

UNITED STATES OF AMERICA
before the
SECURITIES AND EXCHANGE COMMISSION

In the Matter of

GEORGE CHARLES CODY PRICE,

Respondent.

ADMINISTRATIVE PROCEEDING
FILE NO. 3-16946

**DECLARATION OF RESPONDENT GEORGE CHARLES CODY PRICE
IN SUPPORT OF RESPONSE & OPPOSITON TO SUMMARY DISPOSITION**

I, George Charles Cody Price, hereby declare pursuant to 28 U.S.C. Sec. 1746 as follows:

1. I am a natural person, of sound mind, above the age of eighteen and am the named Respondent in the above captioned matter;
2. I have personal knowledge of the matters contained in this declaration and if called upon to testify thereto would do so competently;
3. I am represented by attorney John E. Dolkart, Jr., Esq. in the above captioned matter and by Mark Chester, Esq. in the separately pending FINRA arbitration matter.
4. A true and correct copy of my Declaration field in Support of my Motion for Summary Judgment in the underling civil action is attached hereto as Exhibit A, which includes all exhibits thereto.

I declare under penalty of perjury of the state of California and under the laws of the United States that the foregoing is true and correct. Executed this 21st day of January 2016 in La Jolla, California

By  George Charles Cody Price

In the Matter of George Charles Cody Price
Administrative Proceeding File No. 3-16946

Service List

Pursuant to Commission Rule of Practice 151(17 C.F.R. § 201.151), I certify that the attached:

DECLARATION IN SUPPORT OF OPPOSITION TO MOTION FOR SUMMARY DISPOSITION BY RESPONDENT GEORGE CHARLES CODY PRICE

On January 21, 2016.

By: Facsimile and Overnight Mail

Brent J. Fields, Secretary
Securities and Exchange Commission
100 F. Street, N.E., Mail Stop 1090
Washington, DC 20549-1090
Facsimile: (202) 772-9324
(Original and three copies)

By: Email

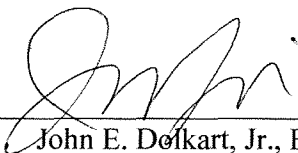
Honorable Brenda P. Murray
Administrative Law Judge
Securities and Exchange Commission
100 F Street, N.E., Mail Stop 2557
Washington, DC 20549-2557
Email: alj@sec.gov

By: Email and Overnight Mail

Lynn M. Dean, Esq.
Division of Enforcement, Los Angeles Regional Office Securities and Exchange Commission
444 S. Flower Street, Suite 900
Los Angeles, California 90071-9591
Email: deanl@sec.gov

DATED: January 21, 2016

BY:



John E. Dolkart, Jr., Esq.

Exhibit A

EXHIBIT

A

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13 *Attorneys for Defendants ABS Manager, LLC*
14 *and George Charles Cody Price*

11 **UNITED STATES DISTRICT COURT**
12 **SOUTHERN DISTRICT OF CALIFORNIA**

13 SECURITIES AND EXCHANGE
14 COMMISSION,

15 Plaintiff,

16 vs.

17 ABS MANAGER, LLC and GEORGE
18 CHARLES CODY PRICE,

19 Defendants,

20 ABS FUND, LLC [ARIZONA]; ABS
21 FUND, LLC [CALIFORNIA]; CAPITAL
22 ACCESS, LLC; CAVAN PRIVATE
23 EQUITY HOLDINGS, LLC; and LUCKY
24 STAR EVENTS, LLC,

25 Relief Defendants.

Case No. 13 CV 0319 GPC (BGS)

**DECLARATION OF GEORGE
CHARLES CODY PRICE IN
SUPPORT OF DEFENDANTS'
MEMORANDUM OF POINTS AND
AUTHORITIES IN SUPPORT OF
OPPOSITION TO MOTION FOR
SUMMARY JUDGMENT**

25 I, George Charles Cody price, declare:

26 1. I am over the age of eighteen (18) years, have personal knowledge of the
27 facts stated herein and am competent to testify as to the same. I am a Defendant in case
28

DECLARATION OF GEORGE CHARLES CODY PRICE

13-cv-0319 GPC (BGS)

1 no. 13-CV-0319 GPC (JMA) pending in the United States District Court for the Southern
2 District of California. I am familiar with the facts as they pertain to this case, and I make
3 this declaration based on my personal knowledge.

4 2. I have previously submitted declarations in this case (Dkt. No. 15-1 and Dkt.
5 No. 21) which are attached as **Exhibits A** and **B** respectively hereto, and which I
6 incorporate by reference herein.

7 3. The PPMs the SEC provided as Exhibits 65, 66, 67, 68, 69 and 70 are
8 lawyer drafts and do not reflect actual PPMs provided to investors or potential investors.

9 4. ABS Fund, LLC, an Arizona limited liability company, sold member
10 interests to 13 investors for approximately \$2.4 million.

11 5. Investors received their monthly distributions from the Fund's bank
12 accounts by mail, wire transfer, and direct deposit into their bank accounts.

13 6. In January 2013, ABS Manager submitted a uniform application for
14 investment advisor registration and report by exempt reporting advisors. The purpose of
15 this application was to accomplish one of many steps that the Fund would need to take in
16 order to become a public company.

17 7. In the ABS California Fund PPM and on the www.absbondfund.com
18 website, the Fund provided the original face amounts for the assets, and not the actual
19 assets under management for the Fund.

20 8. In April 2010, I decided to terminate a few of ABS Manager's independent
21 contractors. Rather than terminate them for cause, I decided to inform them that the
22 reason for the termination was because the ABS Fund was upside down in principal
23 value and that ABS Manager could not afford to keep them employed.

24 9. ABS Manager provided investors with verbal and written disclosures
25 regarding the IO and Inverse IO investments that ABS Manager was making on behalf of
26 the Fund. The written disclosures included the Investor's Guide to Collateralized
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1 Mortgage Obligations, which was provided to investors both in person and on the Fund
2 website.

3 10. Neither ABS Manager nor the Fund are NASD members, as ABS Manager
4 is not a licensee. It is my understanding that NASD notices to members apply to licensed
5 broker/dealers and their licensed employees or agents. I never received any NASD
6 notices.

7 11. ABS Manager informed investors that the Fund invested in IOs and Inverse
8 IOs. The Fund was invested in at least 5 different types of CMOs.

9 12. The “The Wealth Weekend Hour” radio show was a sponsored financial
10 educational program in which I appeared with other guest speakers. It was sponsored by
11 a nonprofit company called “SoCal Accredited Investors Forum.”

12 13. The statements regarding the safety and reliability of the bonds made on
13 “The Weekend Wealth Hour” radio show were contingent on interest rates remaining
14 status quo, as was explained during the radio broadcast.

15 14. Between 2009 and 2012, the value of only a few of the securities in the
16 Fund’s accounts significantly decreased, while some significantly increased.

17 15. The Fund purchased a bond referred to as FHR 2852 SJ and described it to
18 Mick & Associates. That description was not provided to investors.

19 16. ABS Manager’s reserve account represented at least a GAAP compliant 2%,
20 and may have been as high as 5% of the amount of investor capital contributions. (Price
21 Tr., 200).

22 17. Not all IOs and Inverse IOs are high risk and volatile.

23 18. Although IOs and Inverse IOs only participate in the interest payment
24 streams, they do have three different principal components.

25 19. IOs and Inverse IOs receive interest payments from the CMOs. If the
26 mortgage-backed securities in the CMOs are retired or redeemed, the income stream
27 decreases.

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DECLARATION OF GEORGE CHARLES CODY PRICE

1 20. I worked as an independent contractor and/or consultant for Goldman Sachs
2 and other large institutions interested in purchasing securities and various other types of
3 CMOs prior to forming ABS Fund, LLC.

4 21. While employed at Wells Fargo, I did not, nor did I ever claim to be,
5 involved in trading mortgage-backed securities or in the securitization of mortgages. I
6 was at one time a Branch Manager at Wells Fargo Bank Mortgage Resources division.

7 22. The November 2012 spreadsheet prepared by Majestic Financial Services
8 does not provide any information about current values of assets under management. The
9 spreadsheet does provide the amount of each investor's capital contribution as well as
10 other required fields such as the value of their initial investment and value of their units,
11 as well as the current and estimated annual yield on their units and accurate accounting
12 information.

13 23. The ABS Fund investor account statements did not provide values for the
14 securities owned by the Funds. The "Total Securities" and "Quantity" labels on the
15 secondary pages represent original issue face amounts for the CMOs purchased that were
16 listed on the trade confirmations at time of purchase.

17 24. There is no regulatory requirement, rule or law that required the Funds to
18 value the securities in the Fund's accounts, or report values for the securities in the
19 Fund's accounts to investors/unit holders.

20 25. In June 2012, the Capital Access Fund offered a continuation of the Morgan
21 Stanley line of credit to investors in which investors could borrow up to 70% of the value
22 of their membership units in the Fund.

23 26. Investors who utilized the line of credit paid a fee equal to the one month
24 LIBOR rate plus 1.25%, which was deducted by Morgan Stanley from their monthly
25 distributions.

26 27. The Morgan Stanley line of credit was opened for ABS Manager, LLC, the
27 purpose of which was to acquire real estate and bonds. Attached as **Exhibit C** is a copy
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1 of one of the pages for the Morgan Stanley line of credit application which reflects that
2 the nature of ABS Manager's business was real estate/bond acquisitions. In 2010 ABS
3 Manager hired Mr. Fasbinder to, amongst other things, assist ABS Manager with using
4 the line of credit to acquire real estate, as ABS Manager intended this to be a part of its
5 business model. The Morgan Stanley line of credit loan documents permitted the line of
6 credit to be used for real estate, working liquidity and unforeseen expenses. Attached as
7 **Exhibit D** is a copy of the Morgan Stanley Lending Capabilities Using Non-Purpose
8 Loans. Morgan Stanley was aware that ABS Manager utilized a line of credit to (also in
9 certain limited cases) purchase bonds, as I disclosed this purpose to Morgan Stanley
10 during email communications and on account opening forms. Attached as **Exhibit E** is a
11 copy of email communications between Morgan Stanley representative Jeffrey Prince
12 and myself. When ABS Manager attempted to transfer the account to another broker, I
13 disclosed that the line of credit would also be utilized to purchase bonds or real estate.
14 Although I never inquired as to the purpose that Fund investors would utilize the line of
15 credit, Fund investors did volunteer that information. It was my understanding that the
16 primary reason that investors utilized the line of credit was for real estate.

17 28. The Morgan Stanley line of credit was secured or collateralized by the
18 CMOs which were in the Morgan Stanley account, as well as any cash positions.

19 29. The line of credit feature did not heighten the investors' risk. To the
20 contrary, the use of the Morgan Stanley line of credit actually lowered the risk of
21 investment losses for the investors who utilized the line of credit as it was not allowable
22 to be clawed back, and the investor held no liability for any shortfalls. This was clearly
23 stated in the PPM and margin disclosure documents provided to investors. The line of
24 credit was considered as a payment of principal back to the investors, thus lowering the
25 exposure of outstanding investments to only 30%.

26 30. In November 2012, Morgan Stanley notified me (on behalf of ABS
27 Manager) that it had changed its policy with respect to the account and the line of credit.
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1 Morgan Stanley requested supplemental financial information from ABS Manager, and
2 that it sell some Inverse IOs and replace them with Morgan Stanley recommended
3 products.

4 31. After receiving a letter from Morgan Stanley dated December 17, 2012, I
5 attempted to transfer the account to another broker, but was unable to do so. A New
6 Jersey firm agreed to accept the transfer, but subsequently cancelled mid stream after
7 receiving a phone call from an SEC representative.

8 32. Prior to December 2011, the Fund purchased a bond identified as FNMA—
9 405 S, which had a balance factor of .92. In December 2011 the factor was .82, which
10 means that although 18% of the bond had prepaid away by December 2011, only 10% of
11 that occurred while the Fund owned that CMO. Also, the accounting firms that sent
12 statements to investors did not include information regarding the “current balance” of
13 any of the Fund’s bonds.

14 33. Since inception of the Fund in 2009, it was company policy that no one from
15 the company could alter, change, or recommend any information on an investor
16 Statement of Account (“Investor Account Statement”), which were prepared and
17 distributed to investors by the outside accounting firms. This policy was meant to protect
18 investors from any fraud that could be made by altering data. No one from the company
19 reviewed a complete Investor Account Statement, only the information on the first page
20 was corroborated by the company. This policy was meant to protect investors from any
21 fraud that could be made by altering data. Any misinformation or lack of updating
22 individual securities positions owned by the Fund on the Investor Account Statement was
23 done at the behest of the accounting firms. Both accounting firms only inserted into the
24 Investor Account Statements information about the securities that existed at the time of
25 purchase. No other information was given or changed. According to the accountants, the
26 purpose was to illustrate to the investors that purchases were being made that could at
27 least cover the amount of interest that was owed to the investors per the units they owned
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1 and held as personal property. I have not influenced the accounting firms' decision to
2 include or not include any updated information or otherwise, and I had no input as to how
3 they were drafted.

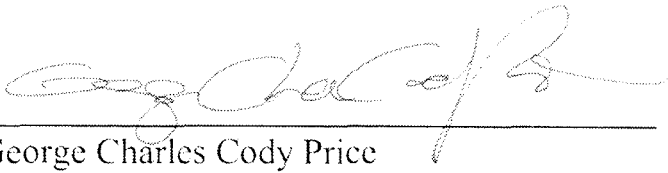
4 34. The 'government backing' of Agency IOs and Inverse IOs ensures
5 numerous risks. The guarantee eliminates IO credit risk, and addresses several other
6 risks.

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1 I declare under penalty of perjury that the foregoing is true and correct, and that
2 this declaration was executed on the 25th day of April, 2014, in La Jolla, California.
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George Charles Cody Price

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DECLARATION OF GEORGE CHARLES CODY PRICE

13-cv-0319 GPC (BGS)

EXHIBIT

A

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17 *Attorneys for Defendants ABS Manager, LLC*
 18 *and George Charles Cody Price*

14 **UNITED STATES DISTRICT COURT**
 15 **SOUTHERN DISTRICT OF CALIFORNIA**

16 **SECURITIES AND EXCHANGE**
 17 **COMMISSION,**

18 Plaintiff,

19 vs.

20 **ABS MANAGER, LLC and GEORGE**
 21 **CHARLES CODY PRICE,**

22 Defendants,

23 **ABS FUND, LLC [ARIZONA]; ABS**
 24 **FUND, LLC [CALIFORNIA]; CAPITAL**
 25 **ACCESS, LLC; CAVAN PRIVATE**
 26 **EQUITY HOLDINGS, LLC; and LUCKY**
 27 **STAR EVENTS, LLC,**

28 Relief Defendants.

Case No. 13 CV 0319 GPC (JMA)

GEORGE CHARLES CODY
PRICE'S DECLARATION IN
SUPPORT OF DEFENDANTS'
OPPOSITION TO PLAINTIFF'S EX
PARTE APPLICATION FOR
ORDERS: (A) SHORTENING TIME
FOR HEARING ON SECURITIES
AND EXCHANGE COMMISSION'S
MOTION FOR A PRELIMINARY
INJUNCTION AND ORDERS: (1)
FREEZING ASSETS, (2)
APPOINTING A RECEIVER,, (3)
PRESERVING DOCUMENTS, AND
(4) REQUIRING ACCOUNTINGS;
AND (B) EXPEDITING
DISCOVERY

Date: June 14, 2013
 Time: 1:30 p.m.
 Location: Courtroom 9
 Judge: Hon. Gonzalo P. Curiel

1 I, George Charles Cody price, declare:

2 1. I am over the age of eighteen (18) years, have personal knowledge of the
3 facts stated herein and am competent to testify as to the same. I am a Defendant in case
4 no. 13-CV-0319 GPC (JMA) pending in the United States District Court for the Southern
5 District of California. I am familiar with the facts as they pertain to this case, and I make
6 this declaration based on my personal knowledge.

7 2. I make this declaration in support of Defendants' Objection and Response in
8 Opposition to Plaintiff's *Ex Parte* Application for Orders: (A) Shortening Time for
9 Hearing on Securities and Exchange Commission's Motion for a Preliminary Injunction
10 and Orders: (1) Freezing Assets, (2) Appointing a Receiver, (3) Preserving Documents,
11 and (4) Requiring Accountings; and (B) Expediting Discovery.

12 3. I am the individual primarily responsible for managing ABS Manager LLC,
13 ABS Fund LLC (Arizona), ABS Fund "Nationwide Platinum Fund" LLC (California)
14 and Capital Access LLC since their inception. I will refer to all of these funds
15 collectively as the "Fund" throughout this Declaration.

16 4. The Fund began operating in 2009. I hired a staff of licensed professionals
17 to assist me in operating the Fund, as well as outside professionals who provide legal
18 formation and ongoing compliance, financial, accounting and administrative services to
19 the Fund.

20 5. Between April 2009 and October 2012, the Fund offered limited liability
21 company membership interests or units to investors. Since inception I hired securities
22 counsel who prepared the appropriate documentation in order for the offerings to meet
23 the private offering exemption under Rule 506 of Regulation D of the Securities Act.
24 Only after a diligent "accredited investor" suitability questionnaire had been submitted
25 by potential investors, it was then reviewed diligently and approved by management.
26 Investors were then provided with private placement memoranda which explained the
27 investment and contained the contract or terms between investors, the Fund, and its
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1 manager, ABS Manager, LLC, as well as subscription agreements and suitability
2 questionnaires prepared by counsel.

3 6. The Fund, which is an LLC, used investor funds, which since inception
4 included almost all of my own funds, to obtain U.S. government issued agency (interest
5 only) CMOs which were purchased through brokerage accounts maintained by the Fund
6 with licensed broker dealers. Currently most of the agency CMOs are held in a brokerage
7 account with Morgan Stanley Smith Barney, a licensed broker dealer. The branch office
8 handling the account is located in Woodland Hills, California. A portion or minority of
9 the Fund's agency CMOs are in an account at Capitol Securities, also a licensed broker
10 dealer. There is a total of approximately 35 agency CMOs in those accounts, which all
11 receive monthly interest payments that accumulate in the accounts.

12 7. Each month, the cash that has accrued or accumulated in those accounts is
13 distributed to the LLC members (investors), pro rata, on a monthly preferred return basis,
14 according to the terms of the agreements between the investors and the Fund. Those
15 agreements are part of the private placement memoranda provided to each investor, and
16 provide a specific formula to be used based on the investor's preferred rate of return.¹
17 The calculations are provided by the third-party accounting professionals, who have
18 complete access to the brokerage accounts. Specifically, the Fund's outside accounting
19 firms prepare spreadsheets indicating the amount of funds due to each investor monthly.
20 The Fund, through ABS Manager, distributes the accumulated monthly interest to the
21 investors according to the accountant's spreadsheets. The accounting firms then send
22 monthly account statements to each investor, which reflect distributions and the
23 investor's monthly membership interest account statements.

24 _____
25 ¹ Attached to this Declaration as Exhibits A, B and C are true and correct copies of the
26 private placement memorandum distribution sections for ABS Fund LLC (Arizona)
27 (Exhibit A), ABS Fund "Nationwide Platinum Fund" LLC (California) (Exhibit B), and
28 Capital Access LLC Fund (Exhibit C).

1 8. The outside accounting firms also calculate the compensation that ABS
2 Manager is entitled to each month after distributions are made to the Fund's investors.
3 ABS Manager has, consistently, withdrawn less than what it was entitled to as
4 compensation from the Fund. The compensation paid to ABS Manager is used, among
5 other things, to pay the Fund's overhead and expenses, and annually utilized these earned
6 funds to purchase more agency CMOs for the benefit of all members in order to add
7 additional principal to the overall accounts, as well as office rent and the monthly fees
8 paid to the hired outside professionals.

9 9. Since its inception, the Fund has timely distributed monthly payments to its
10 investors. The SEC now claims that over \$500,000 was paid to ABS Manager as
11 compensation, but omitted to report that since its inception, the Fund has paid over
12 \$3,257,000 to investors during that same timeframe. There are also a number of flaws
13 with the accounting reports submitted by the SEC with respect to the valuation of assets
14 and the investor returns. For instance, the SEC independent CPA audit of bank
15 statements for the fund, details a cash withdrawal in the amount of \$332,100 made at a
16 branch, on May 1, 2012 as a distribution solely for ABS Manager, considered to be ill
17 gotten gains. This was in fact a disbursement for a client account, and not a withdrawal
18 made for the benefit of the manager.

19 10. At the end of 2012, Morgan Stanley Smith Barney ("MSSB") requested that
20 the Fund move its account and requested a transfer to a different firm by the end of
21 January. Attached to this Declaration as Exhibit D is a true and accurate copy of the letter
22 from MSSB. I was also informed in a telephone conversation with the MSSB manager
23 that the request was made due to MSSB's internal policy changes. Accordingly, I began
24 working with a number of other firms in an effort to transfer the Fund's account. MSSB
25 has not formally indicated that the account will be liquidated.

26 11. One of the reasons why that process has not been simple is because the
27 Fund's account has a line of credit, which is similar to a margin balance in a standard
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1 brokerage account, such that the receiving firm not only will take possession of the assets
2 in the account, but also has to pay off the line of credit to MSSB. In addition, the agency
3 CMOs are fairly sophisticated and not easily understood by the average financial advisor.
4 This is primarily due to the simple fact these securities are traded in a specialized market
5 and are considered "odd lot" purchases. Where as most banks look to lend against what
6 are called "round lot" CMOs which are larger in average size than "odd lot" smaller in
7 size CMOs. While there is always a market in which these securities can be sold, it
8 requires doing a lot of homework and making sure that the bid and ask prices are
9 commensurate with the value of the income generated by the interest-only CMOs in
10 order to obtain a fair price. Not every firm has a person who is an expert in this area, and
11 there are only a few qualified individuals at the firms that do have the ability and desire
12 to evaluate and trade these securities.

13 12. Fortunately, MSSB has been patient and permitted the Fund additional time
14 to transfer the account. MSSB has not sent any notice of intent to foreclose on the
15 collateral in the account or otherwise liquidate the collateral. The Fund's counsel and
16 counsel for MSSB have communicated and the Fund has kept MSSB apprised of its
17 progress.

18 13. The Fund, through me and its financial advisors, monitor the CMO market
19 and regularly evaluate whether any of the assets in the Fund's account should be sold or
20 whether new purchases should be made. I have reviewed the SEC's accountant report
21 and opinions of value of the agency CMOs in the Fund's account, and strongly disagree
22 with the conclusions about performance and value. The SEC is not using the proper
23 method for valuation and has misstated the estimated value of the Fund's assets. The
24 main problem with their accounting evaluation is the pricing of the assets, which are
25 derived from an online CMO pricing agency known as IDC. IDC reports values on the
26 statements that are inaccurate, and as they have stated in their online manual, they only
27 value "round lot" CMOs. Therefore to utilize a simple brokerage statement to attain a
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1 value is inaccurate and almost in every case not an indication of the value of our “odd
2 lot” CMOs which are bought at a deeper discount than “round lot” CMOs. In order to
3 accurately evaluate the price of the assets, our advisors and traders need to do a lot of
4 research, make calls to other traders and be acutely aware of the expected income stream
5 from each asset. Other similar much larger funds in the industry are also aware of this
6 problem with statements that conflict values. The term used in the industry is “Level
7 Yield Accounting.” This requires an “odd lot” fund to derive values based off of recent
8 sales, in such a niche market, and apply the buyer’s expected yield to the portfolio as an
9 average indication of true market price. The SEC did not use this methodology. The
10 value of the assets in the Fund’s account fluctuate in value just as all CMOs do in our
11 financial markets. If equities markets, or the ten year treasury index change, the value of
12 the CMO assets in the account will correspondingly change.

13 14. Freezing the assets or using a receiver would be disastrous for the Fund and
14 its investors. The Fund needs to be in a position to make purchases and/or sales in
15 response to changing market conditions. I have reviewed the experience and
16 qualifications of the proposed receiver and do not believe that he would be skilled
17 enough to take control of the Fund and make the appropriate decisions. There are a small
18 number of traders and qualified advisors who would be able to “manage” the account, but
19 the proposed receiver is not in that group. This is due to the very niche market “odd lot”
20 CMOs trade in.

21 15. The SEC contacted the Fund in May 2012 and stated it was conducting a
22 confidential investigation to see whether or not there were violations of the federal
23 securities laws in connection with the Fund’s offer and sale of securities. I fully
24 cooperated with SEC attorney Leslie Hakala and permitted an informal telephone
25 interview that lasted several hours. We later received a subpoena in July for virtually all
26 of the Fund’s records, which we spent numerous hours compiling and submitting to Ms.
27 Hakala in July and August.

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1 16. During the Fund's interaction with the SEC from May to August, the SEC
2 continually represented that the investigation was a non-public, fact-finding inquiry and
3 that its policy was to consider its inquiries on a confidential basis. I was also assured that
4 the investigation and conversations did not mean that the SEC had concluded that anyone
5 had broken the law and that the investigation did not mean that the SEC had a negative
6 opinion of any person, entity or security. This was also the position the SEC took when it
7 contacted the Fund's outside professionals in order to obtain information from them as
8 well. At no time did Ms. Hakala or anyone at the SEC indicate that the Fund should cease
9 accepting new investors or selling its LLC membership interests.

10 17. The SEC appeared to be either satisfied or uninterested for several months
11 as the Fund heard nothing. Then in December 2012, the new attorney on the
12 investigation, Morgan Ward Doran, contacted the Fund's counsel and requested
13 additional documents as well as supplementation from the July subpoena. The Fund's
14 counsel sent additional documents. Mr. Doran, however, wanted all three years of emails
15 from the Fund, which are not maintained on the Fund's computer. We began working on
16 this tedious task of retrieving thousands of emails. That was the last we heard from the
17 SEC prior to this lawsuit being unexpectedly filed.

18 18. The last sale of interests in the Fund was in October 2012. Defendants have
19 not solicited or attempted to sell any interests since then.

20 19. I have no intent to destroy evidence or hinder the production of documents. I
21 am in the process of hiring a third-party technology firm to copy and preserve the Fund's
22 computer hard drive. The copy will be sent to my counsel where it will be held in their
23 custody.

24 20. An accounting, whether by a receiver or not, is not necessary as the Fund
25 has hired at great expense an independent accounting firm to audit its operations. I expect
26 to receive the report shortly.


27 I declare under penalty of perjury under the laws of the State of California that the
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1 foregoing is true and correct.

2 Executed February 22, 2013, in La Jolla, California.

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George Charles Cody Price

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EXHIBIT

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Distributions of Distributable Cash.

Subject to the limitations contained in the Operating Agreement, our Manager will seek to make distributions of Distributable Cash on a monthly basis in accordance with the following priorities:

- (i) first, pro rata to the non-Manager Members in proportion to their respective Interests, until the aggregate amount distributed to such non-Manager Members is equal to their 18% annual Preferred Return; thereafter
- (ii) second, one hundred percent (100%) to the Managers.

EXHIBIT

B

INTRODUCTORY STATEMENT

ABS Fund LLC "Nationwide Platinum Fund", ("The Venture Fund I", "The Venture Fund", "ABS Fund (NW), or "The Fund") is offering equity participations in the form of "Class A Preferred Common Shares" or "Shares"¹ only to a limited number of investors who meet certain qualifications necessary for the offer and sale of the Units to be exempt from registration under state and federal securities laws. The term "Management, shall mean the Management Company and or ABS Manager LLC.

Only 35 Investors and an unlimited amount of those who meet the Accreditation Requirements, as set forth under the Securities Act of 1933 Sub-Section 4(2), Regulation D, 506, and 4(6) the "Accredited Investor Exemption" as declared within the "Subscription Agreement" contained herein, are authorized to receive this Private Placement Memorandum and participate in the offering.

The \$50,000,000.00 in this 1st Round of Financing as sought through this securities offering is to be used as initial and general working capital as necessary to execute the business plans contained herein. A complete "Sources and Uses Statement" is contained in Exhibit A.

Ten Million (10,000,000) Class A Preferred Common Shares are hereby made available to the prospective investor(s) so named on this page as offeree at a per Unit price of \$5.00 per unit.

The purchaser of a Unit will become a Class A Unit-holder in the Company with only those rights, duties, and obligations accorded a Class A Unit-holder pursuant to the Company's Articles of Organization and Operating Agreements, and otherwise in full accordance with the laws of the State of California.

Early Withdrawal:

Subscribers wishing to withdraw their funds within the first 12 months of subscription will forfeit 6% (six percent) of their total investment.

Distributions of Distributable Cash:

Subject to the limitations contained in the Operating Agreement, our Manager will seek to make distributions of Distributable Cash on a monthly basis in accordance with the following priorities:

- (i) First, pro rata to the non-Manager Unit Holders in proportion to their respective Interests, until the aggregate amount distributed to such non-Manager Unit Holders is equal to their 12.5% variable return down

¹ Hereafter, the term "share(s)" may be used interchangeably with the term "units" with reference to a unit participation in the terms of this offering.

- to the minimum return 7.48% annual Preferred Return; thereafter
- (ii) Second, one hundred percent (100%) to the Manager.

This Private Placement Memorandum (the "Memorandum" or "PPM") is submitted on a confidential basis for use solely in connection with this Offering of the Class A Preferred Common Shares (the "Shares") of ABS Fund LLC "Nationwide Platinum Fund". This offering is a private placement intended to be exempt from the registration requirements of the Securities Act of 1933, as amended (the "1933 Act"). The Units are being offered to prospective investors by the Company's Management only. The use of the Memorandum for any other purpose is not authorized.

Reports to Unit Holders.

The Fund will send each Shareholder and corresponding advisor monthly reports of performance, quarterly capital account statements, annual financial statements and necessary tax information. Annual financial statements will not be audited unless a Majority of Interest of Shareholders approves an audit.

By accepting this Memorandum, the recipient (and his, her or its officers, directors, employees, agents, associates or affiliates) agrees that such person(s) will:

1. Not divulge to any other party any information contained herein or in any Shares, summaries or analysis derived from this Memorandum, and
2. Not reproduce or redistribute the Memorandum in whole or in part.

This Memorandum does not purport to contain all of the information that a prospective investor may desire in investigating the Company. Each investor must conduct and rely upon his/her or its own evaluation of the Company and of the terms of the offering, including the merits and risks, involved in making an investment decision. The Company hereby offers to the investor the opportunity to ask questions and receive answers concerning the terms and conditions of the offering and to obtain any additional information which the Company possesses or can acquire without unreasonable effort or expense, that is necessary to verify the accuracy of the information furnished to the investor.

This Memorandum is not intended to be, nor shall it be construed as, a complete description of the facts, risks or consequences regarding an investment in the offering or as legal, accounting, tax, business, investment or other expert advice. All potential investors should perform their own independent investigations of the offering, the market potential, the Management, the securities, and similar industries. All potential investors should consult their own qualified advisors concerning the investment and the suitability relating to an individual or an institutional investor's ability to sustain a total financial loss of an investment in the Company.

This Memorandum speaks as of the date shown on the cover. Neither the delivery of this Memorandum nor any sale made hereunder shall, under any circumstances, create any implication that there has been no change in the affairs of the Company after the date hereof.

EXHIBIT

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not to infuse additional capital and a margin call does take place, the Shareholder will be indemnified by the Company from losses which may occur as a result of the margin call by the lending facility.

The Margin Fee may fluctuate in accordance with the London Interbank Offered Rate ("LIBOR"). The line of credit to be extended to the Shareholder through the Margin Account is subject to a fee equal to the one month LIBOR rate plus one and one quarter percent (1.25%) (the "Margin Fee"). The Margin Fee will be deducted directly from Shareholder's monthly dividend payments which have 12.5% to 7.48% variable annualized rate of return. Funds derived from the Margin Account may be deposited directly in the Shareholder's personal bank account or may be issued to the Shareholder via cashier's check.

Prospective investors who will be utilizing "Qualified Funds" and who wish to participate in the Margin Account Feature should carefully consider the tax consequences and consult their own tax advisors concerning the international, federal, state, and local tax consequences associated with investing in light of their personal tax situations. Capital Access and its Manager do not represent or warrant to provide any tax or legal advice in this matter or any tax related matters in general in connection with this offering. The Company's manager may require Shareholders to execute a separate agreement to initiate this feature of ownership of the Company's shares.

Voting Rights of Shareholders

Capital Access available issued shares will come with no voting rights, which is explained in detail in the Operating Agreement, except as a matter of limited liability company law in the state of Nevada. The management contract between ABS Manager and the Company shall only be able to be terminated by cause. ABS Manager, as a majority shareholder in the Company, has all voting rights. Unless ABS Manager relinquishes those voting rights, votes along with and as a part of a unanimous vote; or has been expelled for cause by order of a court of competent jurisdiction, the Management Company should maintain control of each Fund with no foreseeable issues of control.

Capitalization

This Fund has been initially capitalized by transferring certain existing holdings, which Management believes are undervalued and poised for excellent growth in terms of value at future sale. This includes the \$13,500,000 million in assets managed on behalf of ABS Fund, LLC of California and its existing shareholders which are being transferred to Capital Access via the Rescission and Asset Transfer Agreements. Acting on behalf of Capital Access, ABS Manager will attempt to concentrate its fund asset purchases on bonds that appear to tend to be at or below prevailing geographical market values with substantial upside potential in the 1 to 5 year time frame.

This and subsequent offerings shall be capitalized to an amount Management may elect, and to expand or contract these amounts as needed to prudently meet the demands for the market, as well as, to further assure that the rates of return for investors in the management company are met or exceeded.

Capital Access may seek additional investment through subsequent offerings to investors until it achieves a \$100,000,000 asset valuation and/or 500 investors (whichever event occurs first), at which time securities in the company may be registered under the Securities Act, offered for investment via an initial public offering (IPO) and listed on a national exchange. ABS Manager may elect to expand or contract the amount as needed to prudently meet the demands for each Fund's market, as well as, to further assure that the rates of return for investors in the management company are met or exceeded.

However, such a listing on a public exchange and the development of a liquid and ready market for the sale of the Securities offered as contemplated in this offering is not eminent, guaranteed or hereby further warranted. There is no assurance that the objectives of the Company as contained in this Memorandum will be achieved or obtained.

The Manager of the Capital Access Fund: ABS Manager, LLC

ABS Manager, LLC, an Arizona limited liability company, was formed in 2009, for the purpose of managing pooled bond funds. ABS Manager's primary goal is to become a premier fund management company. Capital Access' assets shall be managed by ABS Manager as further set forth and defined in the Amended and Restated Operating Agreement. Contractual provisions of the Operating Agreement for shareholders include, but will not necessarily be

ACCREDITED INVESTORS ONLY
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limited to, a set-up fee of point five percent (.5 %) of initial capital contributions, plus all monthly proceeds above the Stated Annual Dividend.

The business model of Capital Access is to take a long-term growth oriented approach to maximize shareholder value. Since inception of the company management realized that when the down turn occurred in the housing market it wants to be positioned to have quality bonds that will have an inverse effect in cash flows. Meaning, the lower the housing market and interest rates fall, the higher the cash flow from the bonds will be.

Agency Pooled Bond Funds have emerged as growing trend in the post sub-prime lending crisis and global financial crisis. Pooled Bond Funds allow small investments of capital to be aggregated for investing in larger tranches of bonds which would otherwise be unavailable to individual investors.

ABS Manager believes the current, nationwide depreciation in residential home valuations offers a unique opportunity to invest in quality, Agency Bonds capable of producing income and appreciating in principle value. In Management's view, such Bonds, if expertly monitored, could generate substantial earnings opportunities as medium to long term investments which at a later date may be sold for par value or better once the market returns to a normal growth mode in four to eight years.

Assuming a rate of return consistent with the industry average, the Manager expects to have adequate access to capital as it is needed. The Manger's goal for the next five years is to purchase Agency Bonds which are expected to hold their value and enable the Company to make monthly dividend payments to Shareholders.

The Manager expects Shareholders to receive a 7.48% - 12.5% annual return on investment if such bonds are purchased in the current market. In the event future market conditions adversely affect the Company's primary objective, the principal value of bonds at time of redemption could be less than the Shareholder's initial capital contribution. Factors which may, but not necessarily cause early prepayments of underlying mortgages include but are not limited to, market liquidity changes, and possible government policy changes in GNMA FNMA or FRDMC programs.

ABS Manager seeks to raise \$100,000,000 for the Company through this offering in order to acquire a portfolio of asset backed bonds which it has identified as suitable for investment. Upon reaching this investment goal, the securities offerings may involve an initial private placement followed by an exchange listed registration for Capital Access thereby making the shares in the Funds eligible for public trading. However, such a listing on a public exchange and the development of a liquid and ready market for the sale of the Securities offered as contemplated in this offering is not eminent, guaranteed or hereby further warranted. There is no assurance that the objectives of the Company as contained in this Memorandum will be achieved or obtained.

Management & Organizational Structure

Decisions on behalf of Capital Access, LLC will be made ABS Manager in accordance with the terms of the Operating Agreement (attached hereto as Exhibit C) by an Advisory Board consisting of George Cody Price and Paul Ohanian, FINRA Licensed Investment Advisor (series 7, 22, 65, 66)

George Charles Cody Price - Founder and CEO

George Charles "Cody" Price graduated from the Georgia Institute of Technology with a BA in Finance in 2001. Immediately following, Mr. Price was hired as Regional Vice President for American Home Lending Group in Florida. After successfully opening four new branches, Mr. Price was recruited by Wells Fargo, where he held the position of Branch Manager. He progressed to the position of Manager of Mortgage Resources for 23 retail branches in the Monterey and Santa Cruz area in California, where he became familiar with high-yield return investments on the secondary market. Here, Mr. Price began his involvement in the buying and selling of mortgage pools on the secondary market, and was hired as Arizona Regional Manager by Premier Mortgage Capital, and with job duties including the buying and selling of mortgage pools. In that position, and others, he helped acquire, pools of mortgages with nominal values in the hundreds of millions of dollars.

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EXHIBIT

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Brian M. Krueger
Executive Director
Complex Manager

Wealth Management
21650 Oxnard Street
Suite 2300
Woodland Hills, CA 91367

fax 818 713 0470
direct 818 713 4735
toll free 800 755 2550

brian.krueger@morganstanley.com

Morgan Stanley

December 17, 2012

George Charles Cody Price
ABS Manager LLC
10692 Vista Del Agua Way
San Diego, CA 92121

RE: Morgan Stanley Account Numbers: 549-179455 & 549-179460(ECL) for ABS Manager, LLC.

Dear Mr. Price,

Thank you for speaking with Jeff and I on Friday about your accounts. As discussed, this will confirm that you will immediately begin to transition your accounts to another firm, with that process being completed by the end of January 2013 at the latest. In the interim, your accounts will continue to be governed by the terms of all Agreements governing those accounts, including all agreements relating to the Express Credit Line (ECL) taken on your accounts. We will work with you as appropriate to effectuate market sensitive transactions pending the transfer out of the accounts. We appreciate your understanding and, as always, please feel free to contact me if I can be of assistance.

Cordially,



Brian Krueger
Complex Manager

cc: Jeff Prince

EXHIBIT

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1 **CHESTER & SHEIN, PC**
2 Mark D. Chester (*pro hac vice*)
3 mchester@cslawyers.com
4 Ryan A. Houser (*pro hac vice*)
5 rhouser@cslawyers.com
8777 N. Gainey Center Drive, Suite 191
6 Scottsdale, AZ 85258
7 Tel: (480) 922-3933
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8 tim@tprglaw.com
9 Russell A. Gold, State Bar No. 179498
10 russ@tprglaw.com
11 Russell F. Winslow, State Bar No. 245031
12 winslow@tprglaw.com
501 W. Broadway, Suite 1850
10 San Diego, California 92101
11 Tel: (619) 237-3000
12 Fax: (619) 342-8020
*Attorneys for Defendants ABS Manager, LLC
and George Charles Cody Price*

13 **UNITED STATES DISTRICT COURT**
14 **SOUTHERN DISTRICT OF CALIFORNIA**

15 SECURITIES AND EXCHANGE
16 COMMISSION,

17 Plaintiff,

18 vs.

19 ABS MANAGER, LLC and GEORGE
20 CHARLES CODY PRICE,

21 Defendants,

22 ABS FUND, LLC [ARIZONA]; ABS
23 FUND, LLC [CALIFORNIA]; CAPITAL
24 ACCESS, LLC; CAVAN PRIVATE
EQUITY HOLDINGS, LLC; and LUCKY
STAR EVENTS, LLC,

25 Relief Defendants.

Case No. 13 CV 0319 GPC (BGS)

**SUPPLEMENTAL DECLARATION
OF GEORGE CHARLES CODY
PRICE IN SUPPORT OF
DEFENDANTS' OPPOSITION TO
PLAINTIFF'S *EX PARTE*
APPLICATION FOR ORDERS: (A)
SHORTENING TIME FOR
HEARING ON SECURITIES AND
EXCHANGE COMMISSION'S
MOTION FOR A PRELIMINARY
INJUNCTION AND ORDERS: (1)
FREEZING ASSETS, (2)
APPOINTING A RECEIVER., (3)
PRESERVING DOCUMENTS, AND
(4) REQUIRING ACCOUNTINGS;
AND (B) EXPEDITING
DISCOVERY**

Date: June 14, 2013
Time: 1:30 p.m.
Location: Courtroom 9
Judge: Hon. Gonzalo P. Curiel

28 **SUPPLEMENTAL DECLARATION OF GEORGE CHARLES CODY PRICE IN
OPPOSITION TO PLAINTIFF'S *EX PARTE* APPLICATION**

1 I, George Charles Cody price, declare:

2 1. I am over the age of eighteen (18) years, have personal knowledge of the
3 facts stated herein and am competent to testify as to the same. I am a Defendant in case
4 no. 13-CV-0319 GPC (BGS) pending in the United States District Court for the Southern
5 District of California. I am familiar with the facts as they pertain to this case, and I make
6 this declaration based on my personal knowledge.

7 2. I am submitting this supplemental declaration to apprise the Court of facts
8 and circumstances that have changed after I submitted my declaration on Friday,
9 February 22, in opposition to Plaintiff's *Ex Parte* Application for Orders: (A) Shortening
10 Time for Hearing on Securities and Exchange Commission's Motion for a Preliminary
11 Injunction and Orders: (1) Freezing Assets, (2) Appointing a Receiver, (3) Preserving
12 Documents, and (4) Requiring Accountings; and (B) Expediting Discovery. In addition,
13 I am providing evidence which addresses (and undermines) the SEC's concerns about a
14 May 1, 2012 withdrawal and transfer of funds *for clients*.

15 3. In Paragraph 12 of my February 22 declaration, I described communications
16 between the Fund¹ and Morgan Stanley Smith Barney ("MSSB") concerning MSSB's
17 request that the Fund transfer its account to another firm. I explained that MSSB had
18 been patient with the Fund as it attempted to locate a suitable replacement firm. MSSB's
19 counsel spoke to the Fund's counsel as recently as Friday February 22, and gave no
20 indication of an imminent liquidation. This update to MSSB senior counsel was part of
21 an ongoing open line of communication between MSSB and the Fund's counsel.

22 4. That has now changed. On Monday the 25th of February, MSSB suddenly
23

24
25 ¹ As used herein, "Fund" shall collectively refer to ABS Manager LLC, ABS Fund LLC
26 (Arizona), ABS Fund "Nationwide Platinum Fund" LLC (California) and Capital
Access LLC.

1 and without warning sent a letter to my house that I received on Monday evening.
2 MSSB's letter demanded immediate payment of the credit line balance in the ABS
3 account. A true and accurate copy of the letter is attached to this Supplemental
4 Declaration as **Exhibit G**. MSSB states that it has the contractual right to sell the assets
5 in the ABS account in order to repay itself the credit line balance. It also referenced that
6 it would not honor or consider valid any prior verbal assurances or agreements that we
7 had in place regarding the decision to call in the credit line balance for immediate
8 payment.

9 5. On Tuesday morning, February 26, I contacted the account representative at
10 MSSB who had handled the account and left messages. I also sent emails to MSSB
11 management in an attempt to discuss the letter. Our account representative at MSSB told
12 me he was unaware of any liquidation and would have to get back to me. The Fund's
13 counsel also contacted MSSB's counsel. Finally, we learned that MSSB had already
14 begun to sell the CMOs in the account and that it was going to sell enough of them to
15 fully repay itself the credit line balance.

16 6. In addition, plaintiff erroneously attacks paragraph 9 of my February 22
17 declaration. The SEC wrongly asserts that the majority \$332,100 withdrawal on May 1,
18 2012, described in my declaration, was made for Defendants' benefit rather than
19 investors. [See Supplemental Declaration of Carol Shau, at ¶4.] However, this was in
20 fact a disbursement for *three* client accounts, and not a withdrawal made for the benefit
21 of the manager, or myself. Specifically, three clients requested that they receive
22 distributions from a line of credit made available to them by the Fund. The customers
23 requested a total of \$332,100 and further, requested that the funds be wired to Advanced
24 Networking Group on their behalf. True and accurate copies of the client's line of credit
25 (LOC) requests and Majestic Financial's acknowledgment of those requests are attached
26 to this Supplemental Declaration as **Exhibit E**. True and accurate copies of the Wells
27

28 SUPPLEMENTAL DECLARATION OF GEORGE CHARLES CODY PRICE IN
OPPOSITION TO PLAINTIFF'S *EX PARTE* APPLICATION

1 Fargo bank account statements showing the \$332,100 leaving the ABS account and being
2 deposited into the Advanced Networking Group account are attached to this
3 Supplemental Declaration as **Exhibit F**.

4 I declare under penalty of perjury under the laws of the State of California that the
5 foregoing is true and correct. Executed February 27, 2013, in La Jolla, California.

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George Charles Cody Price

SUPPLEMENTAL DECLARATION OF GEORGE CHARLES CODY PRICE IN
OPPOSITION TO PLAINTIFF'S *EX PARTE* APPLICATION

EXHIBIT

E



Wali Mailatyar < wali@majesticfinancialgroup.com >

upcoming LOC requests

1 message

Jay Cowan < jay@absfund2010.com >

Mon, Apr 23, 2012 at 7:47 AM

Reply-To: Jay@cafund.info

To: cody@absbondfund.com, Wali M < wali@majesticfinancialgroup.com >

The following clients have recently invested and have requested the use of a LOC.

██████ Bernhoft.
Invested 156K week of 4/20/12
LOC request of 70%
Total: 109,200
Wire to:
Wells Fargo
Advance Networking Group
Acct: ██████ 9976
Rout: 121042882

██████ Magnani
Invested 247K week of 4/20/12
LOC request of 70%
Total: 172,900
Wire to:
Wells Fargo
Advance Networking Group
Acct: ██████ 9976
Rout: 121042884

██████ Karver Trust
Invested 100K week of 4/20/12
LOC request of 50%
Total: 50,000
Wire to:
Wells Fargo
Advance Networking Group
Acct: ██████ 2297
Rout: 121042882

JAY COWAN

Vice President of Operations
ABS Fund / Capital Access Fund
858.646.3060 Office
800.307.3523 Fax
480.272.1501 Cell

This message w/attachments (message) is intended solely for the use of the intended recipient(s) and may contain information that is privileged, confidential or proprietary. If you are not an intended recipient, please notify the sender, and then please delete and



MAJESTIC FINANCIAL GROUP
"COMMITMENT TO ACCURACY, PASSION FOR SERVICE"

ABS Fund

"Earnings and Distributions"

Please let us know how you would prefer your monthly returns to be handled by Majestic Financial Group, Inc.

Monthly earnings applicable to my accounts held in the ABS Fund Wells Fargo Money Market account.

Monthly earnings applicable to my account returned via:

Mail check
Name: _____
Address: _____
City, State, Zip: _____

Wire transfer
Bank Name: Wells Fargo
Name on Account: D. Franklin
D. Bernhart
Account # [REDACTED]
Routing # 121042882
Branch Address: California

"Line of Credit"

Dollar amount or percentage of principal investment utilized for Line of Credit 70%

Proceeds of the Line of Credit sent by:

Mail check
Name: _____
Address: _____
City, State, Zip: _____

Wire transfer
Bank Name: Wells Fargo
Name on Account: Advance Network
Card
Account # [REDACTED] 9976
Routing # 121042882
Branch Address: 2019 Palm Ln

[REDACTED] Bernhart 4/12 [REDACTED]
Principal Name Date

Please allow five to ten business days to process wire transfer or check request. The funds should arrive no later than fifteen business days from the date of your confirmed received requested.



MAJESTIC FINANCIAL GROUP
"COMMITMENT TO ACCURACY, PASSION FOR SERVICE"

ABS Fund

"Earnings and Distributions"

Please let us know how you would prefer your monthly returns to be handled by Majestic Financial Group, Inc.

- Monthly earnings applicable to my accounts held in the ABS Fund Wells Fargo Money Market account.
 Monthly earnings applicable to my account returned via:

Mail check
Name: _____
Address: _____
City, State, Zip: _____

Wire transfer
Bank Name: Bank of Stockton
Name on Account: [Redacted] 6206
Maghani
Account #: [Redacted] 6206
Routing #: 121101037
Branch Address: 120 W. Walnut St
Stockton CA 95241

"Line of Credit"

Dollar amount or percentage of principal investment utilized for Line of Credit 70%

Proceeds of the Line of Credit sent by:

Mail check
Name: _____
Address: _____
City, State, Zip: _____

Wire transfer
Bank Name: WELLS FARGO
Name on Account: ADVANCE NETWORKING
GROUP
Account #: [Redacted] 9976
Routing #: 121042884
Branch Address: 701 S. Hamilton, Stockton

[Redacted] Maghani 4/10/2012 [Redacted] Maghani
Print Name Date Signature

Please allow five to ten business days to process wire transfer or check request. The funds should arrive no later than fifteen business days from the date of your confirmed received requested.



MAJESTIC FINANCIAL GROUP
"COMMITMENT TO ACCURACY. PASSION FOR SERVICE"

ABS Fund

"Earnings and Distributions"

Please let us know how you would prefer your monthly returns to be handled by Majestic Financial Group, Inc.

Monthly earnings applicable to my accounts held in the ABS Fund Wells Fargo Money Market account.

Monthly earnings applicable to my account returned via:

Mail check
Name: _____
Address: _____
City, State, Zip: _____

Wire transfer
Bank Name: Wells Fargo
Name on Account: [Redacted] Karver
Account #: [Redacted] 8658
Routing #: 121 042882
Branch Address: Sacramento

where to go
←

"Line of Credit"

Dollar amount or percentage of principal investment utilized for Line of Credit: 50%

Proceeds of the Line of Credit sent by:

Mail check
Name: _____
Address: _____
City, State, Zip: _____

Wire transfer
Bank Name: Wells Fargo
Name on Account: ADVANCE NETWORKING GROUP
Account #: [Redacted] 2297
Routing #: 121 042882
Branch Address: 701 S. HAN LN. LOS ANGELES CA 90020

[Redacted] KARVER 4/10/12 [Redacted] Karver
Date
[Redacted] KARVER [Redacted] Karver

Please allow five to ten business days to process wire transfer or check request. The funds should arrive no later than fifteen business days from the date of your confirmed received requested.

EXHIBIT

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Primary account number: 6554089976 ■ May 1, 2012 - May 31, 2012 ■ Page 2 of 8



Advantage Business Package Checking

Activity summary

Beginning balance on 5/1	
Deposits/Credits	
Withdrawals/Debits	
Ending balance on 5/31	\$6,347.49
Average ledger balance this period	\$37,395.52

Account number: [REDACTED] 9976
ADVANCE NETWORKING GROUP INC
 California account terms and conditions apply
 For Direct Deposit and Automatic Payments use
 Routing Number (RTN): 121042882
 For Wire Transfers use
 Routing Number (RTN): 121000248

Overdraft Protection

Your account is linked to the following for Overdraft Protection:
 ■ Savings - [REDACTED] 3807

Transaction history

Date	Check Number	Description	Deposits/ Credits	Withdrawals/ Debits	Ending daily balance
5/1		Deposit	332,100.00		
5/1					
5/1					
5/1					
5/1					
5/2					
5/2					
5/2					
5/2					
5/2					
5/7					
5/7					
5/7					
5/8					
5/8					
5/8					
5/9					
5/9					
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5/10					
5/10					
5/10					
5/10					
5/11					
5/14					
5/17					
5/17					
5/18					
5/18					

Choice IV Commercial Checking

Account number: 5005476352 ■ May 1, 2012 - May 31, 2012 ■ Page 1 of 4



ABS MANAGER LLC
 10692 VISTA DEL AGUA WAY
 SAN DIEGO CA 92121-4232

Questions?

Available by phone 24 hours a day, 7 days a week:
 1-800-CALL-WELLS (1-800-225-5935)

Online: wellsfargo.com

Write: Wells Fargo Bank, N.A. (039)
 Metro East Cbrn
 305 E Main St
 Mesa, AZ 85201

Account summary

Choice IV Commercial Checking

Account number	Beginning balance	Total credits	Total debits	Ending balance
6352	\$821,951.47	\$5,848,954.03	-\$5,733,256.12	\$937,649.38

Credits

Electronic deposits/bank credits

Effective date	Posted date	Amount	Transaction detail
	05/01	20,000.00	Online Transfer Ref #1be8783Enf From Business Checking Margin Left Over From Bond Interest to Mgr
	05/02	50,000.00	WT Fed#09482 Bank of America, N /Org=Gerald J Millstein Srf# 2012050200249557 Trn#120502111980 Rfb# 01120502008524Nn
	05/03	10,000.00	Online Transfer Ref #1beqj26Cl From Complete Advantage(Rm) Overpayment Salary Refund to Abs Mgr 4849 Carmel Moun San Diego CA KIOSK K07519
	05/04	250,000.00	WT Seq#80817 Advance Networking Grou /Org= Srf# 0000682125750485 Trn#120504080817 Rfb#
	05/08	20,000.00	WT Fed#01485 Citigroup Global M /Org=Abs Manager Licexpress Creditline10 Srf# S0621291112601 Trn#120508035491 Rfb#
	05/11	71,000.00	WT Fed#09337 Citigroup Global M /Org=Abs Manager Licexpress Creditline10 Srf# S062132140E801 Trn#120511068890 Rfb#
	05/14	2,000,000.00	WT Fed#02419 Interbank /Org=Peter C Kern Srf# Trn#120514110980 Rfb#
	05/14	350,000.00	WT Fed#00651 Citigroup Global M /Org=Abs Manager Licexpress Creditline10 Srf# S0621351D9E201 Trn#120514135352 Rfb#
	05/17	175,000.00	WT Fed#08752 Citigroup Global M /Org=Abs Manager Licexpress Creditline10 Srf# S0621381732D01 Trn#120517104204 Rfb#
	05/21	146,650.00	WT Seq123503 Advance Networking Grou /Org= Srf# 0040052142108547 Trn#120521123503 Rfb#
	05/21	270,000.00	Online Transfer Ref #1be87Dlx3 From Business Checking Cavan Bond Purchase for Mabery Note Purch
	05/25	1,400,000.00	WT Fed#07990 Citigroup Global M /Org=Abs Manager Licexpress Creditline10 Srf# S0621461Caf201 Trn#120525147423 Rfb#

(89)
 Sheet Seq = 0068388
 Sheet 00001 of 00004

Account number: ██████████ 3352 ■ May 1, 2012 - May 31, 2012 ■ Page 2 of 4



Electronic deposits/bank credits (continued)

Effective date	Posted date	Amount	Transaction detail
	05/29	200,000.00	WT Fed#05784 Citibank Callforml /Org=Chris Nevison Srf# G0121504724801 Trn#120529064980 Rfb#
	05/30	484,842.93	WT Fed#07766 Citigroup Global M /Org=Abs Manager LLC10692 Vista Del Agua Srf# S0621511Adb501 Trn#120530121441 Rfb#
	05/30	204,161.10	WT Fed#08815 Citigroup Global M /Org=Abs Manager LLC10692 Vista Del Agua Srf# S06215113D7F01 Trn#120530059944 Rfb#
	05/30	8,300.00	WT Fed#05740 Pershing LLC /Org=Abs Manager LLC 4225 Executive Sq S Srf# Fis1205308123300 Trn#120530137132 Rfb#
	05/31	189,000.00	WT Fed#06615 Citigroup Global M /Org=Abs Manager Lloexpress Creditline10 Srf# S08215220A6501 Trn#120531183602 Rfb#
		\$5,848,954.03	Total electronic deposits/bank credits
		\$5,848,954.03	Total credits

Debits

Electronic debits/bank debits

Effective date	Posted date	Amount	Transaction detail
	05/01	5,025.00	Recurring Transfer Ref #Opetzbrogk to Business Checking Ent FBO Dkelly Awlmann Gnelson
	05/01	332,100.00	Withdrawal Made In A Branch/Store
	05/03	7,166.00	WT Fed#09525 Citibank, NA /Ftr/Bnf=The Corsair Group Srf# 0000649124104285 Trn#120503092430 Rfb#
	05/03	550,000.00	WT Fed#09498 Bank of NEW York M /Ftr/Bnf=Pershing LLC Srf# 0000649124711285 Trn#120503092350 Rfb#
	05/04	1,730.96	Check Crd Purchase 05/03 Real Office Center 949-628-2500 CA 425907xxxxx7839 282124459132489 ?McC=5999
	05/07	59.99	Check Crd Purchase 05/05 Emerald Connect IN 800-2332834 CA 425907xxxxx7839 162126792547446 ?McC=5192
	05/07	16.95	Reour Debit Crd Pmt05/06 J2 *Efax Plus Serv 323-817-3205 CA 425907xxxxx7839 282127623085153 ?McC=5968
	06/09	20,000.00	WF Direct Pay-Payment- J Karver Trust LOC Draw-Tran ID Dp024521410
	06/09	260,000.00	WT Fed#05166 Bank of NEW York M /Ftr/Bnf=Pershing LLC Srf# 0000649130592336 Trn#120509072184 Rfb#
	05/11	474.89	Cilent Analysis Srvc Chrg 120510 Svc Chge 0412 000005005476352
	05/11	71,000.00	Online Transfer Ref #Ibexhngwps to Business Checking Mabery Line of Credit Withdrawal
	05/11	339.33	WF Direct Pay-Payment- Tran ID Dp024613490
	05/14	2,000.00	WF Direct Pay-Payment- Draw for G Howard-Tran ID Dp024645656
	05/15	240,000.00	WF Direct Pay-Payment- LOC Draw From Abs Fund Members to Aurum-Tran ID Dp024689026
	05/15	2,000,000.00	WT Fed#03120 Bank of NEW York M /Ftr/Bnf=Pershing LLC Srf# 0000649136563886 Trn#120515093174 Rfb#
	05/18	175,000.00	WF Direct Pay-Payment- LOC Draw From Advanced Networking Group-Tran ID Dp024803428

Account number: ██████████ 6362 ■ May 1, 2012 - May 31, 2012 ■ Page 3 of 4



Electronic debits/bank debits (continued)

Effective date	Posted date	Amount	Transaction detail
	05/21	270,000.00	WT Fed#03539 Bank of NEW York M /Ftr/Bnf=Pershing LLC Srf# 0000649142971047 Trn#120521082752 Rfb#
	05/24	450.00	Online Transfer Ref #lbec4Gpm5K to Business Card XXXXXXXXXXXX5762 on 05/24/12
	05/24	146,650.00	WT Fed#00232 Bank of NEW York M /Ftr/Bnf=Pershing LLC Srf# 0000649146743087 Trn#120524091373 Rfb#
	05/29	249.00	Check Crd Purchase 05/28 Rmg*Regus/Hq 972-340-2021 TX 425907XXXXX7899 002149143572470 ?McC=7399
	05/29	1,400,000.00	WT Fed#00338 Interbank /Ftr/Bnf=Peter C Kern Srf# 0000721150172618 Trn#120529163398 Rfb#
	05/30	1,500.00	Online Transfer Ref #lbe2FC888F to Business Card XXXXXXXXXXXX5754 on 05/30/12
	05/30	103,000.00	Online Transfer Ref #lbejwlsvtw to Business Checking Interest to Share Holders
	05/30	39,000.00	Recurring Transfer Ref #Opotr92Dr to Business Checking Bond Interest to AZ Fund Investors
		\$5,615,756.12	Total electronic debits/bank debits

Checks paid

Number	Amount	Date	Number	Amount	Date
1029	110,000.00	06/28	1031	7,500.00	05/31
		\$117,500.00	Total checks paid		

* Gap in check sequence.

\$5,733,256.12 Total debits

Daily ledger balance summary

Date	Balance	Date	Balance	Date	Balance
04/30	821,951.47	05/09	5,852.57	05/23	149,694.35
05/01	504,826.47	05/11	5,044.35	05/24	2,594.35
05/02	554,826.47	05/14	2,353,044.35	05/25	1,402,594.35
05/03	7,660.47	05/15	113,044.35	05/29	202,345.35
05/04	255,929.51	05/17	288,044.35	05/30	756,149.38
05/07	255,852.57	05/18	113,044.35	05/31	937,849.38
05/08	275,852.57	05/21	259,694.35		
Average daily ledger balance		\$444,456.60			

IMPORTANT ACCOUNT INFORMATION

The following account and transaction fees on your account are effective August 1, 2012:

- Monthly maintenance fee: \$20.00
- Checks paid: \$0.20 per check paid

Account number: [REDACTED] 3352 ■ May 1, 2012 - May 31, 2012 ■ Page 4 of 4



- Debits posted: \$0.20 per debit
- Credits posted: \$0.75 per credit
- Electronic credits posted: \$0.20 per credit
- Deposited item: \$0.13 per deposited item
- ATM deposited checks: \$0.13 per deposited check
- Cash deposited: \$0.0020 per dollar

Please note: Some fees may be changing while others are already effective in your state.

If you have questions about these changes, or would like a complimentary financial review to ensure that you have the right accounts to meet your financial goals, please contact your local banker or call the phone number listed at the top of your statement.

The following service fees on your account are effective August 1, 2012:

- Domestic collections auto draft: \$15.00 per item
- Deposit Account Control Agreement (DACA) Account Maintenance per month: \$275.00 per account
- Deposit Account Control Agreement (DACA) Amend/Close: \$500.00 per agreement
- Deposit correction, Branch deposit: \$5.00 per item
- Coin deposited: \$4.00 per bag

If you have questions about these changes, or would like a complimentary financial review to ensure that you have the right accounts to meet your financial goals, please contact your local banker or call the phone number listed at the top of your statement.

EXHIBIT

G

MorganStanley
SmithBarney

February 25, 2013

BY FEDERAL EXPRESS

George Charles Cody Price
ABS Manager LLC
10692 Vista Del Agua Way
San Diego, California 92121

Re: Express CreditLine Loan Agreement dated as of August 25, 2011

Dear Mr. Price:

Reference is made to the Express CreditLine Loan Agreement dated as of August 25, 2011 (the "Loan Agreement") between Morgan Stanley Smith Barney LLC ("Morgan Stanley") and ABS Manager LLC (the "Borrower") and the documents delivered in connection therewith (collectively, the "Loan Documents"). Except as otherwise specified herein, capitalized terms used but not defined herein shall have the meanings given to them in the Loan Agreement.

As you know, we have repeatedly requested that you transition your Morgan Stanley accounts to another firm, with that process to be completed by the end of January 2013. At your request, while reserving the right to act pursuant to our rights under all agreements at any time, we granted you additional time to complete this transition when you failed to meet that deadline. Despite the passage of a material amount of time, however, the accounts remain at Morgan Stanley. We hereby demand payment of all outstanding amounts under the Loan Agreement. A breakdown of these amounts is specified in Schedule 1 hereto, which is current as of the time of this letter. If you do not immediately repay all amounts outstanding under the Loan Agreement, Morgan Stanley may, without further notice to you, sell the Collateral from time to time (or immediately) as necessary to repay the obligations and immediately apply the proceeds thereof to the outstanding amounts under the Loan Agreement. Morgan Stanley may apply (or may already have applied) any cash in the accounts to reduce the debit or act otherwise in accordance with its rights under all agreements. At Morgan Stanley's discretion, any of the above may begin at any time, including concurrently with the transmittal of this letter. Certain cash balances may already have been applied to the debit to reduce its balance.

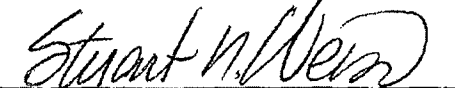
You are advised that no oral communication from or on behalf of Morgan Stanley by any person shall constitute any agreement, commitment or evidence of any assurance or intention of Morgan Stanley with respect to the Loan Agreement or any of the other Loan Documents. Any agreement, commitment, assurance or intention of Morgan Stanley with respect to the Loan Agreement or any of the other Loan Documents shall be effective only if in

writing and duly executed on behalf of Morgan Stanley. Furthermore, any prior or current discussions or course of conduct between you and Morgan Stanley shall not (and have not been intended to) constitute a waiver of any rights or remedies of Morgan Stanley under, or an amendment or other modification of, the Loan Agreement or any of the other Loan Documents.

Neither this letter nor the prior or future collection of any principal, interest or other amounts due under the Loan Agreement or any of the other Loan Documents shall be construed to (i) limit Morgan Stanley's right to demand any and all other sums that are or may hereafter become due and payable under the Loan Agreement or any of the other Loan Documents or otherwise, including, without limitation, costs of collection, costs of enforcement, attorneys' fees and late charges, or (ii) waive, limit, prejudice or otherwise adversely affect any rights, remedies or powers of Morgan Stanley under the Loan Agreement, any of the other Loan Documents or applicable law or at equity, all of which are hereby expressly reserved. In addition, any failure by Morgan Stanley to exercise, or any delay by Morgan Stanley in exercising, any right or remedy referred to in clause (ii) above, whether at this time or in the future, shall not constitute a waiver of such right or remedy.

Very truly yours,

MORGAN STANLEY SMITH BARNEY LLC

By: 

Name: Stuart N. Weiss

Title: Managing Director

Schedule I

Outstanding Loan Balance

Principal	\$ 7,242,870.40
Interest through February 25, 2013	<u>17,481.97*</u>
Total	\$ 7,260,352.37

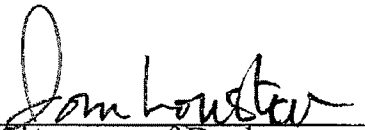
* Assuming no change in the interest rate applicable to the Advances, interest shall accrue on the above-referenced principal amount at the per diem rate of **\$553.27**.

CERTIFICATE OF SERVICE

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The undersigned hereby certifies that all counsel of record who are deemed to have consented to electronic service are being served this date with a copy of this document via the court's CM/ECF system. Any other counsel of record will be served by electronic mail, facsimile transmission, and/or first-class mail on this same date.

Executed on February 27, 2013, at San Diego, California.

By: 
Signature of Declarant

By: Dominique Houston
Type or Print Name of Declarant

EXHIBIT

C

Morgan Stanley
Smith Barney

Jeffrey L. Prince, CFP®
21600 Oxnard Street, Suite 2000
Woodland Hills, CA 91367
(818) 715-1825

Client Profile

Account Title: ABS Manager LLC

Name: George "Charles" Price

Mailing/ Address: 10692 VISTA DEL AGUA WAY SAN DIEGO CA 92121

Address: _____

*Legal Address: 60 E RIO SALADO PARKWAY SUITE 900 TEMPE AZ 85281

*Social Security Number: [REDACTED] *Trust/Corp Tax ID 27-0481020
(if applicable)

*Date of Birth: [REDACTED]

*Phone Home: [REDACTED] Work: 858 458 2811
Cell: [REDACTED] Fax: 800 307 3523

E-mail Address:

*Employer ABS MANAGER LLC Address 60 E RIO SALADO PARKWAY SUITE 900 TEMPE AZ 85281

*Occupation PRESIDENT *Nature of Business REAL ESTATE/ BOND ACQUISITIONS

*Employed Since 2008 Est. Annual Income (\$) 350,000

*Are you or is an immediate family member employed by a financial institution? Yes No

*Have you ever been a Corporate Officer or now own 10% of any corporation stock? Yes No

*Marital Status Married Single Divorced Widowed Number of dependents 1

Mandatory Security Questions

Mother's Maiden Name [REDACTED] City of birth? [REDACTED]

***Co-Owner /Trustee Information**

Name _____

Address _____

Social Security Number _____ Date of Birth _____

Phone _____ Email _____

Employer _____ Address _____

Occupation _____ Nature of Business _____

Employed Since _____ Est. Annual Income _____

Marital Status Married Single Divorced Widowed Number of dependents _____

Mandatory Security Questions

Mother's Maiden Name _____ City of birth? _____

EXHIBIT

D

Lending Capabilities Using Non-Purpose Loans

ABS Manager, LLC/Chuck Price

Jeffrey L. Prince, CFP®

July 20, 2011

Understanding Non-Purpose Loans

Non-Purpose Loans allow you to use the eligible securities in your Morgan Stanley Smith Barney brokerage account as collateral for a loan or a line of credit to establish an efficient source of funding for both strategic opportunities and unanticipated needs.

What it is

You are able to borrow money from Citigroup Global Markets, Inc. ("CGMI"), an affiliate of MSSB, using eligible securities in your MSSB brokerage account as collateral.

What options it offers:

Based on market value, options may include:

- Access to funds to meet any suitable funding need
- The choice to keep your portfolio intact, helping your investment plan stay on track and also help you mitigate *front-end* capital gains taxes
- Back-up source of liquidity

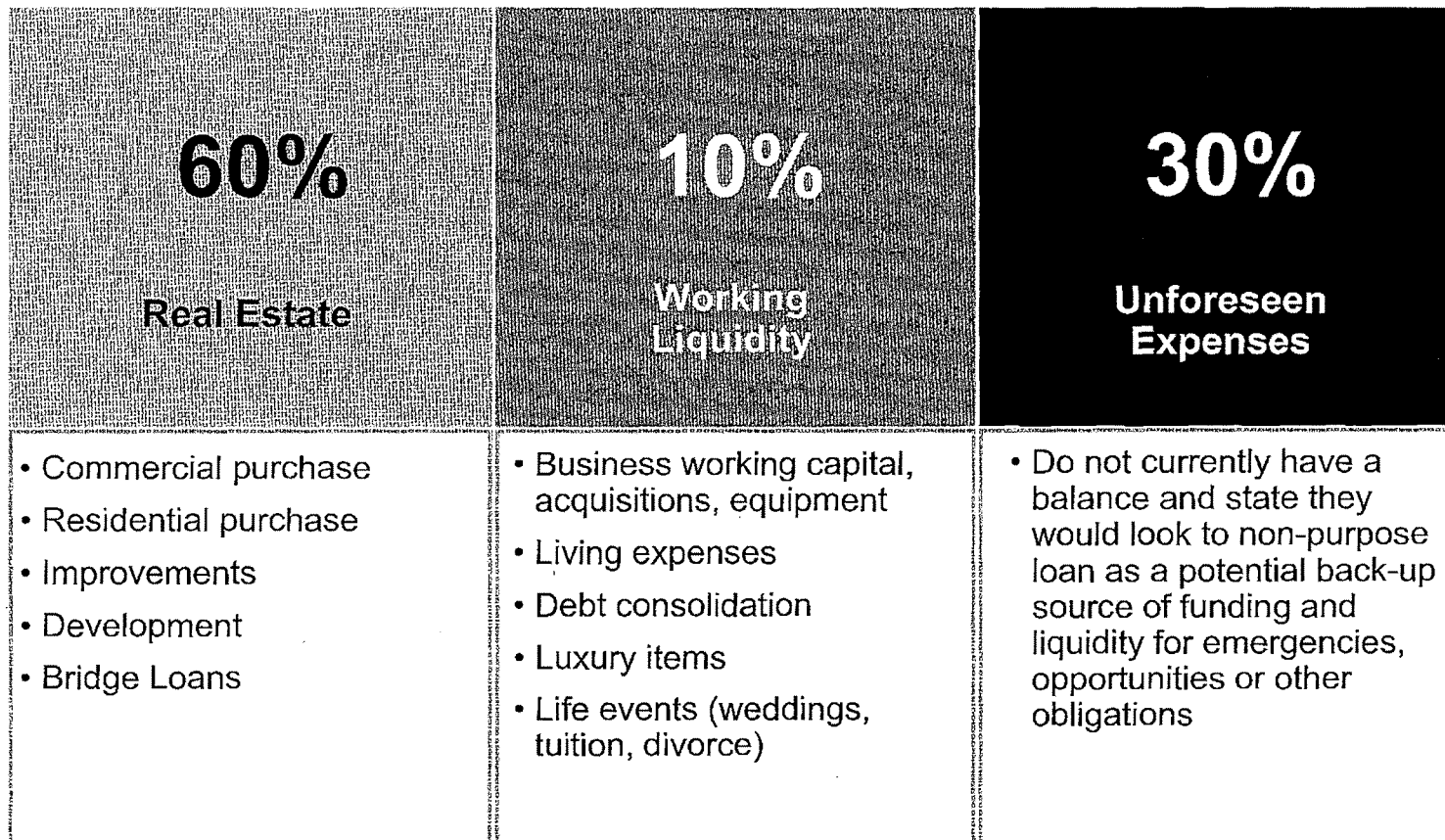
How it can provide flexibility:

- Flexible interest rate, billing and repayment options
- No fees for set-up in most cases
- No requirements to use lines of credit, nor fees for lack of use
- Efficient, quick paperwork and credit review (<\$10mm)
- Convenient access to proceeds via check, wire, or debit card

1. Cannot be used to purchase, trade or carry margin stock, or repay margin debt. 2. Fees are applicable to letters of credit.

How Other Investors Use Non-Purpose Loans

Based on a 2010 survey by Phoenix Research, clients with Non-Purpose Loans primarily use it as a solution for alternative real estate financing and/or for back-up liquidity



Source: Phoenix AMS Wave Survey, Q3 2010

Controlling Your Interest Expense

Non-Purpose Loans can help put you back in control by allowing you to customize how you borrow

- You can select a variable or fixed rate option, or a combination of both
- Variable balances can be converted in whole, or in part, to a fixed rate option¹ at any time
- The spread on your variable or fixed rate is based on the outstanding debit balance.

Outstanding ECL debit balance	ECL all in rate for Variable Line of Credit
\$0 - \$9,999	6.75%
\$10,000 - \$24,999	6.25%
\$25,000 - \$49,999	5.75%
\$50,000 - \$74,999	5.25%
\$75,000 - \$99,999	4.75%
\$100,000 - \$499,999	4.50%
\$500,000 - \$999,999	4.00%
\$1,000,000 - \$4,999,999	3.25%
\$5,000,000 - \$9,999,999	2.75%
\$10,000,000 +	2.50%

- **Index for Variable:** proprietary base lending rate, currently 4.75%
- **Index for Fixed:** LIBOR Swap Rate matching the duration of the rate lock

¹Minimum draw to convert is \$100k; Rate can be locked in for up to 5 years for fixed rate loans under \$1 million and 3 years for fixed rate loans over \$1 million

²LIBOR is the London Interbank Offered Rate. It's an interest rate at which banks can borrow funds, in marketable size, from other banks in the London interbank market. The LIBOR is fixed on a daily basis by the British Bankers' Association. The LIBOR is derived from a filtered average of the world's most creditworthy banks' interbank deposit rates for larger loans with maturities between overnight and one full year. SOURCE: Investopedia.com

Practical Applications

Non-Purpose Loans offer you the flexibility to apply your proceeds towards business and real estate investments without the hassle of traditional underwriting methods

REAL ESTATE	Negotiating power	Present yourself as a cash buyer
	Pricing	Rates lower than traditional collateral financing
	Timeliness	Approval process is quick and efficient
	Flexibility	Can structure a loan for a family member using your portfolio as collateral
SMALL BUSINESS	Entrepreneurial investing	Venture capital for start-ups
	Cash Flow	Working capital for inventory, equipment, resources
	Frees other assets	No liens on property
	Unforeseen funding	Be prepared for unforeseen events and opportunities

Practical Applications

Non-Purpose Loans can also serve as an open line of credit that may be accessed for many reasons including unforeseen expenses or opportunities for investment in luxury items (e.g., art, yachts, collectibles, etc)

PURCHASES	Pricing	Cost to borrow can be lower than traditional asset financing
	Flexibility	Known approval allows you to bid with confidence
	Frees other assets	No liens on property to finance purchase
	Simple	Efficient credit review process allows you to gain quick response
PRECAUTIONARY	Unforeseen	Potential back-up source of liquidity for unforeseen personal or business needs
	Bridge financing	Short term bridge financing for nearly any suitable purpose except the purchase of securities
	Liquidity	Potential source of household working liquidity for seasonal purchases (e.g, holiday spending, tax funding, etc)
	Margin alternative	Managed accounts often cannot support margin, making a Non-Purpose Loan potentially useful in preventing portfolio liquidation

Suitability and Non-Purpose Loans

Non-Purpose Loans are not a suitable option for everyone. Consider the following when determining if a Line of Credit is right for you:

Need: Non-Purpose Loans cannot be used to purchase other securities

Market value: Should the value of your pledged securities decline below required levels, you may be required to:

- Pay down your line of credit or pledge additional eligible securities OR
- Pledge additional eligible securities as collateral OR
- Liquidate part or all of your pledged assets OR
- Some combination thereof on very short notice

Tax and Portfolio Implications: A partial or total liquidation of securities could result in adverse tax consequences or in additional fees and may interrupt your long-term investment strategy

Investment restriction: The pledged value of securities varies; investors wishing to trade pledged securities should be aware that required levels must be maintained which may not be suitable for all investors

Understanding Demand Notes

- ✓ Non-Purpose Loans and Lines of Credit are **Demand Notes**. Demand Notes can be called-or closed- by the issuer on demand, for any reason and at any time without notice.
- ✓ A common reason for calls is market volatility. A shift downward in the price of your securities can result in liquidation of some, or all, of your portfolio in order to cover your balances outstanding.
- ✓ Available credit may change daily based on the fluctuating value of your securities.
- ✓ If you have an open line with no balances outstanding, the line can still be called in entirety or closed at any time.

Sufficient collateral must be maintained to support your loan(s) and to take future advances. Morgan Stanley Smith Barney or its affiliates (the Firm) reserves the right not to fund any advance request due to insufficient collateral or for any other reason.

Important Considerations

The Express Creditline account is a securities-based loan, which can be risky and is not suitable for all investors. Funds that are drawn cannot be used to purchase, carry or trade in securities, or to repay margin debt.

Before opening an Express CreditLine account, you should understand the following risks:

- The loan can be called at any time and for any reason.
- Sufficient collateral must be maintained to support your loan(s) and to take future advances.
- You may have to deposit additional eligible securities or funds for investment on short notice.
- Some or all of your securities may be sold without prior notice in order to maintain account equity at required maintenance levels. You will not be entitled to choose the securities that will be sold. These actions may interrupt your long-term investment strategy and may result in adverse tax consequences or in additional fees being assessed.
- We reserve the right not to fund any advance request due to insufficient collateral or for any other reason.
- Your collateral maintenance requirements can be increased at any time without notice.

Your Financial Advisor may be compensated in connection with your Express CreditLine account by Morgan Stanley Smith Barney LLC, based upon the interest rate and outstanding balance of the loan.

Express CreditLine is offered through Citigroup Global Markets Inc. Member SIPC. Express CreditLines are subject to all applicable Morgan Stanley Fair Lending Policies and Procedures. All pricing concessions must be based upon a legitimate business purpose.

Investment services are offered through Morgan Stanley Smith Barney LLC, member SIPC. Unless specifically disclosed in writing, investments and services offered through Morgan Stanley Smith Barney are not insured by the FDIC, are not deposits or other obligations of, or guaranteed by, the Bank and involve investment risks, including possible loss of principal amount invested.

All loans are subject to application and credit approval. The information contained herein should not be construed as a commitment to lend. Equal Credit Opportunity Lender.

(c) Morgan Stanley Smith Barney LLC.

NOT FDIC INSURED • NOT BANK GUARANTEED • MAY LOSE VALUE.



EXHIBIT

E

Charles Price <[REDACTED]@gmail.com>
To: Jeffrey Prince
express credit line request

September 6, 2011 8:00 AM

Jeff,

I would like to draw \$100,000 from my account with you to my wells fargo account.

Please let me know the process to get that started today?

Thank you.

On Tue, Aug 30, 2011 at 5:55 PM, Prince, Jeffrey <Jeff.Prince@morganstanleysmithbarney.com> wrote:

Chuck,

It's not a bother but we'll get that in place...my assistant is out this week with a death in the family but should be back soon.

I will work on getting you something in writing that you can use for your family.

Hope you had a nice trip up north.

Talk to you soon.

Jeff

From: Charles Price [mailto:[\[REDACTED\]@gmail.com](mailto:[REDACTED]@gmail.com)]
Sent: Tuesday, August 30, 2011 1:39 PM

To: Prince, Jeffrey (Wealth Mgmt SB)
Subject: Re: Fw: DTC Follow Up

Jeff,

Can you please set me up with your assistant who can help me on a day to day basis for the future. Wires, pulling down the line of credit, ACATS, etc? I don't want to bother you all day long.

Also can you please send me something on letterhead or similar that goes over the fact ABS Manager has a line of credit that is good against the agency securities in my portfolio? I need it for my family to discuss liquidating more commercial real estate and getting more funds over to you guys.

example letter request to send to my fam:

"Dear Mr. Price,

You currently have an open express line of credit in your ABS Manager securities account with Smith Barney. This line is collateralized against your Agency Bonds that we currently hold in your portfolio.

Call with questions"

On Tue, Aug 30, 2011 at 7:40 AM, Prince, Jeffrey <Jeff.Prince@morganstanleysmithbarney.com> wrote:

{ Hi again Chuck,

The assets hit last night with the exception of CUSIP# 31397L6W4 which we noticed had a \$0 value from the statement although it shows a quantity...you may want to verify that they are still at Penson and if we need to resubmit we can do that as well.

I am having the credit line paperwork processed this morning (we had to wait until the assets showed up) so we should be set soon.

Talk to you soon.

Jeff

From: Charles Price [mailto: [REDACTED]@gmail.com]

Sent: Tuesday, August 23, 2011 6:28 PM

To: Prince, Jeffrey (Wealth Mgmt SB)

Subject: Re: Fw: DTC Follow Up

Jeff,

These jokers at Penson are still making more excuses on the dtc process... Please initiate a partial acat to pull them over to you if you don't have them in the morning.

Thank you.

See attached.

On Tue, Aug 16, 2011 at 1:26 PM, Prince, Jeffrey <Jeff.Prince@morganstanleymithbarney.com> wrote:

Got it. Let me know if I can help. Jeff

From: Charles Price [mailto: [REDACTED]@gmail.com]

Sent: Tuesday, August 16, 2011 03:26 PM

To: Prince, Jeffrey (Wealth Mgmt SB)

Subject: Re: Fw: DTC Follow Up

I am going to try and get Penson to do it via DTC. I will let you know if they have figured it out yet. Everytime I have done ACAT the sending firm closes my accounts.. so I don't want that to happen.

On Tue, Aug 16, 2011 at 12:00 AM, Charles Price <[\[REDACTED\]@gmail.com](mailto:[REDACTED]@gmail.com)> wrote:

JEFF,

ATTACHED IS THE ACCOUNT SNAPSHOT FROM PENSON, AND ALSO THE REQUEST FORM FOR THE BONDS TO BE MOVED TO MY ACCOUNT AT SB. PLEASE NOTE THAT I AM REQUESTING A DTC TRANSFER, NOT ACAT.

PLEASE FORWARD THIS ON TO YOUR OPERATIONS MANAGER FOR PROCESSING.

AS IT TURNS OUT I AM NOW ON A TIMETABLE TO UTILIZE THE EXPRESS CREDIT ACCOUNT. SO ANY HELP ON EXPEDITING THIS WOULD BE GREATLY APPRECIATED.

I HAVE ANOTHER MILLION COMING IN NEXT WEEK AS WELL, FYI.

THANK YOU!

On Mon, Aug 15, 2011 at 7:32 PM, Prince, Jeffrey <Jeff.Prince@morganstanleymithbarney.com> wrote:

Chuck,

Realized that my assistant is out this week as well but found this previous email that has the acat form attached.

Talk to you when I get back in the office next week.

Jeff

From: Prince, Jeffrey (Wealth Mgmt SB)
Sent: Wednesday, August 03, 2011 01:12 PM
To: [REDACTED]@gmail.com <[REDACTED]@gmail.com>
Subject: DTC Follow Up

Hi Chuck,

Hope you're well. Sorry for the delay in getting this to you...as I mentioned to you on the phone; I had my kids yesterday and it derailed me a bit.

DTC Clearing #: 0418
Account #: [REDACTED]49XX (This is done for security but the last two numbers are the same as the 5th & 2nd number of your Tax ID Number respectively)

I have also attached a copy of an Account Transfer Form in case you decided to that way. If you would like to have us instigate the transfer I would need the firm name/number, your account number and cusips (which I believe I have) of what we are transferring.

Let me know if you need anything further from my end. Talk to you soon.

Jeff

Bringing Financial Pictures into Focus.

Jeffrey L. Prince, CFP®
Senior Vice President
Branch Manager
Morgan Stanley Smith Barney

<http://fa.smithbarney.com/jeffprince>

818-715-1825 and 800-826-3229

818-715-1866 (fax)

jeff.prince@msb.com

21600 Oxnard St., Suite 2000, Woodland Hills CA, 91367

CA Insurance License #: 0C50169

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<<MSSB Account Transfer Form.pdf>>

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--
Humbly Yours,

Chuck Price

--
Humbly Yours,

Chuck Price

Important Notice to Recipients:

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--
Humbly Yours,

Chuck Price
