L.P./Paragon Capital Advisors and ACS/MMA

⁷ ACS/MMA contract

⁸ Case No. 13-12245, US Bankruptcy Court, Western District of Louisiana Shreveport Division

⁹ The plan was amended in August 2014, however there were no changes to the amendment that materially affected the Fund.

¹⁰ In the fourth quarter of 2012 Mach Speed rebranded itself as Apollo Brands.

¹¹ February 8, 2011 Subscription Agreement. Note that investment was oversubscribed, resulting in a return of \$40,000 to the Fund. \$210K was the final invested amount, after the return.

players. Apollo grew into three distinct lines of business 1) Mach Speed Division, which produced MP3 players and tablets; 2) JLab Division, which produced earphones/earbuds; and 3) Bear River Division, which produced outdoor equipment.

Throughout 2013 information provided by investment manager Texas Capital Partners (“TCP”) indicated that performance across all three divisions was strong, achieving a net sales growth of approximately 67% from 2012 to 2013.¹² This growth was driven in part by partnerships with Wal-Mart and T-Mobile for products in all divisions. In 2014; however, things began to change for two Apollo divisions.

According to the June 2014 financial statement (the most current available) the Mach Speed Division was operating at a loss of approximately \$1,000,000 prior to any debt service or corporate overhead. This division entered into several agreements to produce a high-end computer tablet to sell through various retail outlets such as Walmart, T-Mobile, and QVC during the second half of 2014. The actual sales of the tablets were well below budgeted amounts in all retail channels, causing cash flow difficulties.

Despite poor actual results and reduced projections from retailers, management placed a large order for additional tablets from Chinese factories in the fall of 2014. This large order was a significant negative contributor to the company’s working capital problems.

In addition to poor sales, retailers cancelled future orders and demanded to return products already shipped, further exacerbating the company’s cash flow difficulties. Management attributes the poor sales of its tablet to the commoditization of the category.

Bear River division also experienced difficulty in 2014. An important product line was the Black Ops line of airsoft guns, which were sold at Walmart and Dick’s Sporting goods. Walmart made the decision in 2014 not to fully reorder the Black Ops products. The loss of a significant portion of the Walmart order caused a significant excess inventory problem as the company had already manufactured the appropriate amount to restock in anticipation of continued orders from Walmart. Additionally, Walmart revised its product mix away from airsoft guns toward archery products.

The significant excess inventory in both tablets and airsoft guns resulted in the company being in default with Wells Fargo, which began to regulate all of the company’s cash disbursements.

Prior to May 2014, Apollo considered selling the Bear River division as a source of cash. However, after the Walmart change in orders, the division became unsellable and was shut down.

As of mid-2015, although the JLab division was producing operating cash flow it was insufficient to service the heavy corporate debt. It was hoped that management could develop a long-term plan to attempt to grow this division over the next several years and then sell the company. However, even if this were achieved it was unlikely that the proceeds from such a sale would be sufficient to pay any return to equity holders given the debt remaining from the failed divisions.

Apollo never got a chance to develop a long-term plan. According to a teleconference with representatives of TCP a subordinated lender purchased the Wells Fargo bank debt and foreclosed on the remaining assets, eliminating all equity interest in the company.¹³ Based on this information this asset no longer holds any value for the Fund.

¹² June 18th, 2014 Apollo Brands Refinance Investment Memorandum

¹³ August 24, 2015 teleconference with Jason Faucett of TCP

6.7 TCP SuccessEd, L.L.C.

The Fund contributed \$875,000 to a \$2.9M preferred equity subscription agreement with TCP-SuccessEd, L.L.C. (“TCP-SED”) in June 2011.¹⁴ TCP-SED was formed to acquire GG Consulting, a leading Texas education software company.¹⁵ The fund currently has a 10.54% preferred equity position in TCP-SED.

As previously reported, the company has been fairly unstable throughout the receivership. The company experienced a significant loss of customers in 2012 and 2013 when the then CEO sold software that wasn’t fully functional. In 2013 investment manager Texas Capital Partners (“TCP”) took over management of the company in an attempt to mitigate the damage caused by the prior CEO.

By June 2014, due to the failed software roll-out the company was without sufficient working capital to continue operations. New capital of approximately \$1.3 million was solicited to avoid the closure of the company. Palo Verde was unable to participate in this solicitation due to the lack of operating cash available.¹⁶

Palo Verde’s equity is subordinate to the new capital and subordinate to approximately \$4 million in other debt. Moreover, the new capital infusion will receive its original investment plus 300% before Palo Verde’s equity is entitled to any return (i.e., approximately \$5.2 million preferred return plus accrued interest at 5%).

TCP-SED hopes to achieve revenues of approximately \$2.9 million for 2015. The company is operating at a loss of approximately \$223,000 as of June 2015 but hopes to reach operating break-even by the end of this year. TCP-SED is therefore currently unable to service debt. Further, interest continues to accrue on outstanding debt.

Given these facts the Receiver believes that the likelihood of recovery of any portion of Palo Verde’s investment is remote.

6.8 TCP Peds Rehab, L.L.C. (Santè)

The Fund invested in \$250,000 into TCP-Peds Rehab, L.L.C. (“TCP-PEDS”) in December, 2009 and received 250,000 shares of preferred stock in the L.L.C.¹⁷ This L.L.C. was established to acquire 75% of Santè Pediatric Group, a Texas pediatric rehabilitation company.

In January 2012 the Fund redeemed 175,000 shares, leaving the investment at 75,000 shares and a 2.14% Preferred Equity percentage.¹⁸ The investment finalized in December 2012 when the L.L.C. sold 100% of its stock in Santè to Webster Capital. At the time of the sale a certain portion of the proceeds were put into escrow pending the resolution of an outstanding Office of Inspector General (“OIG”) investigation. This investigation is related to Santè’s billing practices prior to TCP-Peds ownership. Currently, the Fund’s portion of escrow is \$10,170. TCP-Peds has certain indemnities

¹⁴ May 25, 2011 Subscription Agreement. Note that the initial investment was \$1,000,000 but oversubscription resulted in a \$125,000 refund to the Fund.

¹⁵ June 8 Amended and Restated Company Agreement of TCP-SuccessEd Investments, LLC.

¹⁶ See the April 7, 2014 Receiver’s Status Report for details.

¹⁷ December 2009 Subscription Agreement

¹⁸ Sante Exit Capital Table

from the original sellers in the event that the issue is not resolved, however Webster Capital will not release escrow until a resolution is reached.¹⁹

The Receiver was recently informed that although the circumstances of the underlying case have not materially changed the chances for recovery of the \$10,170 is extremely slim.²⁰ The Receiver; therefore, does not anticipate recovery of these funds.

6.9 SDX Acquisition, L.L.C.

The Receiver and his staff were approached by the CFO of SDX Acquisition, L.L.C. (“SDX”) in July 2015 regarding the sale of this asset. Three members of the SDX Board of Directors (“BOD”) expressed interest in purchasing the Fund’s equity in SDX. The Receiver’s staff performed a valuation calculation and continues to negotiate with SDX representatives. The Receiver expects to monetize this investment, and will keep the Court updated on status.

6.10 HPCG Hospital Investments, L.L.C.

As noted in the Receiver’s April 7, 2015 report to the Court HPCG Hospital Investments, L.L.C. (“HHI”) began making pro-rata distributions to members in March 2014 pursuant to the December 2012 Bankruptcy Reorganization Plan. The Fund received payments from HHI for March, April and May 2014 totaling \$33,461. No further amounts have been received. According to HHI representatives the underlying entity, HMC/CAH, remains in “survival mode”. HMC continues to focus on obtaining financing which will be used to pay down existing debt, including HHI’s, and build new facilities according to the business plan. They further state that debt payments will likely not resume in this calendar year.

6.11 WP Bistro, L.L.C.

The Fund purchased 10 shares of membership interest in W.P Bistro, L.L.C. (“WPB”) on July 1, 2010.²¹ The company was formed to provide investors direct participation in the ownership of Wolfgang Puck Bistro restaurant and bar, located in Tulsa Oklahoma. The Fund never received any returns from this investment,²² and the restaurant closed on November 1, 2013.

As previously reported, shortly after the restaurant closed the Receiver was informed that a number of other investors were pursuing Tony Henry (“Henry”), the L.L.C. Manager, for information regarding the failure of the business.²³ It was thought that a potential avenue of recovery for investors lay in a sale of the restaurants assets; Henry had represented to investors that there was demand for the furniture and fixtures.²⁴ The Receiver has learned that the furniture and fixtures were sold in January 2015 for \$175,000. The purchaser paid \$5,000 up front and \$45,000 in a lump-sum at closing.²⁵ The balance is memorialized in a \$125,000 Promissory Note that requires the purchaser make monthly payments to American Bank and Trust Company (“the Bank”) in Tulsa to satisfy the Bank’s secured interest as a result of outstanding loans.²⁶

¹⁹ December 18, 2013 email from Jason Faucett of TCP detailing current status of escrow

²⁰ August 24, 2015 conversation with Jason Faucett of TCP

²¹ June 16, 2010 Subscription Agreement

²² Per Ron Stone’s investment summary

²³ December 18, 2013 email from Lynwood Moore to Jessica Corn, Paula Durham and David Cordell

²⁴ December 23, 2013 teleconference between Lynnwood Moore and Paula Durham

²⁵ \$15,000 was paid directly to the Tulsa County Treasurer to satisfy past due property taxes; \$35,000 was paid directly to the Bank against the outstanding loans.

²⁶ According to the January x, 2015 First Amendment to Agreement for Sale and Purchase of Assets the outstanding amount on the loans was \$81,880.86 as of January 27, 2015, with interest accruing at \$14.69 per day from that date.

In July 2014 a group of investors filed suit against Tony Henry in the District Court for Tulsa County.²⁷ This suit was settled amongst the parties in February 2015. According to attorneys involved in the case, Plaintiffs determined that Mr. Henry was “judgment proof” and therefore did not feel it prudent to expend further resources pursuing him. Henry resigned as manager of the L.L.C., and the Receiver voted on behalf of the Fund to replace him with Jim Rogers, lead Plaintiff in the lawsuit. Remaining tasks to complete include filing the 2014 tax returns and manage the payments coming in for the sold equipment. Proceeds in excess of the bank loan will be utilized to pay the outstanding expenses of WPB, including funds for legal and accounting services advanced by certain L.L.C. members in pursuit of the claim against Henry. Any remaining proceeds, if any, will be distributed to the members.

The Receiver will continue to monitor the situation but remains doubtful that the Fund will see any recovery from this investment.

6.12 Ice Now, L.L.C.

Ice Now, L.L.C. (“Ice Now”) is an ice distributor based in Mesa, Arizona focused on providing bulk bagged ice to restaurants, bars, hotels, golf courses, special events and commercial companies. The Fund currently holds an 11% ownership in Ice Now.²⁸

As reported in the April 7, 2015 report Nolan de Graaf (“de Graaf”), majority shareholder of Ice Now contacted the Receiver with an offer to purchase the Fund’s interest. The Receiver’s staff spoke with de Graaf regarding the potential offer but learned the news was not good. The company lost its main supplier at the end of 2014, leaving Ice Now with a sourcing problem. De Graaf was at that time getting ice from a variety of smaller producers but felt that the best option going forward was to raise capital to build a manufacturing plant, and was pursuing that goal. He offered to purchase the Fund’s 11% interest in the asset for \$10,000, payable in two installments of \$5,000 in 2015 and \$5,000 in 2016. De Graaf estimated this amount at about 25% its actual worth, based on a multiple of 5x EBITDA. The Receiver declined the offer at that time, and recently reached out to De Graaf for an update on business performance. Further developments will be included in future reports to the Court.

6.13 FF Arabian, L.L.C.

FF Arabian, L.L.C. (“FFA”) was formed to develop, partially finance, and arrange domestic distribution for various Hollywood movies.²⁹ The Fund holds an equity percentage in FF Arabian of 53.072%.³⁰ Freedom Films, the original manager of FFA, filed a voluntary petition for relief under Chapter 11 of the Bankruptcy Code on April 16, 2014; the Fund is listed as an unsecured creditor of the estate. Pursuant to Section 1102(b) of the Code the United States Trustee appointed an Official Committee of Unsecured Creditors (“the Committee”) on May 22, 2014, which includes Palo Verde Fund, LP. The Fund was subsequently chosen to chair the Committee by its other members.

As reported in the January 7, 2015 Receiver’s report, Freedom Films filed a proposed Chapter 11 Reorganization Plan (“the Plan”) with the presiding court in California on December 12, 2014. The Plan was amended twice during 2015; the second amendment was filed August 25, 2015.

²⁷ Rogers et al v. Henry et al filed July 22, 2014; CJ-2014-02786.

²⁸ December 31, 2012 Loan Modification Agreement

²⁹ April 2010 Limited Liability Company Agreement of FF Arabian, L.L.C.

³⁰ October 1, 2011 Capital Table included with the Second Amendment to the Limited Liability Company Agreement of FF Arabian, LLC.

Objections to confirmation of the second amended Plan were due by September 24, 2015. The Creditor Committee worked with the Debtor to agree upon a plan; therefore, the Fund had no objections. The hearing on the Plan is scheduled for October 22, 2015.

6.14 Palo Verde Energy Fund, L.L.C.

Palo Verde Energy Fund, L.L.C. (“PVEF”) is wholly owned by Palo Verde Fund, L.P.³¹ In October 2010, PVEF purchased an undivided 60% working interest in and to oil and gas leases owned by Par III Inc., located in Sebastian and Logan County, AR.

The Receiver worked to secure a broker for the properties in 2014, but the broker declined to accept the contract due to concerns about the value of the property. In previous reports the Receiver noted contact from a firm potentially interested in purchasing all or some of the wells; the Receiver provided requested information but the interested party declined to pursue the properties.

Recently Paul Ross, who controls the other 40% interest in the properties, approached the Receiver with an alleged sales opportunity, but provided little detail about the potential deal. Further, Mr. Ross requested Power of Attorney be assigned to him in order to complete the deal outside the Receivership. The Receiver was unwilling to meet Ross’s demands and did not pursue the opportunity further.

The Receiver and his staff continue to monitor opportunities to sell this asset; however, natural gas prices have generally decreased over the past year, negatively effecting the marketability of the asset.

6.15 Asian Investments

The Fund holds interest in three entities, which in turn are invested in Chinese based companies: BOAI Pharmaceuticals, L.L.C. (“BOAI”); Aviary II, L.L.C. (“AVII”) and Aviary III, L.L.C. (“AVIII”). BOAI is invested with a Chinese pharmaceutical company while AVII and AVIII are invested in a Chinese travel firm, China Golden Dragon Travel (“Golden Dragon”). More detailed information on each of the investments can be found in previous reports to the Court.

There has been little change in the status of these three investments since receivership inception. The manager of both L.L.C.’s continues to pursue the chairman of each underlying Chinese entity, utilizing counterparts in China, in an effort to liquidate the shares. No progress has been made to date, as the leaders of both entities are avoiding all communication from outside investors.

Regarding BOAI, the Receiver was informed recently that the Chinese entity has defaulted on a large loan with a European lender. Further, she has been absent from the facility when surprise inspections have occurred. The L.L.C. manager is making little headway in pursuit of liquidation. Based on this information the Receiver believes there is little chance to liquidate these assets.

7.0 Receivership Accounting

Details of the cash processed through the receivership bank account are attached hereto as Exhibit 2. The current balance of the receivership account is \$409,926 as of October 5, 2015.

³¹ February 2010 Articles of Organization for Arkoma Natural Gas Partners, LLC (“Arkoma”). Arkoma subsequently changed its name to Palo Verde Energy Fund, LLC.

8.0 Receivership Fees and Expenses

The receivership incurred a total of \$91,214.97 in professional fees and expenses since the since the issuance of the July 7, 2015 status report. During this same period the Receiver has collected \$310,743 for the estate. See Exhibit 3 for a detailed professional fee summary.

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, 2015

Date

Summary of Investment Income**Exhibit 1**

As of October 5, 2015

Sale Proceeds

Investment	Amount Received	Description
AF-1 Investments	\$ 50,000	Proceeds from sale of equity interest
Acumen	160,299	Proceeds from sale of energy management contracts
Bees Free	8,311	Procees from sale of stock
Empire Finance, LLC	435,724	Proceeds from asset sale
Palo Properties, LLC	176,476	Proceeds from asset sale
TCP-GBS I, LLC	310,743	Proceeds from asset sale
Total Sale Proceeds	\$ 1,141,554	

Other Investment Receipts

Investment	Amount Received	Description
Acumen Energy Solutions	\$ 78,552	Funds from secured creditor position
HHI Investment	33,461	Debt repayment allocation
Palo Properties, LLC	27,922	Rent; proceeds from sale of furniture
SDX Acquisition, LLC	119,524	Distribution
TCP-GBS, LLC	22,455	Distribution
TCP-Mach Speed, LLC	15,064	Distribution
USDA Loan J-46	91,124	Monthly interest payments
Total Other Receipts	\$ 388,102	

Total Income \$ 1,529,656

Source: Receivership accounting records

Palo Verde Receivership

Receivership Banking Summary as of October 5, 2015

Exhibit 2

Type	Date	Num	Name	Description	Split	Amount
Deposit	10/23/2013		Tony Stacy Initial Deposit	Deposit	Tony Stacy Initial Deposit	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	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	CamTechnologies, LLC	Invoice No. 3305 for server imaging	Computer and Internet Expenses	(567.79)
Deposit	11/08/2013		Colson Services Corp.	Interest Payment	USDA J00046	6,587.64
Check	11/13/2013	1001	CamTechnologies, LLC	Invoice No. 3370 for website creation	Computer and Internet Expenses	(350.00)
Check	11/13/2013	1002	CamTechnologies, LLC	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	Palo Properties, LLC	(1,089.00)
Deposit	12/02/2013		Michael Nemeth	Rent	Palo Properties, LLC	4,700.00
Check	12/02/2013	1005	CamTechnologies, LLC	Invoice No. 3387 for email exports	Computer and Internet Expenses	(3,675.00)
Check	12/02/2013	1006	CamTechnologies, LLC	Invoice Nos. 3450 & 3451 for website & domain	Computer and Internet Expenses	(140.00)
Deposit	12/03/2013		Colson Services Corp.	Interest payment	USDA J00046	7,439.77
Deposit	12/03/2013		Michael Nemeth	Rent	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	1007	CamTechnologies, LLC	VOID: Invoice Nos. 3410 GJE, RGJE created on 12/18/2013	Computer and Internet Expenses	-
Check	12/17/2013	1008	CamTechnologies, LLC	Invoice No. 3410	Computer and Internet Expenses	(3,675.00)
Check	12/17/2013	1009	CamTechnologies, LLC	Invoice No. 3436	Computer and Internet Expenses	(29.95)
Deposit	12/18/2013		Pre-Receivership Accts	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.	Interest payment	USDA J00046	3,283.59
Check	01/03/2014	1010	CamTechnologies, LLC	Invoice No. 3464	Computer and Internet Expenses	(2,700.00)
Check	01/06/2014	1011	CamTechnologies, LLC	Invoice No. 3522	Computer and Internet Expenses	(29.95)
Deposit	01/08/2014		Michael Nemeth	Rent	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	Guttilla Murphy Anderson, PC	Receiver attorney fees-inception to Oct 31, 2013	Professional Fees	(19,144.42)
Check	01/16/2014	1015	CamTechnologies, LLC	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	01/21/2014	1017	VOID	VOID	VOID	-
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.	Interest payment	USDA J00046	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	Palo Properties, LLC	3,900.00
Check	02/05/2014	EFT	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, LLC	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	CamTechnologies, LLC	Invoices 3576,3633 &3614	Computer and Internet Expenses	(2,307.45)
Deposit	03/04/2014		Wells Fargo Bank	Deposit	Bees Free - Stock Sale	282.43
Deposit	03/05/2014		Michael Nemeth	Rent	Palo Properties, LLC	3,900.00
Check	03/05/2014	EFT	Chase Bank	Service Charge	Bank Service Charges	(95.00)
Deposit	03/14/2014		Chase Bank	Deposit	Bank Service Charges	95.00
Deposit	03/14/2014		Chase Bank	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)

Palo Verde Receivership

Receivership Banking Summary as of October 5, 2015

Exhibit 2

Type	Date	Num	Name	Description	Split	Amount
Deposit	04/01/2014		Colson Services Corp.	Interest Payment	USDA J00046	9,503.98
Deposit	04/03/2014		Michael Nemeth	Rent	Palo Properties, LLC	2,600.00
Check	04/11/2014	1026	CamTechnologies, LLC	Invoice 3786	Computer and Internet Expenses	(29.95)
Check	04/21/2014	1027	CamTechnologies, LLC	3803	Computer and Internet Expenses	(62.50)
Check	04/21/2014	EFT	APS	Deposit for electric service at property	Palo Properties, LLC	(705.00)
Deposit	04/21/2014		TCP Group	Distribution	TCP-GBS Investment I, LLC	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.	Interest payment	USDA J00046	6,003.39
Deposit	04/24/2014		HPCG, LLC	Proceeds from investment	HHI Investment	11,153.59
Check	05/05/2014	EFT	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 Acquisition, LLC	Distribution	SDX Acquisition, LLC	92,519.00
Check	05/13/2014	1033	CamTechnologies, LLC	Invoice 3692	Computer and Internet Expenses	(29.95)
Check	05/14/2014	1032	CamTechnologies, LLC	Invoice 3872-remove Acumen doc from site	Computer and Internet Expenses	(31.25)
Check	05/15/2014	1034	CamTechnologies, LLC	Invoice 3855 - May web hosting/email	Computer and Internet Expenses	(29.95)
Check	05/16/2014	1035	Conner & Winters, LLP	November fees	Professional Fees	(2,340.00)
Check	05/16/2014	1036	Guttilla Murphy Anderson, PC	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	Squeaky Kleen Windows	Window Cleaning Service	Palo Properties, LLC	(320.00)
Check	05/27/2014	1041	Caddo Parish Clerk of Court	Aeromedical Collections Court Costs	Aeromedical	(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.	Interest Payment	USDA J00046	1,266.02
Check	06/06/2014	EFT	APS	Electric Service	Palo Properties, LLC	(118.46)
Check	06/13/2014	1043	Litgistix, LLC	Copies - PV Energy rpts from Forest Oil	Professional Fees	(267.95)
Check	06/13/2014	1044	CamTechnologies, LLC	Invoice 3924-June web hosting/email	Computer and Internet Expenses	(29.95)
Check	06/13/2014	1045	Southwest Gas	May Gas Fee	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)
Check	06/25/2014	EFT	APS	Electric Service	Palo Properties, LLC	(246.14)
Deposit	06/25/2014		Colson Services Corp.	Interest Payment	USDA J00046	6,459.64
Deposit	07/03/2014		HPCG, LLC	Deposit	HHI Investment	22,307.18
Check	07/18/2014	1048	Southwest Gas	June Gas Fee	Palo Properties, LLC	(25.74)
Check	07/18/2014	1049	CamTechnologies, LLC	Invoice 4013-July web hosting/email	Computer and Internet Expenses	(29.95)
Deposit	07/22/2014		Conterra Asset Management	Interest Payment	USDA J00046	8,033.43
Check	07/25/2014	1050	Azure Blue Complete Pool Service	Pool Service at DC Ranch House	Palo Properties, LLC	(138.00)
Check	07/25/2014	1051	City of Scottsdale	Water/Sewer @ DC Ranch Property	Palo Properties, LLC	(61.28)
Check	07/25/2014	1052	Downtown Associates, LLC	July 2014 - Interest & Property Tax	Palo 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 Properties, LLC	(24.39)
Check	08/07/2014	EFT	APS	Electric Service	Palo 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 Properties, LLC	(1,325.00)
Check	08/13/2014	1057	VOID	VOID	VOID	-

Palo Verde Receivership

Receivership Banking Summary as of October 5, 2015

Exhibit 2

Type	Date	Num	Name	Description	Split	Amount
Check	08/13/2014	1058	Arizona Stairs	Downpayment - stair repair	Palo Properties, LLC	(250.00)
Check	08/19/2014	1059	CamTechnologies, LLC	Invoice 4100	Computer and Internet Expenses	(29.95)
Check	08/19/2014	1060	Arizona Stairs	2nd Pmt - Stair Repair DC Ranch	Palo Properties, LLC	(250.00)
Deposit	08/21/2014		Conterra Asset Management	Interest Payment	USDA J00046	5,103.46
Check	08/25/2014	1062	Downtown Associates, LLC	Aug 2014 - Palo Properties	Palo Properties, LLC	(5,755.00)
Check	08/25/2014	1063	Southwest Gas	July Water - Palo Properties	Palo Properties, LLC	(63.07)
Check	08/25/2014	1064	CamTechnologies, LLC	Invoice 4127 - Website Update	Computer and Internet Expenses	(62.50)
Deposit	08/27/2014		Arena Football League	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 Properties, LLC	(140.00)
Check	09/04/2014	EFT	APS	Electric Service	Palo Properties, LLC	(346.41)
Deposit	09/10/2014		CrossFirst Bank	Deposit	Acumen Energy Solutions	224,357.71
Check	09/18/2014	1067	Azure Blue Complete Pool Service	July Pool Svc - DC Ranch	Palo Properties, LLC	(296.00)
Deposit	09/22/2014		TCP Group	Distribution	TCP-Mach Speed Investment, LLC	15,064.49
Deposit	09/23/2014		Conterra Asset Management	Interest Payment	USDA J00046	5,262.72
Check	09/25/2014	1068	VOID	VOID	VOID	-
Check	09/25/2014	1069	CamTechnologies, LLC	Invoice 4127 - Website Update	Computer and Internet Expenses	(29.95)
Check	09/25/2014	1070	City of Scottsdale	Water/Sewer @ DC Ranch Property	Palo Properties, LLC	(61.00)
Check	09/25/2014	1072	VOID	VOID	VOID	-
Check	09/28/2014	1073	Downtown Associates, LLC	Sept 2014 - Palo Properties	Palo Properties, LLC	(5,755.00)
Check	10/03/2014	1074	AC by J	AC repair per sales agreement	Palo Properties, LLC	(563.95)
Check	10/03/2014	EFT	APS	Electric Service	Palo Properties, LLC	(492.50)
Check	10/03/2014	1075	Southwest Gas	Gas bill	Palo Properties, LLC	(38.70)
Check	10/08/2014	1076	Arvest Bank	Balance Due on Note Purchase	Acumen Energy Solutions	(10,000.00)
Check	10/14/2014	EFT	Chase Bank	Service Charge	Bank Service Charges	(17.50)
Check	10/15/2014	EFT	Chase Bank	Incoming Domestic Wire Fee	Bank Service Charges	(15.00)
Deposit	10/15/2014		Empire Finance, LLC	Proceeds from investment	Empire Finance, LLC	200,000.00
Check	10/21/2014	EFT	Chase Bank	Incoming Domestic Wire Fee	Bank Service Charges	(15.00)
Deposit	10/21/2014		Empire Finance, LLC	Proceeds from investment	Empire Finance, LLC	150,000.00
Check	10/22/2014	1077	CamTechnologies, LLC	Invoice 4288 - Website Update	Computer and Internet Expenses	(29.95)
Check	10/22/2014	1078	City of Scottsdale	Water/Sewer @ DC Ranch Property	Palo Properties, LLC	(60.77)
Check	10/22/2014	1079	Azure Blue Complete Pool Service	Sept Pool Svc - DC Ranch	Palo Properties, LLC	(126.00)
Check	10/22/2014	EFT	Chase Bank	Incoming Domestic Wire Fee	Bank Service Charges	(15.00)
Deposit	10/22/2014		Empire Finance, LLC	Proceeds from investment	Empire Finance, LLC	50,000.00
Check	10/28/2014	1081	Flowing Wells Landscape & Pools	Pool/landscape repair per sales contract	Palo Properties, LLC	(837.41)
Check	10/28/2014	1080	Downtown Associates, LLC	Oct 2014 - Palo Properties	Palo Properties, LLC	(5,755.00)
Check	10/28/2014	EFT	Chase Bank	Incoming Domestic Wire Fee	Bank Service Charges	(15.00)
Deposit	10/28/2014		Empire Finance, LLC	Proceeds from investment	Empire Finance, LLC	4,374.44
Check	10/30/2014	EFT	APS	Electric Service	Palo Properties, LLC	(156.77)
Deposit	11/10/2014		Old World Title Agency	Proceeds from investment	Palo Properties, LLC	176,157.45
Check	11/14/2014	1082	Azure Blue Complete Pool Service	Oct Pool Svc - DC Ranch	Palo Properties, LLC	(102.00)
Check	11/14/2014	1084	City of Scottsdale	Water/Sewer @ DC Ranch Property	Palo Properties, LLC	(51.88)
Check	11/14/2014	1085	CamTechnologies, LLC	Invoice 4393 - Website Update	Computer and Internet Expenses	(29.95)
Deposit	11/14/2014		APS	APS refund	Palo Properties, LLC	672.97
Deposit	11/14/2014		Southwest Gas	SW Gas refund	Palo Properties, LLC	115.17
Deposit	11/14/2014		State Farm Insurance	State Farm refund	Palo Properties, LLC	20.05
Deposit	12/11/2014		Arizona Auctioneers	Proceeds from investment	Palo Properties, LLC	1,499.90

Palo Verde Receivership

Receivership Banking Summary as of October 5, 2015

Exhibit 2

Type	Date	Num	Name	Description	Split	Amount
Deposit	12/15/2014		Empire Finance, LLC	Proceeds from investment	Empire Finance, LLC	3,135.00
Check	12/15/2014	EFT	Chase Bank	Incoming Domestic Wire Fee	Bank Service Charges	(15.00)
Check	12/25/2014	1087	Simon Consulting, LLC	Dec 2013 - Aug 2014	Professional Fees	(318,495.36)
Check	12/25/2014	1086	Guttilla Murphy Anderson, PC	Dec 2013 - Oct 2014	Professional Fees	(130,097.42)
Check	12/25/2014	1089	DeFusco & Udelman, PLC	Acumen - Retainer	Acumen Energy Solutions	(2,000.00)
Check	12/25/2014	1090	Whitsitt & Whitsitt	Kansas Attorney - Ross lawsuit	Acumen Energy Solutions	(75.74)
Check	12/25/2014	1088	Sprouse Schrader Smith, PLLC	PV Energy, LLC Attorney	Palo Verde Energy Fund, LLC	(765.00)
Deposit	12/30/2014		Trulite Glas	AR Proceeds	Acumen Energy Solutions	4,136.98
Deposit	12/30/2014		Electric Coating Technologies	AR Proceeds	Acumen Energy Solutions	760.00
Check	12/31/2014	1091	Simon Consulting, LLC	Sep-Oct 2014	Professional Fees	(70,611.38)
Check	01/07/2015	0991	US Postal Service	PO Box Fees - 6 month renewal	Acumen Energy Solutions	(37.00)
Check	01/07/2015	1092	JP Morgan Chase NA	Fees for statement research/production	Bank Service Charges	(63.42)
Check	01/07/2015	1093	Conner & Winters, LLP	Fees - Jan-April 2014	Professional Fees	(9,730.30)
Deposit	01/15/2015		Wisembaker Builder Svcs	AR Proceeds	Acumen Energy Solutions	1,440.00
Check	01/15/2015	EFT	Chase Bank	Incoming Domestic Wire Fee	Bank Service Charges	(15.00)
Deposit	01/15/2015		Empire Finance, LLC	Proceeds from investment	Empire Finance, LLC	3,135.00
Deposit	01/23/2015		Suez Energy	AR Proceeds	Acumen Energy Solutions	500.00
Deposit	01/27/2015		Wisembaker Builder Svcs	AR Proceeds	Acumen Energy Solutions	240.00
Check	01/28/2015	1094	VOID	VOID	VOID	-
Check	01/28/2015	0992	Platte City Self Storage	Storage fees 1/22/15 - 3/22/15	Acumen Energy Solutions	(148.00)
Check	01/28/2015	1095	JP Morgan Chase NA	Fees for statement research/production	Bank Service Charges	(260.37)
Deposit	02/10/2015		Polsinelli Shugart	Refund of pre-receivership retainer	Acumen Energy Solutions	1,873.50
Deposit	02/13/2015		Empire Finance, LLC	Proceeds from investment	Empire Finance, LLC	3,135.00
Check	02/13/2015	EFT	Chase Bank	Incoming Domestic Wire Fee	Bank Service Charges	(15.00)
Deposit	02/20/2015		Old World Title Agency	Refund of overpayment	Palo Properties, LLC	319.00
Deposit	02/23/2015		Conterra Asset Management	Interest Payment	USDA J00046	26,822.78
Deposit	03/02/2015		Lindsey Auction Service	Proceeds from investment	Acumen Energy Solutions	814.54
Check	03/06/2015	1096	Simon Consulting, LLC	December 2014	Professional Fees	(33,414.45)
Check	03/06/2015	1097	Guttilla Murphy Anderson, PC	Dec 2014	Professional Fees	(23,028.59)
Check	03/06/2015	1098	Conner & Winters, LLP	May 2014	Professional Fees	(853.45)
Check	03/06/2015	1099	Whitsitt & Whitsitt	Kansas Attorney - Ross lawsuit	Acumen Energy Solutions	(3,348.28)
Check	03/06/2015	1100	Simon Consulting, LLC	Nov 2014	Professional Fees	(40,625.20)
Check	03/06/2015	1101	Guttilla Murphy Anderson, PC	Nov 2014	Professional Fees	(31,281.65)
Check	03/06/2015	1102	CamTechnologies, LLC	Invoice 4605 - Website Update/domain renewal	Computer and Internet Expenses	(140.00)
Check	03/06/2015	1103	JP Morgan Chase NA	Fees for statement research/production	Bank Service Charges	(62.34)
Check	03/13/2015	EFT	Chase Bank	Incoming Domestic Wire Fee	Bank Service Charges	(15.00)
Deposit	03/13/2015		Empire Finance, LLC	Deposit	Empire Finance, LLC	3,135.00
Deposit	03/17/2015		Bees Free	Deposit	Bees Free	8,028.46
Check	03/17/2015	1104	Lang & Klain, PC	Retainer	Professional Fees	(10,000.00)
Check	03/17/2015	0993	Platte City Self Storage	Acumen Storage - Unite D33	Acumen Energy Solutions	(74.00)
Check	04/03/2015	1105	VOID	VOID	VOID	-
Check	04/03/2015	1106	CamTechnologies, LLC	Invoice 4820-Verde Cap Data Recovery	Computer and Internet Expenses	(7,095.04)
Check	04/03/2015	1107	Simon Consulting, LLC	Jan 2015	Professional Fees	(31,808.55)
Check	04/03/2015	1108	Guttilla Murphy Anderson, PC	Jan 2015	Professional Fees	(11,449.35)
Check	04/03/2015	1109	VOID	VOID	VOID	-
Check	04/03/2015	1110	Whitsitt & Whitsitt	Kansas Attorney - Ross lawsuit -Jan Fees	Acumen Energy Solutions	(2,681.00)
Check	04/03/2015	1111	Conner & Winters, LLP	June 2014	Professional Fees	(164.15)

Palo Verde Receivership

Receivership Banking Summary as of October 5, 2015

Exhibit 2

Type	Date	Num	Name	Description	Split	Amount
Check	04/14/2015	1112	VOID	VOID	VOID	-
Check	04/14/2015	1113	Platte City Self Storage	Storage - 4/22/15 to 5/22/15	Acumen Energy Solutions	(74.00)
Deposit	04/20/2015		Empire Finance, LLC	Proceeds from investment	Empire Finance, LLC	3,135.00
Check	04/20/2015	EFT	Chase Bank	Incoming Domestic Wire Fee	Bank Service Charges	(15.00)
Check	04/23/2015	EFT	State of Delaware	Delaware LP Annual Report/Tax	Business Licenses and Permits	(350.00)
Check	04/23/2015	EFT	State of Delaware	Delaware LP Annual Report/Tax	Business Licenses and Permits	(1,429.50)
Deposit	04/24/2015		SDX Acquisition, LLC	Distribution	SDX Acquisition, LLC	27,005.00
Deposit	04/27/2015		TCP Group	Distribution	TCP-GBS Investment I, LLC	17,592.00
Deposit	04/30/2015		Wrigley Company	AR Proceeds	Acumen Energy Solutions	2,410.00
Check	05/04/2015	100	Aldridge Borden	W-2 & 1099 Prep-Acumen	Acumen Energy Solutions	(1,085.00)
Check	05/04/2015	101	Simon Consulting, LLC	Feb 2015 Fees	Professional Fees	(47,973.40)
Check	05/04/2015	102	Guttilla Murphy Anderson, PC	Feb 2015 Fees	Professional Fees	(20,414.21)
Check	05/04/2015	103	Whitsitt & Whitsitt	Feb 2015 Fees	Professional Fees	(442.03)
Deposit	05/20/2015		Empire Finance, LLC	Proceeds from investment	Empire Finance, LLC	3,135.00
Check	05/20/2015	EFT	Chase Bank	Incoming Domestic Wire Fee	Bank Service Charges	(15.00)
Check	05/27/2015	104	Simon Consulting, LLC	March 2015 Fees	Professional Fees	(38,360.85)
Check	05/27/2015	105	Guttilla Murphy Anderson, PC	March 2015 Fees	Professional Fees	(10,626.48)
Check	05/27/2015	106	Whitsitt & Whitsitt	March 2015 Fees	Professional Fees	(302.41)
Check	05/29/2015	EFT	Chase Bank	Service Fee	Bank Service Charges	(12.00)
Check	05/29/2015	107	Platte City Self Storage	Storage - 5/22/15 to 6/22/15	Acumen Energy Solutions	(74.00)
Check	06/17/2015	108	Platte City Self Storage	Storage - 6/22/15 to 7/22/15	Acumen Energy Solutions	(74.00)
Deposit	06/19/2015		Empire Finance, LLC	Proceeds from investment	Empire Finance, LLC	3,135.00
Check	06/19/2015	EFT	Wells Fargo Bank	Wire Trans Svc Charge	Bank Service Charges	(15.00)
Deposit	06/24/2015		McLane Company	AR Proceeds	Acumen Energy Solutions	2,318.20
Check	07/06/2015	1001	Simon Consulting, LLC	April 2015 Fees	Professional Fees	(25,269.05)
Check	07/06/2015	1002	Guttilla Murphy Anderson, PC	April 2015 Fees	Professional Fees	(5,139.74)
Check	07/06/2015	1003	Whitsitt & Whitsitt	April 2015 Fees	Professional Fees	(322.41)
Check	07/14/2015	109	Platte City Self Storage	Storage - 7/22/15 to 8/22/15	Acumen Energy Solutions	(74.00)
Deposit	07/20/2015			Deposit	Empire Finance, LLC	3,135.00
Check	07/20/2015	EFT	Wells Fargo Bank	Wire Trans Svc Charge	Bank Service Charges	(15.00)
Check	07/23/2015	1004	US Postal Service	PO Box for Acumen	Acumen Energy Solutions	(38.00)
Check	07/23/2015	1005	Simon Consulting, LLC	May 2015 Fees	Professional Fees	(20,166.00)
Check	07/23/2015	1006	Guttilla Murphy Anderson, PC	May 2015 Fees	Professional Fees	(6,073.92)
Deposit	08/05/2015			Deposit	Pre-Receiverhsip Accts	12,629.02
Check	08/17/2015	110	Platte City Self Storage	Storage - 8/22/15 to 9/22/15	Acumen Energy Solutions	(74.00)
Deposit	08/20/2015			Deposit	Empire Finance, LLC	3,135.00
Check	08/20/2015	EFT	Wells Fargo Bank	Wire Trans Svc Charge	Bank Service Charges	(15.00)
Check	08/24/2015	1007	Simon Consulting, LLC	June 2015 Fees	Professional Fees	(30,613.95)
Check	08/24/2015	1008	Guttilla Murphy Anderson, PC	June 2015 Fees	Professional Fees	(7,278.49)
Check	08/24/2015	1009	Whitsitt & Whitsitt	May & June 2015 Fees	Professional Fees	(3,858.98)
Check	08/24/2015	1010	BizFilings	Registered Agent REnewal	Miscellaneous Expense	(141.75)
Deposit	09/04/2015			Deposit	TCP-GBS Investment I, LLC	55,069.42
Check	09/04/2015	EFT	Wells Fargo Bank	Wire Trans Svc Charge	Bank Service Charges	(15.00)
Check	09/18/2015	1011	Platte City Self Storage	Storage Facility 9/22 to 10/22	Acumen Energy Solutions	(74.00)
Check	09/18/2015	1012	Southwest Bond Services	Bond renewal	Miscellaneous Expense	(100.00)
Deposit	09/18/2015		Empire Finance, LLC	Monthly Installment	Empire Finance, LLC	3,135.00
Check	09/18/2015		Wells Fargo Bank	Wire Trans Svc Charge	Bank Service Charges	(15.00)

Palo Verde Receivership

Receivership Banking Summary as of October 5, 2015

Exhibit 2

Type	Date	Num	Name	Description	Split	Amount
Check	09/24/2015	1014	Guttilla Murphy Anderson, PC	VOID: June 2015 Fees	Professional Fees	
Check	09/24/2015	1013	Simon Consulting, LLC	July 2015 Fees	Professional Fees	(26,786.55)
Check	09/24/2015	1015	Guttilla Murphy Anderson, PC	July 2015 Fees	Professional Fees	(4,368.89)
Deposit	10/02/2015		TCP Group	Bal due-asset purchase	GBS Investment I	255,673.58
Check	10/02/2015		Wells Fargo Bank	Wire Trans Svc Charge	Bank Service Charges	(15.00)
Balance						409,925.96

Palo Verde Receivership**Exhibit 3**

Summary of Professional Fees from June 1, 2015 to August 30, 2015

Entity	Description	Amount	Paid Amount	Balance Due	Date Paid
Simon Consulting, LLC	June 2015 Invoice	\$ 30,613.95	\$ 30,613.95	\$ -	24-Aug-15
Simon Consulting, LLC	July 2015 Invoice	\$ 26,786.55	\$ 26,786.55	\$ -	24-Sep-15
Simon Consulting, LLC	August 2015 Invoice	\$ 16,608.00	\$ -	\$ 16,608.00	
SUBTOTAL		\$ 74,008.50	\$ 57,400.50	\$ 16,608.00	
Gutilla Murphy Anderson	June 2015 Invoice	\$ 7,278.49	\$ 7,278.49	\$ -	24-Aug-15
Gutilla Murphy Anderson	July 2015 Invoice	\$ 4,368.89	\$ 4,368.89	\$ -	24-Sep-15
Gutilla Murphy Anderson	August 2015 Invoice	\$ 3,621.76	\$ -	\$ 3,621.76	
SUBTOTAL		\$ 15,269.14	\$ 11,647.38	\$ 3,621.76	
Acumen Paul Ross Lawsuit & Potential Insurance Claim					
Whitsitt & Whitsitt	June 2015 Invoice	\$ 1,937.33	\$ 1,937.33	\$ -	24-Aug-15
Whitsitt & Whitsitt	July 2015 Invoice	\$ -	\$ -	\$ -	No charges
Whitsitt & Whitsitt	August 2015 Invoice	\$ -	\$ -	\$ -	No charges
SUBTOTAL		\$ 1,937.33	\$ 1,937.33	\$ -	
TOTAL - June 1 to August 30, 2015		\$ 91,214.97	\$ 70,985.21	\$ 20,229.76	