

UNITED STATES OF AMERICA
before the
SECURITIES AND EXCHANGE COMMISSION

Administrative Proceeding
File No. 3-20801

In the Matter of

DF GROWTH II, LLC.,
Respondent.

DIVISION OF ENFORCEMENT'S
MOTION FOR SUMMARY DISPOSITION

June 3, 2022

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I. INTRODUCTION

The Division of Enforcement (“Division”) moves, pursuant to Rule 250(a) of the Commission’s Rules of Practice, 17 C.F.R. § 201.250(a), for summary disposition in this proceeding brought pursuant to Rule 258 of Regulation A against DF Growth REIT II, LLC (the “Respondent” or “REIT II”).

Regulation A is an exemption to the longstanding requirement under Section 5 of the Securities Act of 1933 (the “Securities Act”) that a company must have a registration statement in effect as to a security before it can sell the security. However, in order to avail itself of the benefit of offering its securities to the public without having to file a registration statement, an issuer must satisfy numerous requirements set forth under Regulation A. The central purpose of these requirements is to protect investors, as they do not have access to a comprehensive registration statement which would provide investors with detailed disclosures about the issuer’s business, financial statements, and other material information.

REIT II sought to utilize Regulation A’s privileges. However, it violated *multiple* of the requirements that were put in place for investor protection. Not only did it violate Regulation A’s requirements, but it also used offering and solicitation materials that contained numerous untrue or misleading statements of facts that investors deemed so material they sought to withdraw their investments when they learned of the misstatements.

The material facts are not in dispute. REIT II failed to comply with the terms, conditions and requirements of Regulation A by (1) engaging in an improper delayed offering, in violation of Rule 251(d) and (2) raising its maximum offering amount from \$50 million to \$75 million through the filing of an offering circular supplement rather than through a new offering statement or amendment, in violation of Rule 253(b). REIT II’s offering statements and solicitation materials contained untrue or misleading statements of material facts relating to (1) the

separation of REIT II from REIT I, DiversyFund’s other real estate investment fund, (2) the minimum cash amount needed for its business and the significant risk of loss to REIT II investors if REIT II was unable to raise sufficient capital in its Regulation A offering, and (3) the fees that its investors would be charged. Some of these misrepresentations were ongoing until REIT II’s temporary suspension of its Regulation A offering earlier this year.

Rule 258 of Regulation A authorizes this Court to permanently suspend an issuer’s Regulation A exemption if, *inter alia*, “any of the terms, conditions or requirements of Regulation A have not been complied with” or the “offering statement, any sales or solicitation of interest material, or any report . . . contains any untrue statement of a material fact or omits to state a material fact” necessary to make statements made not misleading. The magnitude of REIT II’s violations, the sheer number of those violations, the egregious material misrepresentations included in its offering and solicitation materials, the ongoing nature of those misrepresentations and the continuing risk of harm to investors, and the plain language of the rules compel this Court to permanently suspend REIT II’s use of the Regulation A exemption.

II. FACTS

A. The Respondent

REIT II is a Delaware limited liability company with its principal place of business in San Diego, California, with the stated objective of investing in real estate projects and assets across the United States. Declaration of Stephen Kam (“Kam Decl.”), Ex. 8 at pp. 8, 16. REIT II is managed by DF Manager, LLC (“DF Manager”), a Delaware limited liability company, and is sponsored by DiversyFund, Inc. (“DiversyFund”), a Delaware corporation and a real estate sponsor and manager. *Id.* at p. 16. DiversyFund, Inc. was incorporated in August 2016 and co-founded by Craig Cecilio (“Cecilio”), its Chief Executive Officer, and Alan Lewis (“Lewis”), its

Chief Investment Officer. *Id.* Ex. 21 at p. 29:2-24; Ex. 22 at p. 49:6-9. DF Manager is owned 100% by DiversyFund, Inc., and Cecilio and Lewis own more than 80% of DiversyFund, Inc. *Id.* Ex. 8 at p. 41.

REIT II's securities were sold directly through www.DiversyFund.com, which Respondent used to solicit potential investors. *Id.* Ex. 8 at p. 8. As a United States corporation, REIT II was an eligible issuer, and its Class A Investor Shares are eligible securities under Regulation A. *See* 17 C.F.R. § 201.250(b)(1) and 261(c).

B. Background of Regulation A

Section 5(a) of the Securities Act prohibits the sale of securities through interstate commerce unless a registration statement has been filed and is in effect, while Section 5(c) prohibits the offer to sell securities through interstate commerce unless a registration statement has been filed. 15 U.S.C. § 77e. A party offering and selling securities in an unregistered offering is not liable under Sections 5(a) and (c) if it can establish an exemption or safe harbor from registration was available. One such exemption arises from Section 3(b) of the Securities Act, 15 U.S.C. 77c(b), which “allows the Commission, through rulemaking, to exempt from federal-registration requirements certain small-dollar offerings.” *Lindeen v. SEC*, 825 F.3d 646, 649 (D.C. Cir. 2016). Pursuant to this authority, the Commission adopted Regulation A to allow issuers to make smaller public offerings through a process that is less comprehensive and expensive than the full registration process under Section 5. *Id.*

Prior to the Jumpstart Our Business Startups (“JOBS”) Act, Regulation A provided an exemption for public offerings of securities up to \$5 million annually. Pursuant to the JOBS Act, passed in 2012, the Commission was mandated by Congress to update and expand Regulation A of the General Rules and Regulations (the “Rules”) under the Securities Act (to allow offerings of up to \$50 million of securities within a 12-month period, to require companies to file annual

audited financial statements with the Commission, and to adopt additional requirements and conditions that the Commission determines necessary.¹ The goal of the JOBS Act was to increase American job creation and economic growth by improving access to the public capital markets for emerging growth companies.² On March 25, 2015, the Commission adopted the Rules, collectively (and hereinafter) referred to as Regulation A, mandated by the JOBS Act. The Rules were designed to provide a “workable path to raising capital that also provides strong investor protections.”³

Regulation A created two tiers of offerings: Tier 1 consists of securities offerings up to \$20 million in a twelve month period (with not more than \$6 million in offers by selling security-holders that are affiliates); Tier 2 consists of offerings up to \$75 million in a twelve-month period (with not more than \$22.5 million in offers by selling security-holders that are affiliates).⁴ 17 C.F.R. § 230.251(a).

To rely on Regulation A, issuers must satisfy numerous conditions, including disclosure of material information in an offering statement filed with the Commission and an offering circular distributed to investors. 17 C.F.R. 230.252–253. No sale of a security may be made under Tier 1 or Tier 2 until an offering statement on Form 1-A has been qualified. 17 C.F.R. § 230.251(d)(2).

¹ Regulation A Rules, as amended, are found at 17 C.F.R. § 260.251 through 17 C.F.R. § 260.263.

² JOBS Act preamble, Pub. L. No. 112-106, H.R. 3606, 112th Congress (2012).

³ SEC Adopts Rules to Facilitate Smaller Companies' Access to Capital, SEC Press Release 2015-49, dated March 25, 2015.

⁴ Effective March 15, 2021, the Commission increased the maximum offering amount under Tier 2 of Regulation A from \$50 million to \$75 million in a twelve-month period. *See* Facilitating Capital Formation and Expanding Investment Opportunities by Improving Access to Capital in Private Markets, Release Nos. 33-10884; 34-90300; IC-34082 (Nov. 2, 2020).

C. REIT II's Regulation A Continuous Offering was Qualified on January 29, 2021 but REIT II Did Not Commence Its Offering Until Months Later

On January 29, 2021, the Commission staff, pursuant to delegated authority from the Commission, issued a Notice of Qualification of REIT II's continuous offering to raise up to \$50 million pursuant to Regulation A. Kam Decl. Ex. 1 at p. 1. On September 29, 2021, REIT II filed a Form 1-SA Semi-Annual Report, stating that "[t]he Company was formed on August 6, 2020 and qualified by the Securities and Exchange Commission on January 29, 2021. As of June 30, 2021, the Company *has not yet commenced its operations but plans to begin raising money and making investments starting in the second half of the year.*" *Id.* Ex. 2 at p. 2 (emphasis added).

DiversyFund's CEO Craig Cecilio testified that REIT II did not begin soliciting investors until August or September 2021. *Id.* Ex 21 at pp. 75:18-76:10. Cecilio admitted that the reason for the delay was that DiversyFund needed to gather the relevant documents, meet internally with its tech team, and prepare a business plan on how to market REIT II's securities. *Id.* Ex 21 at pp. 76:19-77:5. Similarly, according to DiversyFund's CFO, REIT II had not purchased any properties or sold any securities by June 30, 2021. Ex. at 106:6-10. REIT II also did not have a signed escrow agreement in place to process securities sales to investors until August 2021, over six months after the offering was qualified. *Id.* Ex. 29.

D. On August 26, 2021, REIT II Raised the Maximum Offering Amount from \$50 Million to \$75 Million By Filing an Offering Circular Supplement

REIT II was qualified by the Commission to raise up to \$50 million in connection with its Regulation A offering. *Id.* Ex. 1; Ex. 8 at pg. 73. On August 26, 2021, REIT II increased its offering amount from \$50 million to \$75 million by filing an offering circular supplement. *Id.* Ex. 3 at p. 1. On February 23, 2022, after selling securities for six months, REIT II filed another

offering circular supplement stating that “[t]he amount the Company is seeking to raise in the Offering has been decreased from \$75,000,000 to \$50,000,000.” *Id.* Ex. 4.

E. REIT II Made Conflicting and Incomplete Statements Relating to its Independence from REIT I, its Minimum Cash Requirements, and the Risk Investors Faced if the Regulation A Offering Was Disrupted or Otherwise Not Fully Consummated

DF Growth REIT, LLC (“REIT I”) is a real estate investment vehicle managed by DF Manager and sponsored by DiversyFund which was previously qualified on November 13, 2018 to offer and sell up to \$50 million in Class A Investor Shares pursuant to the Regulation A exemption. *Id.* Ex. 6 at p. 5. REIT I ceased its offering on November 13, 2021. *Id.* The fund raised \$65,128,397. *Id.* REIT I had approximately 25,828 investors. *Id.* Ex. 7 at p. 35.

REIT II is also managed by DF Manager and sponsored by DiversyFund. REIT II was qualified on January 29, 2021 to offer and sell up to \$50 million Class A Investor Shares pursuant to the Regulation A exemption. *Id.* Ex. 8 at p. 73. As of April 29, 2022, REIT II raised approximately \$10,737,607. *Id.* Ex. 9 at p. 19. REIT II had approximately 3,712 investors. *Id.* Ex. 7 at p. 35.

REIT I and REIT II were advertised as being completely separate investment funds. In November 2021, www.DiversyFund.com advertised to investors that REIT I and REIT II “operate as separate investment vehicles” and that “REIT I will not be impacted by REIT II in any way.” *Id.* Ex 11 at p. 2. In REIT II’s offering statements, it also represented to investors that it had no minimum amount it needed to raise in its Regulation A offering. For example, in REIT II January 21, 2021 offering circular, it represented that its Regulation A offering “has no minimum amount,” and as such, “we will begin to deploy (spend) the money we raise right away, no matter how much or how little we raise.” *Id.* Ex. 8 at p. 8. Under its Plan of Operation section, REIT II stated it “does not currently have any capital commitments” and “[w]hether we

raise \$50,000,000 in the Offering or something less, we believe the proceeds of the Offering will satisfy our cash requirements. If we raise less than \$50,000,000, we will simply make fewer investments.” *Id.* at 73.

Respondent has admitted that these representations in its solicitation materials were false and incomplete. On page twelve of its Motion to Stay filed in the Ninth Circuit, REIT II admitted that the loss of its ability to raise funds pursuant to Regulation A “will quickly force the closure of their business and losses to 30,000 investors.” *Id.* Ex. 7 at p. 12. This number combined the total number of REIT I and REIT II investors at the time, as REIT I had approximately 25,858 investors and REIT II had approximately 3,712 investors. Moreover, this admission demonstrates that the amount REIT II had raised thus far – \$10,737,607 – was insufficient to meet its cash requirements and contradicts its representations to investors that its offering had “no minimum amount.” In addition, nowhere in the REIT II offering materials – in its risk factors or otherwise – did REIT II disclose the known harm that would befall REIT II and its investors (closure of the business and loss to all investors) if it were unable to raise funds in reliance on Regulation A.

DiversyFund’s CEO testified that REIT I and REIT II were dependent upon each other and admitted that DiversyFund was reliant on how much money REIT II raised. *Id.* Ex 21 at pp. 137:3-139:15. He admitted that REIT II did in fact have a minimum amount of \$75 million. *Id.* at p. 146:8-11. Moreover, he admitted that REIT II’s representation to investors that it did not have a minimum amount it needed to raise was inaccurate. *Id.* at pp. 154:24-158:2.

DiversyFund improperly co-mingled REIT I and REIT II funds. One investor in REIT I found that DiversyFund had transferred his investments from REIT I to REIT II without his knowledge or consent. *Id.* Ex. 25 at par. 2. The investor also found that DiversyFund had posted

a backdated Advisory Services Agreement authorizing DiversyFund to act as his investment advisor and to “withdraw funds . . . in order to purchase securities directly into a DA Services-affiliated issuer.” *Id.* Ex. 25 at par. 4; Ex. 14. Despite his electronic signature appearing on the agreement, he never signed the document nor provided DiversyFund consent to sign the document on his behalf. *Id.* Ex. 25 at par. 3. This investor grew so frustrated at DiversyFund’s conduct that he attempted to withdraw his investment, but DiversyFund denied his request. *Id.* at par. 6; Ex. 13.

Other investors similarly observed that DiversyFund posted to their accounts Advisory Services Agreements authorizing DiversyFund to act as their investment adviser without their consent or knowledge. *Id.* Ex. 27 at par. 6; Ex. 24; Ex. 26 at par. 4; Ex. 20. In one instance, DiversyFund fraudulently affixed the investor’s signature to the agreement. *Id.* Ex. 27 at par. 6; Ex. 24. These investors also observed that DiversyFund’s website did not distinguish between REIT I and REIT II investment properties. *Id.* Ex. 27 at par. 3. These investors also grew so frustrated with DiversyFund that they attempted to withdraw their investments. *Id.* Ex. 27 at par. 7; Ex. 23; Ex. 26 at par. 6; Ex. 19.

F. REIT II Made Conflicting Statements Relating to its Fees

In its January 19, 2021 Offering Circular, REIT II represented that DiversyFund would charge a number of fees, including a “sponsor fee,” “property disposition fee,” a “construction management fee,” a “Guaranty fee,” and “other fees.” *Id.* Ex. 8 at pp. 43-45. In its August 26, 2021 Offering Circular Supplement, REIT II revised its fee structure and stated that “the Sponsor will charge the Company an annual asset management fee equal to 2% of the capital raised from the sale of Class A Investor Shares” but did not reference a “sponsor fee.” *Id.* Ex. 3 at p. 2.

However, on the DiversyFund website where REIT II solicited investors and offered its securities, it described its fee structure completely differently. In September 2021, the DiversyFund website represented to investors that REIT II required a “minimum investment of only \$500 and *no management fees.*” *Id.* Ex. 12. (emphasis added). Only two months later in November, REIT II provided a completely different fee structure to investors, then charging (1) asset management fees which included platform fees equal to 2% of equity dollars per year, (2) acquisition fees, (3) finance fees, and (4) marketing fees. *Id.* Ex. 11 at p. 4.

DiversyFund’s CEO admitted that the company’s representations on its website were ever-changing and dynamic. *Id.* Ex 21 at p. 99:11-18. Similarly, the CFO testified that “no management fee” was accurate as to REIT I but not REIT II, which did charge a 2% management fee, and offered no explanation for why DiversyFund’s website did not disclose the fee. *Id.* Ex. 22 at pp. 174:8-175:12. And investors were misled by the inconsistent and ever-changing representations. For example, despite the representations on DiversyFund’s website, DiversyFund represented to investors in email communications that they provided “a no-fee platform.” *Id.* Ex. 27 at par. 8. Investors also understood at the time of their investment that they would not be charged any fees but then observed that the representations on Respondent’s website relating to its fees changed over time without explanation. *Id.* Ex. 26 at par. 5; Ex. 27 at par. 4.

III. ARGUMENT

A. Summary Disposition Standard

Rule 250(a) of the Commission's Rules of Practice provides that after documents have been made available to a respondent for inspection and copying, a party may move for summary

disposition of any or all allegations of the order instituting proceedings.⁵ “[S]ummary disposition may be appropriate in non-follow-on proceedings.” *In re Sands Bros. Asset Mgmt. LLC et al.*, 2015 SEC LEXIS 3556, at *4 (Order on Motions for Summary Disposition Aug. 31, 2015) (citations omitted), *pet. for review denied*, Rel. No. 76119 (Oct. 8, 2015). In its order issued on May 26, 2022, the Court adopted the parties’ proposed schedule setting the deadline to file motions for summary dispositions on June 3, 2022.

Under Rule 250(b), a hearing officer may grant the motion for summary disposition if there is no genuine issue with regard to any material fact and the party making the motion is entitled to a summary disposition as a matter of law. 17 C.F.R. § 201.250(b). This case presents no questions of material fact. The material facts set forth in this motion are subject to official notice or derive from sources that REIT II cannot dispute, specifically, from REIT II’s own filings with the Commission on EDGAR and in connection with its petition and waiver request, the DiversyFund website and documents posted on the website, and its briefing filed with the Ninth Circuit. Under Rule 323 [17 C.F.R. § 201.323], “official notice may be taken of any material fact which might be judicially noticed by a district court of the United States, any matter in the public official records of the Commission, or any matter which is peculiarly within the knowledge of the Commission as an expert body.” Thus, all of the facts described above are beyond dispute.

B. Applicable Regulation A Legal Requirements

Regulation A sets forth a number of requirements that issuers must follow, codified in §§ 230.251 - 230.300-230.263 of Title 17 of the Code of Federal Regulations. An offering of

⁵ In compliance with Commission Rule of Practice 230, 17 C.F.R. § 201.230 and this Court’s Pre-hearing Scheduling Order, the Division produced the investigative file in this matter to Respondent on April 22, 2022.

securities pursuant to Regulation A is *not* a registered offering, as required under Section 5 of the Securities Act. Instead, as stated above, Regulation A is an exemption to Section 5's requirement that an issuer file a registration statement prior to the sale of securities to the public. The purpose of Regulation A is to allow companies to expeditiously raise capital, while still providing investor protections in the form of mandated disclosures.⁶

1. Rule 251(d) – Regulation A Issuer Must Commence Continuous Offering Within Two Days of Qualification

Regulation A permits an issuer to engage in continuous offerings. Specifically, Rule 251(d)(3)(i) permits an issuer to engage in offerings on a continuous basis if the offering “*will be commenced within two calendar days* after qualification of the offering statement, may continue for a period in excess of 30 calendar days from the date of initial qualification, and will be offered in an amount that, at the time the offering statement is qualified, is reasonably expected to be offered and sold within two years from the initial qualification date.” 17 C.F.R. § 201.251(d)(3)(i)(F). (Emphasis added).

The language of the Rule 251(d)(3)(i)(F) continuous offering provision is modeled after the general requirements set forth for a continuous offering and sale of securities in connection with a registered offering in Rule 415(a)(1)(ix), which requires that a continuous offering “will be commenced promptly, will be made on a continuous basis and may continue for a period in excess of 30 days from the date of initial effectiveness.” 17 C.F.R. § 230.415; *see also* Amendments for Small and Additional Issues Exemptions under the Securities Act (Regulation A), Securities Act Release No 33-9741, at 134-5 (March 25, 2015), *available at*

⁶ SEC Adopts Rules to Facilitate Smaller Companies' Access to Capital, SEC Press Release 2015-49, dated March 25, 2015.

<https://www.sec.gov/rules/final/2015/33-9741.pdf>. The Commission has consistently explained that in order to commence a continuous offering, the issuer “must be ready and willing to sell the securities at all times.” Securities Offering Reform for Closed-End Investment Companies. Securities Act Release No. 10619. Exchange Act Release No. 85382; Investment Company Act Release No. 33427. March 20, 2019, n. 17; *see also* Continuous or Delayed Offerings by Certain Closed-End Management Investment Companies, Investment Company Act Release No. 19391 (Apr. 7, 1993) [58 FR 19361, 19362 (Apr. 14, 1993)].

In connection with registered offerings, an offering that is not continuous in nature may only be made on a delayed, or “shelf,” basis if it fits within one of the narrow sets of permissible delayed offerings set forth in Rule 415(a). This includes Rule 415(a)(1)(x), which permits an issuer that is eligible to register securities offerings on Form S-3 to conduct a primary offering “off the shelf,” wherein a seasoned issuer can register an unallocated dollar amount of securities for sale at a later time and then later take down securities “off the shelf” for sale in a public offering as market conditions warrant. *See* Securities Offering Reform for Closed-End Investment Companies. Securities Act Release No. 10619. Exchange Act Release No. 85382. Investment Company Act Release No. 33427. March 20, 2019.

However, the Commission did not include in Rule 251(d)(3) of Regulation A any provision analogous to Rule 415(a)(1)(x), and therefore this type of delayed offering – *i.e.*, shelf offering – is not permitted under Regulation A. As a result, for an issuer seeking to conduct a continuous offering under Rule 251(d)(3), that issuer must be ready and willing to sell its securities within two calendar days of qualification.

In addition, consistent with the broad Securities Act definition and historical Commission interpretation of the term “offer,” Regulation A offers are made at the time the offering statement

is filed with the Commission. *See, e.g.*, Rule 152(c)(3). That does not mean, however, that an offering has “commenced” for purposes of Rule 251(d)(3)(i)(F). If it did, that would render Rule 251(d) superfluous, as any qualified offering would have already had an offering statement filed with the Commission, and there would never be an offering that did not “commence” within two days of qualification. *See Duncan v. Walker*, 533 U.S. 167, 174 (2001) (holding that it is “a cardinal principle of statutory construction” that “a statute ought, upon the whole, to be so construed that, if it can be prevented, no clause, sentence, or word shall be superfluous, void, or insignificant); *United States v. Menasche*, 348 U.S. 528, 538–539 (1955) (“It is our duty ‘to give effect, if possible, to every clause and word of a statute’”) (internal quotations omitted); *Montclair v. Ramsdell*, 107 U.S. 147, 152 (1883) (“[W]ere we to adopt [Andrews’] construction of the statute, the express exception would be rendered insignificant, if not wholly superfluous.”) (internal quotations omitted).

As explained above, the requirement that the offering must commence within two calendar days of qualification is a safeguard to prevent the issuer from conducting a delayed “shelf” offering, which is not permitted under Regulation A, as opposed to a continuous offering, under which the issuer must stand ready and willing to sell the securities within two days of qualification. Therefore, any failure by an issuer to be “ready and willing” to offer and sell its securities within two calendar days of qualification under Rule 251(d)(3)(i)(F) results in the use of Regulation A for an impermissible shelf offering.⁷

⁷ In adopting Regulation A, the Commission recognized the possibility of inadvertent failures in complying with the regulation’s requirements. For the sole purpose of assessing whether a failure to comply with the results in the loss of the exemption for an offer or sale to a particular individual or entity (in the private litigation context), the Commission indicated that issuers could establish some failures as insignificant. 17 C.F.R. § 230.260(a). However, that rule also states that “this provision provides no relief or protection from a proceeding under Rule 258.” Rule 260(c). Therefore, the Commission has explicitly and unequivocally indicated in Rule 260 that this distinction

2. Rule 253(b) – Amendment Required to Increase Volume of Securities

Regulation A permits issuers to file offering circulars to update information in their Form 1-A. *See* 17 C.F.R. § 201.253. Rule 253 dictates that offering circulars may be used to supplement certain categories of designated information, including the offering price, the underwriting syndicate, and underwriting discounts or commissions. *Id.* However, the Advisory Note to Rule 253(b) specifically states that “an offering circular supplement may *not* be used to increase the volume of securities being offered. Additional securities may only be offered pursuant to a *new offering statement or post-qualification amendment* qualified by the Commission.” Advisory Note to 17 C.F.R. § 230.253 (emphasis added).

Rule 253(b) prohibits increasing amount of securities being offered through the use of an offering circular supplement. Therefore, a violation of Rule 253(b) occurs the moment the issuer files the offering circular supplement seeking to increase the volume of securities being offered, even if the issuer does not actually sell up to the increased amount. In addition, given that a violation of Rule 253(b) occurs the moment the issuer files the offering circular supplement, any

between significant and insignificant deviations provides no relief or protection to a respondent from a proceeding under Rule 258, and per Rule 258(a)(1), any violation by an issuer of Regulation A can form the basis of a suspension.

Even if Rule 260 did apply to a Rule 258 suspension proceeding, Rule 260 of Regulation A provides that “any failure” to comply with certain requirements of Rule 251 – including Rule 251(d)(3) – “*shall be deemed to be significant to the offering as a whole.*” Rule 260(a)(2). (Emphasis added.). The Commission also stated in the Regulation A adopting release that the final Rules:

explicitly classify as significant those deviations that are related to issuer eligibility, aggregate offering price, offers and continuous or delayed offerings. This provision benefits investors by providing certainty about the provisions from which the issuer may not deviate without losing the exemption. At the same time, it enables issuers to continue to rely on the exemption and obtain its capital formation benefits even if they have an “insignificant deviation” from the final rules.

SEC Amendments for Small and Additional Issues Exemptions under the Jobs Act, Release No. 33-9741, at 310-11 (June 19, 2015), *available at* <https://www.sec.gov/rules/final/2015/33-9741.pdf> (Emphasis added.)

subsequent attempt to remedy the improper increase is irrelevant and does not change the fact that a violation of Rule 253(b) occurred.

3. Rule 258 – Suspension Proceedings

In a proceeding initiated pursuant to Rule 258, the Commission may enter an order temporarily suspending a Regulation A exemption if it has reason to believe, *inter alia*, that (1) any of the terms, conditions or requirements of Regulation A have not been complied with or (2) the offering statement, any sales or solicitation of interest material, or any report contains any untrue statement of a material fact or omits to state a material fact. *See* 17 C.F.R. § 201.258(a). Once the Commission enters a temporary suspension order, it must promptly give notice to the issuer that it may, in writing and within 30 days of the entry of the order, request a hearing. 17 C.F.R. § 201.258(b)(2).

“Where a hearing is requested or is ordered by the Commission, the Commission *will*, after notice of and opportunity for such hearing, *either vacate the order or enter an order permanently suspending the exemption.*” 17 C.F.R. § 201.258(c). (emphasis added.)

Furthermore, after notice and opportunity for hearing, the Commission may “enter an order permanently suspending the exemption for *any reason upon which it could have entered a temporary suspension order under paragraph (a) of this section.*” 17 C.F.R. § 201.258(d).

(emphasis added.)

C. **There is no Genuine Issue of Material Fact that REIT II Failed to Comply with the Requirements of Regulation A or that its Offering Statements and Solicitation Materials Contained Untrue Statements of Material Facts or Material Omissions that Rendered Statements Made Misleading**

There is no question that REIT II failed to comply with the terms, conditions and requirements of Regulation A, a basis for its suspension under Rule 258(a)(1). The record also clearly establishes that REIT II’s offering statement and solicitation of interest material

contained materially false or misleading statements or omissions that rendered statements made misleading, which provides a separate basis for its suspension under Rule 258(a)(2).

Both REIT II's noncompliance with "any of the terms" of Regulation A and use of materially false or misleading offering materials support imposition of a permanent Regulation A suspension. *See* 17 C.F.R. § 201.258(d) (permanent suspensions may be imposed for any reason upon which a temporary suspension could have been imposed under Rule 258(a)).

1. REIT II's Failure to Comply with the Requirements of Regulation A Supports Imposition of a Permanent Suspension

REIT II failed to comply with the terms, conditions, and requirements of Regulation A by (1) failing to commence its continuous offering within two days of qualification, in violation of Rule 251(d)(3)(i)(F), and (2) raising its maximum offering amount from \$50 million to \$75 million through the filing of its August 26, 2021 offering circular supplement instead of through a new offering statement or amendment, in violation of Rule 253(b).

First, the Commission staff qualified REIT II to commence its continuous offering on January 29, 2021. Kam Decl. Ex. 1. REIT II was therefore required to commence its continuous offering within two calendar days of being qualified. *See* Rule 251(d)(3)(i)(F). It failed to do so, as it was not "ready and willing" to sell its securities by February 2, 2021. *See* Continuous or Delayed Offerings by Certain Closed-End Management Investment Companies, Investment Company Act Release No. 19391 (Apr. 7, 1993) [58 FR 19361, 19362 (Apr. 14, 1993)]. Specifically, it is undisputed that on September 29, 2021, REIT II filed a Form 1-SA admitting that as of June 30, 2021, it had "not begun raising money or making investments, but would begin in the second half of the year." Kam Decl. Ex. 2 at 2. REIT II also did not have a signed escrow agreement in place until August 2021, and therefore had no practical ability to process any attempt by investors to purchase securities from REIT II. *Id.* Ex 29. In his testimony,

DiversyFund’s CEO admitted that the reason for the delay was that DiversyFund needed additional time to gather the relevant documents, meet internally with its tech team, and prepare a business plan on how to market REIT II’s securities. *Id.* Ex 21 at pp. 76:19-77:5. It is therefore undisputed that REIT II did not commence its continuous offering within two calendar days of qualification as required under Rule 251(d)(3)(i)(F).⁸

Second, on August 26, 2021, it is undisputed that REIT II issued an offering circular supplement raising its offering amount from \$50 million to \$75 million. *Id.* Ex. 3 at p. 1. Then on February 23, 2022, after having raised funds for six months using offering materials representing such increased offering size, REIT II filed another offering circular supplement lowering its offering amount from \$75 million back to the proper \$50 million. *Id.* Ex. 4.

REIT II’s actions violated Rule 253(b), which states that “an offering circular supplement may *not* be used to increase the volume of securities being offered. Additional securities may only be offered pursuant to a *new offering statement or post-qualification amendment* qualified by the Commission.” Advisory Note to 17 C.F.R. § 230.253 (emphasis added). By not filing a new offering statement or a post-qualification amendment as required – either of which would have needed to be qualified – REIT II avoided review by Division of Corporation Finance staff and offered and sold securities pursuant to offering materials that were not qualified. *See* 17 C.F.R. § 201.251(d)(2). Moreover, the fact that REIT II subsequently filed an offering circular

⁸ As stated above, Rule 260 of Regulation A provides that “*any failure*” to comply with certain requirements of Rule 251 “*shall be deemed to be significant to the offering as a whole.*” Rule 260(a)(2). (Emphasis added.). The Commission has specifically stated that the designation of these types of provisions as significant “*provid[es] certainty about the provisions from which the issuer may not deviate without losing the exemption.*” SEC Amendments for Small and Additional Issues Exemptions under the Jobs Act, Release No. 33-9741, at 310-11 (June 19, 2015), available at <https://www.sec.gov/rules/final/2015/33-9741.pdf> (Emphasis added.)

Thus, a failure to impose a permanent suspension would ignore the explicit language—as well as the clear intent—of the Regulation A Rules adopted by the Commission: that significant deviations from the rules, which unequivocally occurred here, will result in the issuer losing the exemption.

supplement seeking to decrease the offering amount back to \$50 million is irrelevant, as the violation of Rule 251(d) occurred the moment that REIT II filed the offering circular supplement increasing the amount of the offering. The undisputed record therefore clearly establishes REIT II's violation of Rule 253(b).

2. REIT II's Offering Statements and Solicitation Materials Contained Untrue Statements of Facts or Omissions

There is no dispute that REIT II's offering statement and solicitation of interest materials contained materially false or misleading statements relating to (1) the separation of REIT I and REIT II, (2) the minimum amount it needed to raise in its Regulation A offering and the risk of loss to REIT II and investors if the Regulation A offering was not fully consummated, and (3) the fees that its investors would be charged.

DiversyFund's website, where REIT II's securities were offered, represented to investors that REIT I and REIT II "operate as separate investment vehicles" and that "REIT I will not be impacted by REIT II in any way." Kam Decl. Ex. 11 at p. 2. In REIT II's January 21, 2021 offering circular, it represented that the fund "has no minimum amount, we will begin to deploy the money we raise right away" and further represented that "[w]hether we raise \$50 million in offering or something less, proceeds of the Offering will satisfy our cash requirements. If we raise less than \$50 million, we will simply make fewer investments." *Id.* Ex. 8 at pp. 8, 73. As of February 3, 2022, REIT II had raised \$10,737,607 from approximately 3,712 investors pursuant to Regulation A. *Id.* Ex. 9 at p. 19; Ex. 7 at p. 35.

But contrary to these public statements, Respondent was co-mingling the funds it received from REIT I and REIT II, and it did in fact have a minimum amount it needed to raise in its Regulation A offering. For example, REIT II admitted – on page twelve of Respondent's February 28, 2022 emergency motion to stay its temporary suspension filed in the Ninth Circuit

and elsewhere – that a failure to continue to be able to sell in reliance on Regulation A “will quickly force the closure of their business and losses to 30,000 investors.” *Id.* Ex. 7 at p. 12.

This number of investors that REIT II identified as being harmed if REIT II was unable to continue selling in Reliance on Regulation A combined REIT I’s total pool of 25,828 investors and REIT II’s total pool of 3,712 investors, demonstrating that REIT II’s representations to its investors regarding the separateness of the two entities were false. In addition, REIT II’s statement further proves that REIT II did in fact have a minimum amount it sought to raise, as clearly the \$10,737,607 it had raised up to that point was insufficient for its cash requirements, contrary to the representations REIT II made in its January 21, 2021 offering circular that “[w]hether we raise \$50 million in offering or something less, proceeds of the Offering will satisfy our cash requirements.” Moreover, nowhere in its offering materials are REIT II investors informed of the massive negative impact of the closure of its business if the Regulation A offering was delayed or otherwise not fully successful. To the contrary, investors were assured that if the full amount initially sought in the Regulation A offering (\$50 million) were not raised, REIT II “will simply make fewer investments.”

DiversyFund’s CEO confirmed that REIT I and REIT II were dependent upon each other and admitted DiversyFund’s overall business was reliant on how much money REIT II raised. *Id.* Ex. 21 at pp. 137:3-139:15. He testified that REIT II did in fact have a minimum amount that it needed to raise, that REIT II needed to raise \$75 million, and that REIT II’s representation that it did not have a minimum amount it needed to raise was inaccurate. *Id.* at p. 146:8-11; 154:24-158:2. There is therefore no genuine issue of material fact that Respondent misrepresented to investors the co-dependent nature of REIT I and REIT II or failed to accurately or fully disclose

the harm that would befall REIT II and its investors in the event that REIT II was unable to raise the funds sought in its Regulation A offering.

REIT II also made misrepresentations regarding the fees DiversyFund was charging its investors. In REIT II's January 19, 2021 offering circular, it stated that DiversyFund would charge a "sponsor fee" and may charge a "property disposition fee," a "construction management fee," a "Guaranty fee," and "other fees." *Id.* Ex. 8 at pp. 43-45. In its August 26, 2021 offering circular supplement, REIT II revised its fee structure and stated that DiversyFund "will charge the Company an annual asset management fee equal to 2% of the capital raised from the sale of Class A Investor Shares" and also referenced a "property disposition fee," "construction management fee," a "guaranty fee" and "other fees." *Id.* Ex. 3 at p. 2.

However, during that same period, Respondent made completely different representations in its solicitation materials regarding the fees that it intended to charge new investors. For example, in September 2021 the DiversyFund website represented that REIT II would require a "minimum investment of only \$500 and *no management fees.*" *Id.* Ex. 12. (emphasis added). Then in November 2021, the DiversyFund website changed its fee structure for REIT II once again, referencing an "Asset Management fee," a "platform fee equal to 2% of equity dollars per year," "Notes Offering and Organization Expense Reimbursement fees," "marketing fees," "fintech platform fees," and "Real Estate Fees" which included "Acquisition Fees" and "Finance Fees." *Id.* Ex. 11 at p. 4.

There is therefore no question that REIT II's offering statements and solicitation materials contained untrue statements or omissions that rendered statements made misleading relating to REIT II's separation from REIT I, the minimum amount it needed to raise in its

Regulation A offering and the risk of loss to REIT II and investors if the Regulation A offering was not fully consummated, and the fees charged in association with investing in REIT II.

3. REIT II's Misstatements and Omissions Were Material

There is also no question that those untrue statements and omissions were material. A material fact is one in which there is “a substantial likelihood that a reasonable investor would attach importance in determining whether to purchase the security registered.” 17 C.F.R. § 230.405; *see also Basic v. Levinson*, 485 U.S. 224, 231-232 (1988); *TSC Indus., Inc. v. Northway, Inc.*, 426 U.S. 438, 449 (1976). Respondent’s false and misleading representations were material because a reasonable REIT II investor would consider it important to know if their investment’s success or failure was reliant upon REIT I and its success and contingent upon not just how much money REIT II raised in its REIT II offering, but that a delay in the ability to rely on Regulation A would “quickly force the closure” of REIT II and result in investor losses. *SEC v. Murphy*, 626 F.2d 633, 653 (9th Cir.1980) (holding that the “materiality of information relating to financial condition, solvency, and profitability is not subject to serious challenge.”) It is also well established that Respondent’s misrepresentations regarding the fees investors might be charged are material, as a reasonable investor would find it important to know what fees they would be charged by the sponsor. *See SEC v. All. Leasing Corp.*, 28 Fed.Appx. 648, 652 (9th Cir. 2002) (defendant’s failure to disclose a commission was material to the investor’s assessment of the strength of the potential investment because “reasonable minds cannot differ on the question of materiality”); *United States v. Laurienti*, 611 F.3d 530, 541 (9th Cir. 2010) (noting “[i]n deciding whether to buy a given stock, a reasonable investor would consider it important that, in contrast to the purchase of most stocks, the broker would receive a 5% commission from the purchase of this particular (house) stock,” and therefore “reject[ing] Defendants’ argument that the bonus commissions are immaterial as a matter of law”); *Schaffer*

Family Inv'rs LLC v. Sonnier, 2016 WL 6917269, at *6 (C.D. Cal. July 5, 2016) (finding defendant's misrepresentation that he did not have any financial benefit in connection with investments were material misrepresentations as a matter of law where defendant admitted "he did in fact receive 'finder's fees' and commissions ... in connection with the investments").

And REIT II cannot genuinely dispute that these misrepresentations were material, as multiple investors contacted DiversyFund to withdraw their investments when they discovered these misrepresentations. For example, at least three investors sought to remove their investments from DiversyFund after finding its disclosures relating to the separateness of REIT I and REIT II to be confusing and untrue. Kam Decl. Ex. 25 at par. 6; Ex. 26 at par. 6; Ex. 27 at par. 7. These investors discovered that DiversyFund had posted an Advisory Services Agreement to their accounts, which authorized DiversyFund to act as their investment adviser. *Id.* Ex. 25 at par. 4; Ex. 26 at par. 4; Ex. 27 at par. 6. These agreements fraudulently affixed the investors' electronic signatures to the agreements without their consent or knowledge. *Id.* Ex. 25 at par. 4; Ex. 27 at par. 6. In at least one instance, DiversyFund then funneled the investor's funds from REIT I into REIT II without that investor's knowledge or consent. *Id.* Ex. 25 at par. 2.

Investors similarly found misleading DiversyFund's representations relating to the fees that they were being charged. At least two investors initially invested with the understanding that they would not be charged fees, but then observed that DiversyFund changed its representations relating to its fees after they had already invested in the company. *Id.* Ex. 26 at par. 5; Ex. 27 at par. 4. DiversyFund also represented to some investors in email communications that they provided "a no-fee platform." *Id.* Ex. 27 at par. 8. DiversyFund never provided investors with any financial statements or documents reflecting the fees that they were

being charged for their investments. *Id.* Ex. 25 at par. 4; Ex. 26 at par. 5; Ex. 27 at par. 4. As discussed above, the investors found these misrepresentations and omissions so egregious that they sought to remove their investments from DiversyFund. *Id.* Ex. 25 at par. 6; Ex. 26 at par. 6; Ex. 27 at par. 7. There can therefore be no dispute that REIT II's misrepresentations and omissions were material.

D. This Court Should Permanently Suspend REIT II's Use of Regulation A

There is no question that REIT II violated the terms, conditions and requirements of Regulation A by failing to commence its offering within two days, by improperly increasing its offering amount without filing an amendment, and for having untrue statements or omissions of material fact in its offering documents or solicitation materials.

There is also no question that this Court should permanently suspend REIT II's continued use of Regulation A. Regulation A is an exemption to the traditional requirement under Section 5 of the Securities Act that a company must have a registration statement in effect as to a security before it can sell the security. 15 U.S.C. § 77e. By using this exemption, which allowed REIT II the benefit of offering its securities to the public without the burden of registration, REIT II was required to follow the detailed requirements set forth under Regulation A. These requirements were in place for the protection of investors, and a violation of these requirements should necessarily result in REIT II's suspension.

REIT II violated requirements that were central to the Regulation A offering as a whole. The sheer number of violations compel this Court to permanently suspend REIT II's use of Regulation A. These violations were also coupled with REIT II's use of offering and solicitation materials that contained numerous untrue or misleading statements of facts that investors deemed so material that they sought to withdraw their investments when they learned of the

misstatements.

Finally, these violations are ongoing. Investors in both REIT I and REIT II are continuing to discover that their signatures are being affixed to electronic agreements without their knowledge, authorizing DiversyFund to act as their investment adviser without their consent. In addition, DiversyFund continues to commingle REIT I and REIT II investor funds and investors are continuing to discover that their recurring investments are being transferred without their approval between REIT I and REIT II.

IV. CONCLUSION

For the foregoing reasons, the Division respectfully requests that the Court grant this Motion for Summary Disposition and permanently suspend REIT II from its continued use of Regulation A.

Dated: June 3, 2022

Respectfully submitted,
DIVISION OF ENFORCEMENT

Stephen T. Kam (323) 302-7465
Jennifer C. Barry (323) 965-3878
Securities and Exchange Commission
444 S Flower St, Suite 900
Los Angeles, CA 90071

Counsel for the Division of Enforcement

In the Matter of DF Growth REIT II, LLC

Administrative Proceeding File No. 3-20801

CERTIFICATE OF SERVICE

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

DIVISION OF ENFORCEMENT'S MOTION FOR SUMMARY DISPOSITION

was served on June 3, 2022, upon the following parties as follows:

The Honorable Carol Fox Foelak (By electronic email only)
Administrative Law Judge
U.S. Securities and Exchange Commission
100 F. Street, N.E.
Washington, D.C. 20549
alj@sec.gov

DF Growth REIT II, LLC (By electronic email only)
c/o Sanjay Bhandari, Esq.
c/o Arielle A. Seidman, Esq.
BUCHALTER
655 W. Broadway, Suite 1625
San Diego, CA 92101
sbhandari@buchalter.com
aseidman@buchalter.com

Leslie A. Hakala (By electronic email only)
Law Office of Leslie A. Hakala
10653 W. Pico Boulevard
Los Angeles, CA 90064
leslie.hakala@lahlaw.org

Dated: June 3, 2022

Stephen T. Kam (323) 302-7465
Jennifer C. Barry (323) 965-3878
Securities and Exchange Commission
444 S Flower St, Suite 900
Los Angeles, CA 90071

COUNSEL FOR THE DIVISION OF ENFORCEMENT

UNITED STATES OF AMERICA
before the
SECURITIES AND EXCHANGE COMMISSION

Administrative Proceeding
File No. 3-20801

In the Matter of

DF GROWTH II, LLC.,
Respondent.

DECLARATION OF STEPHEN KAM IN SUPPORT OF
DIVISION OF ENFORCEMENT'S MOTION FOR SUMMARY DISPOSITION

June 3, 2022

Stephen T. Kam
Jennifer C. Barry
U.S. Securities and Exchange Commission
Division of Enforcement
444 S Flower St
Los Angeles, CA 90071

Counsel for Division of Enforcement

I, Stephen Kam, declare pursuant to 28 U.S.C. § 1746 as follows:

1. This declaration is submitted in support of the Division of Enforcement's ("Division's") Motion for Summary Disposition.
2. I am an attorney in the Los Angeles Regional Office of the Securities and Exchange Commission (the "SEC"). Unless specifically stated, I have personal knowledge of the matters set forth below.
3. Attached hereto as Exhibit 1 is a true and correct copy of a document titled SEC Notice of Qualification REIT II, uploaded to EDGAR on January 29, 2021.
4. Attached hereto as Exhibit 2 is a true and correct copy of a document titled REIT II Form 1-SA, uploaded to EDGAR on September 29, 2021.
5. Attached hereto as Exhibit 3 is a true and correct copy of a document titled REIT II Supplement No. 1 to the Offering Circular, uploaded to EDGAR on August 26, 2021.
6. Attached hereto as Exhibit 4 is a true and correct copy of a document titled REIT II Offering Circular, uploaded to EDGAR on February 23, 2021.
7. Attached hereto as Exhibit 5 is a true and correct copy of a document titled Form 1-SA of REIT I, uploaded to EDGAR on September 28, 2021.
8. Attached hereto as Exhibit 6 is a true and correct copy of a document titled REIT I Annual Report Form 1-K, uploaded to EDGAR on May 3, 2022.
9. Attached hereto as Exhibit 7 is a true and correct copy of document titled DiversyFund, Inc. Motion to Stay filed in the Ninth Circuit on February 28, 2022.
10. Attached hereto as Exhibit 8 is a true and correct copy of a document titled Form 1-A for REIT II, uploaded to EDGAR on January 21, 2021.
11. Attached hereto as Exhibit 9 is a true and correct copy of a document titled REIT II Annual Report Form 1-K, uploaded to EDGAR on May 3, 2022.
12. Attached hereto as Exhibit 10 is intentionally left blank.

13. Attached hereto as Exhibit 11 is a true and correct copy of a website capture of DiversyFund.com as of November 22, 2021, bates-stamped SEC-SEC-E-0000200, SEC-SEC-E-0000408, SEC-SEC-E-0000416, and SEC-SEC-E-0000407.

14. Attached hereto as Exhibit 12 is a true and correct copy of a website capture of DiversyFund.com as of September 17, 2021, bates-stamped SEC-SEC-E-0000001 and SEC-SEC-E-0000005.

15. Attached hereto as Exhibit 13 is a true and correct copy of an email exchange between Investor John Travis and DiversyFund dated December 18, 2021 bates-stamped SEC-TravisJ-E-0000001-03.

16. Attached hereto as Exhibit 14 is a true and correct copy of a document titled DF Growth REIT II, LLC Investment Agreement dated October 5, 2021 bates-stamped SEC-TravisJ-E-0000019-29.

17. Attached hereto as Exhibit 15 is a true and correct copy of a document titled Diversy Advisory Services, LLC Client Agreement bates-stamped SEC-TravisJ-E-0000005-18.

18. Attached hereto as Exhibit 16 is a true and correct copy of an email between Ankit Shah and DiversyFund dated May 3, 2022 bates-stamped SEC-ShahA-E-0000182-88.

19. Attached hereto as Exhibit 17 is a true and correct copy of an email between Ankit Shah and DiversyFund dated May 3, 2022 bates-stamped SEC-ShahA-E-0000226-37.

20. Attached hereto as Exhibit 18 is a true and correct copy of an email between Ankit Shah and DiversyFund dated May 3, 2022 bates-stamped SEC-ShahA-E-0000189-203.

21. Attached hereto as Exhibit 19 is a true and correct copy of an email between Ankit Shah and DiversyFund dated May 3, 2022 bates-stamped SEC-ShahA-E-0000177-81.

22. Attached hereto as Exhibit 20 is a true and correct copy of an undated document titled Diversy Advisory Services, LLC Client Agreement bates-stamped SEC-ShahA-E-0000117-37.

23. Attached here to as Exhibit 21 is a true and correct copy of a transcript of the investigative testimony of Craig Cecilio dated March 15, 2022.

24. Attached here to as Exhibit 22 is a true and correct copy of a transcript of the investigative testimony of Alan Lewis dated April 21, 2022.

25. Attached hereto as Exhibit 23 is a true and correct copy of an email exchange between Paul Calo and DiversyFund dated May 11, 2022 bates-stamped SEC-CaloP-E-0000422 and SEC-CaloP-E-0000431

26. Attached hereto as Exhibit 24 is a true and correct copy a document titled Diversy Advisory Services, LLC Client Agreement bates-stamped SEC-CaloP-E-0000001-14.

27. Attached hereto as Exhibit 25 is a true and correct copy of John Travis's Signed Declaration, dated May 31, 2022.

28. Attached hereto as Exhibit 26 is a true and correct copy of Ankit Shah's Declaration, dated May 25, 2022.

29. Attached hereto as Exhibit 27 is a true and correct copy of Paul Calo's Declaration, dated May 27, 2022.

30. Attached hereto as Exhibit 28 is a true and correct copy of an email exchange between Paul Calo and DiversyFund dated May 21, 2021 bates-stamped SEC-CaloP-E-0000133-40.

31. Attached hereto as Exhibit 29 is a true and correct copy of an Escrow Services Agreement entered into between Prime Trust and REIT II dated August 19, 2021, bates-stamped DF-001268-74.

I declare under penalty of perjury that the foregoing is true and correct. Executed on June 3, 2022.

Stephen Kam

UNITED STATES OF AMERICA
Before the
SECURITIES AND EXCHANGE COMMISSION

ADMINISTRATIVE PROCEEDING
File No. 3-20801

In the Matter of

DF GROWTH II LLC,

Respondent.

DIVISION OF ENFORCEMENT'S INDEX OF EXHIBITS

Attachment	Description
1	SEC Notice of Qualification of REIT II (uploaded to EDGAR)
2	REIT II Form 1-SA (uploaded to EDGAR)
3	REIT II Supplement No. 1 to the Offering Circular (uploaded to EDGAR)
4	REIT II Offering Circular (uploaded to EDGAR)
5	Form 1-SA of REIT I (uploaded to EDGAR)
6	REIT I Annual Report Form 1-K (uploaded to EDGAR)
7	DiversyFund, Inc. Motion to Stay filed in Ninth Circuit (dated February 28, 2022)
8	REIT II Form 1-A (uploaded to EDGAR)
9	REIT II Annual Report Form 1-K (uploaded to EDGAR)
10	Intentionally Left Blank
11	DiversyFund.com website (Nov 2021)
12	DiversyFund.com website (Sept 2021)
13	Email exchange between Investor John Travis and DiversyFund dated December 18, 2021 bates-stamped SEC-TravisJ-E-0000001-03
14	DF Growth REIT II, LLC Investment Agreement dated October 5, 2021 bates-stamped SEC-TravisJ-E-0000019-29
15	Diversy Advisory Services, LLC Client Agreement bates-stamped SEC-TravisJ-E-0000005-18

16	Email exchange between Ankit Shah and DiversyFund dated May 3, 2022 bates-stamped SEC-ShahA-E-0000182-88
17	Email exchange between Ankit Shah and DiversyFund dated May 3, 2022 bates-stamped SEC-ShahA-E-0000226-37
18	Email exchange between Ankit Shah and DiversyFund dated May 3, 2022 bates-stamped SEC-ShahA-E-0000189-203
19	Email exchange between Ankit Shah and DiversyFund dated May 3, 2022 bates-stamped SEC-ShahA-E-0000177-81
20	Diversy Advisory Services, LLC Client Agreement bates-stamped SEC-ShahA-E-0000117-37
21	Transcript of the investigative testimony of Craig Cecilio dated March 15, 2022
22	Transcript of the investigative testimony of Alan Lewis dated April 21, 2022.
23	Email exchange between Paul Calo and DiversyFund dated May 11, 2022 bates-stamped SEC-CaloP-E-0000422 and SEC-CaloP-E-0000431
24	Diversy Advisory Services, LLC Client Agreement bates-stamped SEC-CaloP-E-0000001-14.
25	John Travis's Signed Declaration, dated May 31, 2022
26	Ankit Shah's Declaration, dated May 25, 2022
27	Paul Calo's Declaration, dated May 27, 2022
28	Email exchange between Paul Calo and DiversyFund dated May 21, 2021 bates-stamped SEC-CaloP-E-0000133-40
29	Escrow Services Agreement entered into between Prime Trust and REIT II dated August 19, 2021, bates-stamped DF-001268-74.

Division of Enforcement's Exhibit 1



UNITED STATES OF AMERICA
SECURITIES AND EXCHANGE COMMISSION

ATTESTATION

IT IS HEREBY ATTESTED THAT:

The attached Form QUALIF was received in this Commission on 1/29/2021, under the name of DF Growth REIT II, LLC, File No. 024-11394, pursuant to the relevant Act(s) of the Commission.

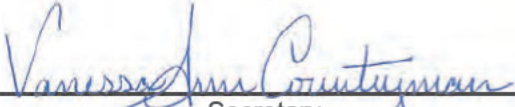
This certified document was produced from the files of this Commission on

5/2/2022

Date

It is hereby certified that the Secretary of the U.S. Securities and Exchange Commission, Washington, DC, which Commission was created by the Securities Exchange Act of 1934 (15 U.S.C. 78a et seq.) is official custodian of the records and files of said Commission and was such official custodian at the time of executing the above attestation.

For the Commission



Secretary

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

Notice of Qualification

Date Qualified: January 29, 2021 4:00 P.M.
Form: 1-A

CIK: [0001824154](#)
Company Name: DF Growth REIT II, LLC
File Number: [024-11394](#)

Division of Enforcement's Exhibit 2



UNITED STATES OF AMERICA
SECURITIES AND EXCHANGE COMMISSION

ATTESTATION

IT IS HEREBY ATTESTED THAT:

The attached Form 1-SA was received in this Commission on 9/29/2021, under the name of DF Growth REIT II, LLC, File No. 24R-00480, pursuant to the relevant Act(s) of the Commission.

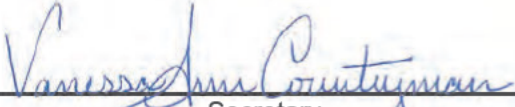
This certified document was produced from the files of this Commission on

5/2/2022

Date

It is hereby certified that the Secretary of the U.S. Securities and Exchange Commission, Washington, DC, which Commission was created by the Securities Exchange Act of 1934 (15 U.S.C. 78a et seq.) is official custodian of the records and files of said Commission and was such official custodian at the time of executing the above attestation.

For the Commission



Secretary

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 1-SA

SEMI-ANNUAL REPORT PURSUANT TO REGULATION A
For the semi-annual period ended June 30, 2021

DF Growth REIT II, LLC

(Exact name of registrant as specified in its charter)

Commission File Number **024-11394**

Delaware	85-26000369
(State or other jurisdiction of incorporation)	(IRS Employer Identification Number)
750 B Street Suite 1930 San Diego, CA 92101	(858) 430-8528
(Address of principal executive offices)	(Issue's telephone number, including area code)

Item 1

Management's Discussion and Analysis of Financial Condition and Results of Operations

Operating Results

The Company was formed on August 6, 2020 and qualified by the Securities and Exchange Commission on January 29, 2021. As of June 30, 2021, the Company has not yet commenced its operations but plans to begin raising money and making investments starting in the second half of the year.

For the period from January 1, 2021 through June 30, 2021 (the "Reporting Period") () the net taxable income of the Company was less than zero, () the real estate investment trust taxable income of the Company was less than zero, and () the Company had no net income from its operations.

Liquidity & Capital Resources

The Company is seeking to raise up to \$75,000,000 of capital in the offering by selling Class A Investo Shares. As of June 30, 2021, the Company had raised \$0.

The Company does not currently have any unfunded capital commitments. We expect to deploy a most of the capital we raise in the offering in making real estate investments. Should we need more capital for any reason, we could either sell more Class A Investo Shares or sell other classes of securities. In selling Class A Investo Shares or other securities, we might be constrained by the securities laws. For example, we are not allowed to sell more than \$75,000,000 of securities in any Regulated offering period of 12 months.

Trend Information

During the Reporting Period, the Company was faced with many challenges and opportunities as a result of the COVID-19 pandemic. Among them:

- According to the U.S. Bureau of Economic Analysis, real gross domestic product in the United States grew by a strong 6.3%, with many economic forecasts projecting continued strong growth through the rest of the year. Higher levels of economic growth mean more money flowing through the economy and more opportunities for tenants of multifamily properties to find gainful employment. This in turn means that fewer tenants will default on their rental obligations, simultaneously ensuring a steady flow of operating cash flow while decreasing expenses incurred by existing tenants.
- According to Pew Research, between the second quarter of 2019 through the second quarter of 2021, the median hourly wages of high-wage workers increased from \$50.59 to \$52.68 and the median low-wage workers increased from \$10.79 to \$11.70. Given that many tenants of multifamily housing projects fall within the low- and medium-wage categories, this social development since it means that tenants of multifamily housing projects will have greater means to afford the rent and also means tenants of other types of property that we intend to invest in (such as commercial and industrial properties) should have sufficient means to pay their rental obligations as well.
- According to the U.S. Bureau of Labor Statistics, the United States seasonal-adjusted unemployment rate has dropped significantly to 5.2% as of August 2021, down from roughly 15% during the height of the pandemic. This drop in unemployment has been felt across a demographic and socioeconomic landscape, meaning that the dark days of the pandemic-induced recession appear to be behind us. Moreover, many of the industries such as retail, hospitality, and food/beverage that employ many tenants of multifamily properties continue to experience extremely robust recovery, indicating that market demand for properties provided by many tenants of multifamily properties will continue into the foreseeable future. All of these are positive developments that should ensure at least a steady demand for multifamily properties moving forward.

- L key as a esu t of these pos t ve economc nd cato s, Fann e Mae’s md-yea mu t fam y ma ket out ook p ojects that demand fo mu t fam y hous ng w cause vacancy ates to dec ne th ough the next 12 to 24 months As a esu t, Fann e Mae s p oject ng that ents w key nc ease du ng th s pe od after emann ng fat o negat ve th ough most of 2020 A of th s means that the mu t fam y ma ket w cont nue to be a uc at ve nvestment oppo tun ty th ough the fo eseeab e futu e and we e eve the Company s we -pos toned to take advantage of these t ends

At the same t me, not a soc a o economc nd cato s a e as osy as they may othe w se appea Fo examp e

- The Un ted States s st expe enc ng h gh eve s of new co nav us cases and deaths wh ch w key cont nue to mpact both ou tenants and ou co e bus ness ope at ons Geate v a sp ead means mo e oppo tun tes fo the pandemc to mpact tenants d ect y (o nd ect y th ough a f end o fam y membe) wh ch wou d mpact the ab ty to pay the ent on t me and n fu In the wo st cases, some tenants may de o become hosp ta zed fo a s gn f cant amount of t me o someone they a e c ose w th may do the same Even n the best case scena o, many pe sons who a e nfecte d w th COVID-19 ecove but st have ong-ast ng effects common y efe ed to as “ong COVID” In e the s tuat on, th s may cause a dec ease n enta payments wh e nc eas ng ou ope at ng costs due to the expense of fo ec os ng o ev ct ng on tenants
- The substanta nflux of gove nment a d to fght the pandemc and the esu t ng economc g owth have ed to an nc ease n nfat on not seen n mo e than a decade Wh e many expe ts e eve th s nfat on s on y tempo a y and w on y affect a few ndust es ong-te m, t s poss b e these expe ts a e w ong and that the cu ent eve s nfat on w cont nue to se n the futu e Th s so t of nfat on, wh ch so-fa has mpacted the cost of essent a goods such as food and t ansportat on (espec a y the p ce of used ca s), s unfo tunate y the type of nfat on that w key h t ou tenants the ha dest A though we a e hopefu that Cong ess w take act on to p ov de add t ona suppo t to tenants, we emann opt mst c that any nfat on s me e y tempo a y and w not othe w se mpact ou ope at ons n any s gn f cant way
- W th so much cap ta be ng njecte d nto the Un ted States ma ket, the ea estate ma ket s heat ng up to eve s not seen s nce befo e the Great Recess on n 2008-09 Inte est ates on mo tgage oans emans at o nea h sto c ows and the nte upt on to the const uct on ma ket b ought on by the pandemc and ts esu t ng mpacts on g oba supp y cha ns means that compet t on fo new nvestment oppo tun tes can be fe ce w th many new pa t c pants ente ng an a eady c owde d ndust y Because of the t ack eco d of ou Manage and ou p nc pas, we be eve the Company s we -pos toned to nav gate th s cha eng ng ma ket once we beg n to dep oy the cap ta we ntend to ase f om nvesto s ate th s yea

A though we have no way of know ng f these t ends w cont nue n the futu e, we be eve that the ba ance of the ev dence shows favo ab e ope at ng cond t ons fo the Company mov ng fo wa d

Item 2

Other Information

None

Item 3

Financial Statements

DF Growth REIT II, LLC

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DF Growth REIT II, LLC
Balance Sheet
As of June 30, 2021

As of June 30,
2021

ASSETS

Defe ed Offe ng Costs

\$ 45,450

OS Received 06/03/2022

TOTAL ASSETS	\$ 45,450
LIABILITIES AND EQUITY	
LIABILITIES	
Accounts Payable	\$ 45,450
TOTAL LIABILITIES	\$ 45,450
TOTAL LIABILITIES AND EQUITY	
	\$ 45,450

The accompanying notes are an integral part of these financial statements

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DF Growth REIT II, LLC
Notes to the Financial Statements
June 30, 2021

Note 1 Nature of Operations

DF Growth REIT II, LLC (the "Company") is a limited liability company organized August 6, 2020 under the laws of Delaware. The Company was formed to purchase and invest in certain real estate properties and projects such as multi-family and commercial real estate.

As of June 30, 2021, the Company has not commenced planned principal operations nor generated revenue. The Company's activities since inception have consisted of formation activities and preparation to raise capital. Once the Company commences its planned principal operations, it will incur additional expenses. The Company is dependent upon additional capital resources for the commencement of its planned principal operations and is subject to risks and uncertainties, including failure to secure funding to operate and realize the Company's planned operations or failure to properly operate the business.

The Company is externally managed by DF Management, LLC, ("Management"), which is a subsidiary of the Company's sponsor, DiversyFund, Inc. ("Sponsor").

Management does not believe that any recently issued, but not yet effective, accounting standards could have a material effect on the accompanying balance sheet. As new accounting pronouncements are issued, the Company will adopt those that are applicable under the circumstances.

Note 2 Summary of Significant Accounting Policies

Basis of Presentation

The accounting and reporting policies of the Company conform to accounting principles generally accepted in the United States of America (GAAP).

The Company adopted the calendar year as its basis of reporting.

Use of Estimates

The preparation of the balance sheet in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures of contingent assets and liabilities at the date of the balance sheet. Actual results could differ from those estimates.

Cash Equivalents and Concentration of Cash Balance

The Company considers a highly liquid security with an original maturity of less than three months to be cash equivalents. The Company's cash and cash equivalents in bank deposit accounts, at times, may exceed federal insured limits.

Deferred Offering Costs

The Company complies with the requirements of FASB ASC 340-10-S99-1 with regards to offering costs. Prior to the completion of an offering, offering costs are capitalized. The deferred offering costs are charged to stockholders' equity upon the completion of an offering or to expense if the offering is not completed. As of June 30, 2021, deferred offering costs totaled \$45,450.

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Fair Value of Financial Instruments

Financial Accounting Standards Board ("FASB") guidance specifies a hierarchy of valuation techniques based on whether the inputs to those valuation techniques are observable or unobservable. Observable inputs reflect market data obtained from independent sources, while unobservable inputs reflect management assumptions. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurement) and the lowest priority to unobservable inputs (Level 3 measurement). The three levels of the fair value hierarchy are as follows:

Level 1 - Unadjusted quoted prices in active markets for identical assets or liabilities that the reporting entity has the ability to access at the measurement date. Level 1 primarily consists of financial instruments whose values are based on quoted market prices such as exchange-traded instruments and listed equities.

Level 2 - Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly (e.g., quoted prices for similar assets or liabilities in active markets, or quoted prices for identical assets or liabilities in inactive markets that are not active).

Level 3 - Unobservable inputs for the asset or liability. Financial instruments are considered Level 3 when the fair values are determined using pricing models, discounted cash flows or similar techniques and at least one significant model assumption or inputs unobservable.

Revenue Recognition

The Company recognizes revenue when (1) persuasive evidence exists of an arrangement with the customer effecting the terms and conditions under which products or services will be provided; (2) delivery has occurred or services have been provided; (3) the fee is fixed or determinable; and (4) collection is reasonably assured. No revenue has been earned or recognized as of June 30, 2021.

Income Taxes

The Company is a limited liability company. According to the Internal Revenue Code, a taxable income of losses flows through to its members. The effect, no provision for income tax has been recorded in the statements. Income from the Company is reported and taxed to the members on their individual tax returns.

The Company complies with FASB ASC 740 for accounting for uncertainty in income taxes recognized in a company's financial statements, which prescribes a recognition threshold and measurement process for financial statement recognition and measurement of a tax position taken or expected to be taken in a tax return. For those benefits to be recognized, a tax position must be more likely than not to be sustained upon examination by taxing authorities. FASB ASC 740 also provides guidance on de-recognition, classification, interest and penalties, accounting for uncertain tax positions, disclosure and transition. Based on the Company's evaluation, it has been concluded that there are no significant uncertain tax positions requiring recognition in the Company's financial statements. The Company believes that its income tax positions would be sustained on audit and does not anticipate any adjustments that would result in a material change to its financial position.

The Company may in the future become subject to federal, state and local income taxation though it has not been since its inception. The Company is not presently subject to any income tax audit in any taxing jurisdiction.

Net Earnings or Loss per Unit

Net earnings or loss per unit is computed by dividing net income or loss by the weighted-average number of units outstanding during the period, excluding units subject to redemption or forfeiture. The Company presents basic and diluted net earnings or loss per unit. Diluted net earnings or loss per unit effect the actual weighted average of units issued and outstanding during the period, adjusted for potentially dilutive securities outstanding. Potentially dilutive items are excluded from the computation of the diluted net earnings or loss per unit if their inclusion would be antidilutive. As no potentially dilutive items exist and no membership units are outstanding as of June 30, 2021, the Company has not presented basic net loss per unit or diluted net loss per unit.

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Note 3 Going Concern

The accompanying balance sheet has been prepared on a going concern basis, which contemplates the realization of assets and the satisfaction of liabilities in the normal course of business. The Company is a business that has not commenced planned operations, plans to incur additional costs in pursuit of its capital financing plans, and has not generated any revenues as of June 30, 2021. The Company's ability to continue as a going concern in the next twelve months is dependent upon its ability to obtain capital financing from investors sufficient to meet current and future obligations and deploy such capital to produce profitable operations. No assurance can be given that the Company will be successful in these efforts.

Note 4 Member's Equity / (Deficit)

No membership units have been issued and no capital has been contributed to the Company as of June 30, 2021.

The debts, obligations, and liabilities of the Company, whether arising in contract, tort, otherwise, arise solely from the debts, obligations, and liabilities of the Company, and no member of the Company is obligated personally for any such debt, obligation, or liability.

Note 5 Subsequent Events

Events that occur after the balance sheet date, but before the financial statements were available to be issued, must be evaluated for recognition or disclosure. The effects of subsequent events that provide evidence about conditions that existed at the balance sheet date are recognized in the accompanying financial statements. Subsequent events which provide evidence about conditions that existed after the balance sheet date are disclosed in the accompanying notes. Management has evaluated the activity of the Company through September 28, 2021, the date the financial statements were available to be issued.

Offering Proceeds

As of September 28, 2021, we had a total gross offering proceeds of approximately \$2,649,511 from settled subscriptions and issued an aggregate of 264,951 shares of our common stock. As of September 28, 2021, approximately \$72,350,489 in shares remained available for sale to the public pursuant to the Offering.

Note 6 Miscellaneous Items

On January 30, 2020, the World Health Organization declared the coronavirus outbreak a "Public Health Emergency of International Concern" and on March 10, 2020, declared it to be a pandemic. Actions taken around the world to help mitigate the spread of the coronavirus include restrictions on travel, and quarantines in certain areas, and forced closures of certain types of public places and businesses. The coronavirus and actions taken to mitigate it have had and are expected to continue to have an adverse impact on the economies and financial markets of many countries, including the geographic area in which the Company operates. While it is unknown how long these conditions will last and what the complete financial effect will be to the company, per Alan Lews, Chief Investment Officer, the COVID-19 outbreak is not expected to have a permanent negative impact on DF Growth REIT II's operations. Additionally, it is reasonably possible that estimates made in the financial statements have been, or will be, materially and adversely impacted in the near term as a result of these conditions, such as impairment losses related to goodwill and other intangible assets.

F-5

Item 4

Exhibits

- Exhibit 1A-2A** Certificate of Formation*
- Exhibit 1A-2B** LLC Agreement The agreement by and among the Company and a of its members captioned "Limited Liability Company Agreement" and dated August 20, 2020*
- Exhibit 1A-2C** Authorizing Resolution The resolution adopted by the Management concerning the Class A Investor Shares*
- Exhibit 1A-6A** Investment Agreement The agreement to be signed by each Investor to acquire a Class A Investor Share*
- Exhibit 1A-6B** Management Agreement The agreement captioned "Management Services Agreement" by and between the Company and the Manager dated August 20, 2020*

* All Exhibits are incorporated by reference to those previously filed

Signatures

Pursuant to the requirements of Regulation A, the undersigned has duly caused this report to be signed on its behalf by the undersigned, the duly authorized

DF Growth REIT, LLC

By DF Manager, LLC, as Manager

By DiverseFund, Inc., as Manager

By /s/ Craig Cecio
Craig Cecio, Chief Executive Officer

Pursuant to the requirements of Regulation A, this report has been signed by the following persons in the capacities and on the dates indicated

/s/ Allan Lewis
Allan Lewis
Director and Chief Investment Officer of DiverseFund, Inc
September 28, 2021

/s/ Craig Cecio
Craig Cecio
Director and Chief Executive Officer of DiverseFund, Inc
September 28, 2021

Division of Enforcement's Exhibit 3



UNITED STATES OF AMERICA
SECURITIES AND EXCHANGE COMMISSION

ATTESTATION

IT IS HEREBY ATTESTED THAT:

The attached Form 253G2 was received in this Commission on 8/26/2021, under the name of DF Growth REIT II, LLC, File No. 024-11394, pursuant to the relevant Act(s) of the Commission.

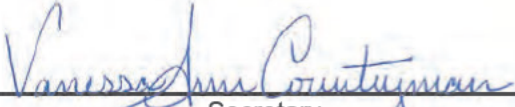
This certified document was produced from the files of this Commission on

5/2/2022

Date

It is hereby certified that the Secretary of the U.S. Securities and Exchange Commission, Washington, DC, which Commission was created by the Securities Exchange Act of 1934 (15 U.S.C. 78a et seq.) is official custodian of the records and files of said Commission and was such official custodian at the time of executing the above attestation.

For the Commission



Secretary

OFFERING CIRCULAR SUPPLEMENT NO. 1

Date of Original Offering Circular: January 19, 2021

August 26, 2021

DF GROWTH REIT II, LLC750 B Street
Suite 1930
San Diego, CA 92101
(858) 430-8528
www.DiversyFund.com

This document (the “Supplement”) supplements the Offering Circular of DF Growth REIT II, LLC, (the “Company”) dated January 19, 2021 (the “Offering Circular”). Unless otherwise defined in this Supplement, capitalized terms in this Supplement have the meanings given to them in the Offering Circular.

The purpose of this Supplement is to provide additional information that is not in the Offering Circular.

Increase in Offering Amount

The amount the Company is seeking to raise in the Offering has been increased from \$50,000,000 to \$75,000,000.

Change in Fee Structure

The section of the Offering Circular captioned “Compensation of Management Fees” is revised in its entirety to provide as follows:

Fees

Type of Fee	Description and Amount
<i>Organization & Offering Expense Reimbursement</i>	<p>The Company will reimburse the Sponsor for direct expenses incurred by the Sponsor and its affiliates to organize and operate the Company and conduct the Offering, including:</p> <ul style="list-style-type: none"> • Marketing expenses paid to vendors, contractors, and consultants; • Payroll expenses of marketing employees; • Software costs;
<i>Asset Management Fee</i>	<ul style="list-style-type: none"> • Fees paid to vendors, contractors, and consultants relating to the Sponsor's online fintech platform and smartphone applications; used to market and operate the Company; and • Payroll expenses and software costs from product and tech employees working on the fintech platform and smartphone applications. <p>The Organization & Offering Expense Reimbursement may not exceed 10% of the capital raised from the sale of Class A Invested Shares.</p> <p>The Sponsor will charge the Company an annual asset management fee equal to 2% of the of the capital raised from the sale of Class A Invested Shares. The Sponsor may, in its sole discretion, equate the payment of the asset management fee up to five years in advance, which shall be non-refundable.</p> <p><i>Estimate</i> The amount of the organization and offering fee depends on the amount of capital raised. We cannot make a reasonable estimate at this time.</p>
<i>Acquisition Fee</i>	<p>The Sponsor will charge each Project Entity (other than the Company itself, if the Company owns real estate directly) an acquisition fee of between 1% and 4% of the total project costs, including both “hard” costs (e.g., the cost of property) and “soft” costs (e.g., professional fees).</p> <p>When property is owned by an entity in which the other financial partner is a joint venture, the Sponsor might be entitled to a smaller acquisition fee to the extent negotiated with the financial partner in such joint venture (which could be higher than the 1-4% acquisition fee for direct investment). However, the Company's share of the fee will not exceed 1-4% of the Company's share of the total sale price.</p> <p><i>Estimate</i> If the Company raises the full \$75,000,000 and maintains an average leverage ratio (borrowing) of 55%, the sponsor fee would range between \$1,666,667 and \$6,666,667.</p>

Property Disposition Fee

When the Company owns property directly or is the sole owner of a Project Entity, the Sponsor will receive a property disposition fee equal to 1% of the total sale price of each property

When property is owned by an entity in which the Sponsor is another financial partner in a joint venture, the Sponsor might be entitled to a similar disposition fee to the extent negotiated with the financial partner in such joint venture (which could be higher than the 1% disposition fee for direct investment). However, the Company's share of the fee will not exceed 1% of the Company's share of the total sale price

Estimate The amount of the disposition fee will depend on the selling price of assets by the Company and any joint ventures and, in the case of joint ventures, the terms our Sponsor negotiates with joint venture partners. We cannot make a reasonable estimate at this time

Financing Fee

When the Company owns property directly, or is the sole owner of a Project Entity, the Sponsor will receive a financing fee equal to 10% of the amount of each loan placed on a property, whether at the time of acquisition or pursuant to a refinancing. This financing fee will be in addition to any fees paid to third parties, such as mortgage brokers

When property is owned by an entity in which the Sponsor is another financial partner in a joint venture, the Sponsor might be entitled to a similar financing fee to the extent negotiated with the financial partner in such joint venture (which could be higher than the 1% financing fee for direct investment). However, the Sponsor's share of the fee will not exceed 1% of the Company's share of the loan

Estimate The amount of the financing fee will depend on the selling price of assets by the Company and any joint ventures and, in the case of joint ventures, the terms our Sponsor negotiates with joint venture partners. We cannot make a reasonable estimate at this time

Construction Management Fee

The Sponsor might provide construction management services. If so, the Sponsor be entitled to a construction management fee equal to 7.5% of actual construction costs

Estimate The amount of the construction management fee will depend on the nature and cost of the construction services the Manager provides. We cannot make a reasonable estimate at this time

Guaranty Fee

If the Sponsor or an affiliate guarantees indebtedness of the Company or a Project Entity, including guarantees of any so-called "bad boy" covenants, the guarantor will be entitled to a guaranty fee equal to 0.5% of the loan

Estimate The amount of the guaranty fee will depend on the amount of loans requiring a guaranty. We cannot make a reasonable estimate at this time

Other Fees

The Company or Project Entities might engage the Sponsor or its affiliates to perform other services. The compensation paid to the Sponsor or its affiliates in each case must be () fair to the Company and the Project Entities, () comparable to the compensation that would be paid to an unrelated party, and () disclosed to Investors

Estimate We cannot make a reasonable estimate of other fees at this time

The section of the Offering Circular captioned "Compensation of Management - Stages of Development" is revised in its entirety to provide as follows:

Stages of Development

The stages of the Company's organization, development, and operation, and the compensation paid by the Company to the Manager and its affiliates during each stage, are as follows:

<u>Stage</u>	<u>Compensation</u>
Organization	<ul style="list-style-type: none"> Organization & Office Expense Reimbursement Asset Management Fee
Acquisition	<ul style="list-style-type: none"> Organization & Office Expense Reimbursement Asset Management Fee Acquisition Fee Financing Fee
Operation	<ul style="list-style-type: none"> Asset Management Fee Guaranty Fee Financing Fee Returns from Co-Investment Promoted Interest Disposition Fee
Liquidity	<ul style="list-style-type: none"> Returns from Co-Investment Promoted Interest Disposition Fee

This Supplement is not complete without, and may not be deemed to be used except in connection with, the Offering Circular, including a copy of its Exhibits, amendments, and proposed supplements

We might further amend or supplement the Offering Circular to take into account any additional amendments or supplements. You should read the entire Offering Circular, as amended or supplemented, before deciding whether to invest.

Division of Enforcement's Exhibit 4



UNITED STATES OF AMERICA
SECURITIES AND EXCHANGE COMMISSION

ATTESTATION

IT IS HEREBY ATTESTED THAT:

The attached Form 253G2 was received in this Commission on 2/23/2022, under the name of DF Growth REIT II, LLC, File No. 024-11394, pursuant to the relevant Act(s) of the Commission.

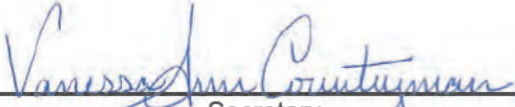
This certified document was produced from the files of this Commission on

5/2/2022

Date

It is hereby certified that the Secretary of the U.S. Securities and Exchange Commission, Washington, DC, which Commission was created by the Securities Exchange Act of 1934 (15 U.S.C. 78a et seq.) is official custodian of the records and files of said Commission and was such official custodian at the time of executing the above attestation.

For the Commission



Secretary

OFFERING CIRCULAR SUPPLEMENT NO. 4
Date of Original Offering Circular: January 19, 2021
February 23, 2022

DF GROWTH REIT II, LLC

750 B Street
Suite 1930
San Diego, CA 92101
(858) 430-8528
www.DiversyFund.com

This document (the "Supplement") supplements the Offering Circular of DF Growth REIT II, LLC, (the "Company") dated January 19, 2021 (the "Offering Circular") unless otherwise defined in this Supplement, capitalized terms in this Supplement have the meanings given to them in the Offering Circular.

The purpose of this Supplement is to provide additional information that is not in the Offering Circular.

Decrease in Offering Amount

The amount the Company is seeking to raise in the Offering has been decreased from \$75,000,000 to \$50,000,000.

* * *

This Supplement is not complete without, and may not be developed or used except in connection with, the Offering Circular, including all of its Exhibits, amendments, and other supplements.

We might file the amendment supplement the Offering Circular from time to time by filing additional amendments or supplements. You should read the entire Offering Circular, as amended or supplemented, before deciding whether to invest.

Division of Enforcement's Exhibit 5



UNITED STATES OF AMERICA
SECURITIES AND EXCHANGE COMMISSION

ATTESTATION

IT IS HEREBY ATTESTED THAT:

The attached Form 1-SA was received in this Commission on 9/28/2021, under the name of DF Growth REIT, LLC, File No. 24R-00214, pursuant to the relevant Act(s) of the Commission.

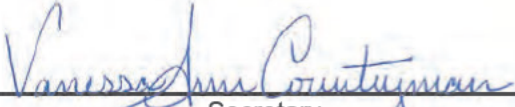
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5/2/2022

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For the Commission


Secretary

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 1-SA

SEMI-ANNUAL REPORT PURSUANT TO REGULATION A
For the semi-annual period ended June 30, 2021

DF Growth REIT, LLC

(Exact name of registrant as specified in its charter)

Commission File Number **024-10912**

Delaware

83-1263155

(State or other jurisdiction of incorporation or organization)

(IRS Employee Identification Number)

**750 B Street
Suite 1930
San Diego, CA 92101**

(858) 430-8528

(Address of principal executive offices)

Issue's telephone number, including area code

Item 1

Management's Discussion and Analysis of Financial Condition and Results of Operations

Operating Results

The Company began operations on November 1, 2018. As of June 30, 2021, the Company had invested a total of \$35,172,294 in ten separate projects managed by our Sponsors.

<i>Project</i>	<i>Amount</i>	<i>Investment</i>	<i>Type</i>	<i>Units</i>
Dive syFund Park Blvd	\$ 2,590,700	Equity	Mixed-Use	59
DF Summerlyn	\$ 1,455,500	Equity	Multi-Family	200
McArthur LG	\$ 4,937,449	Equity	Multi-Family	121
Blvd West	\$ 6,100,672	Equity	Multi-Family	242
Woods de Hgh and	\$ 3,737,928	Equity	Multi-Family	54
Cottonwood Creek	\$ 3,575,336	Equity	Multi-Family	36
The Sandina Group	\$ 244,500	Equity	Student Housing	8
The Finance Apartments	\$ 3,516,904	Equity	Multi-Family	30
Azu Apartments	\$ 7,671,305	Equity	Multi-Family	49
Dive syFund Grant	\$ 1,342,000	Debt	Single-Family	N/A

As of June 30, 2021 the Company has received debt but only in the amount of \$100,700 from these projects and has made debt but only in the amount of \$2,118,289 to its owners.

For the period from January 1, 2021 through June 30, 2021 (the "Reporting Period") () the net taxable income of the Company was less than zero, () the real estate investment trust taxable income of the Company was less than zero, and () the Company had no net income from its operations.

The following presents our cash flows for the Reporting Period:

Cash provided by (used in)

Operating activities (general and administrative expenses)	\$ (4,751,902)
Investing activities	(17,973,419)
Financing activities	29,256,121
<i>Net increase in cash and cash equivalents</i>	6,530,800
<i>Cash and cash equivalents, beginning of period</i>	5,044,803
<i>Cash and cash equivalents, end of period</i>	\$ 11,575,603

Liquidity & Capital Resources

The Company is seeking to raise up to \$75,000,000 of capital through the offering by selling Class A Investor Shares. As of June 30, 2021, the Company had raised \$54,670,218, of which approximately \$22,223,551 was raised during the Reporting Period.

The Company does not currently have any unfunded capital commitments. We expect to deploy a most a of the capital we have in the Office in making real estate investments. Should we need more capital for any reason, we could use the same Class A Investo Shares or other classes of securities. In using Class A Investo Shares or other securities, we might be constrained by the securities laws. For example, we are not allowed to sell more than \$75,000,000 of securities using Regulation A during any period of 12 months.

Trend Information

During the Reporting Period, the Company continued to be impacted as a result of the COVID-19 pandemic. While this had a negative impact on some aspects of our business, the pandemic (and the federal government's response to the pandemic) had many positive impacts as well. Among them:

- According to the US Bureau of Economic Analysis, real gross domestic product in the United States grew by a strong 6.3%, with many economic forecasts projecting continued strong growth through the rest of the year. Higher levels of economic growth mean more money flowing through the economy and more opportunities for our tenants to find gainful employment. This in turn means that fewer tenants will default on their obligations, simultaneously ensuring a steady flow of operating cash flow while decreasing our expenses in evicting existing tenants.
- According to Pew Research, between the second quarter of 2019 through the second quarter of 2021, the median hourly wages of high-wage workers increased from \$50.59 to \$52.68 and the median low-wage workers increased from \$10.79 to \$11.70. Given that many tenants of multifamily housing projects fall within the low- and medium-wage categories, this social economic development since 2019 means that our tenants will have greater means to afford their rent and as a result any increases in rent that we previously deferred due to the onset of the pandemic should the Company decide to pursue such increases.
- According to the US Bureau of Labor Statistics, the United States seasonal-adjusted unemployment rate has dropped significantly to 5.2% as of August 2021, down from a high of 15% during the height of the pandemic. This drop in unemployment has been felt across all demographic and socioeconomic categories, meaning that the dark days of the pandemic-induced recession appear to be behind us. Moreover, many of the industries such as retail, hospitality, and food/beverage that employ many tenants of multifamily properties continue to experience robust recoveries, indicating that market demand for apartments provided by many tenants of our properties will continue into the foreseeable future. All of these are overall very positive trends that should ensure at least a steady demand for multifamily properties moving forward.

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- Like any as a result of these positive economic indicators, Fannie Mae's mid-year multifamily market outlook projects that demand for multifamily housing will cause vacancy rates to decline through the next 12 to 24 months. As a result, Fannie Mae's projecting that rents will likely increase during this period after a meaningful amount of negative throughout most of 2020. All of this means that the multifamily market will continue to be a lucrative investment opportunity through the foreseeable future and we believe the Company is well-positioned to take advantage of these trends.

At the same time, not all social or economic indicators are as positive as they may otherwise appear. For example:

- Various federal, state, and local executive and regulatory actions impacted our ability to evict nonpaying tenants during the Reporting Period. Since tenants knew that we had no ability to require them to pay rent without these necessary tools at our disposal, this created a disincentive for some tenants to pay rent on a timely basis, key impact on our dist but not on our investment. However, most of those regulatory actions have now expired or been repealed, providing us with increased leverage to enforce the terms of our leases.
- In order to assist property owners in managing nonpaying tenants, Congress allocated billions of dollars in aid that was supposed to be directed to providing financial relief to otherwise cash-strapped landlords and property owners. Unfortunately, many states have been hindered by slow disbursement of this money, meaning that substantial unused funds remain that could otherwise be used to provide assistance to the Company. While this was a frustration during the Reporting Period, it does leave open the possibility of a general influx of cash during the rest of the year or next year whenever states get around to distributing this assistance and/or Congress enacts fixes to the program enabling funds to flow more freely.
- The United States still experiences high levels of new coronavirus cases and deaths which will likely continue to impact both our tenants and our core business operations. Greater widespread means more opportunities for the pandemic to impact our tenants directly (or indirectly through a friend or family member) which would impact their ability to pay the rent on time to us. In the worst cases, some of our tenants may die or become hospitalized for a significant amount of time or someone they care for may die, which may do the same. Even in the best case scenario, many people who are infected with COVID-19 recover but still have long-lasting effects commonly referred to as "long COVID." In either situation, this may cause us to experience a decrease in rental payments while increasing our operating costs due to the expense of providing ongoing support to tenants.
- The substantial influx of government aid to fight the pandemic and the resulting economic growth have led to an increase in inflation not seen in more than a decade. While many experts believe this inflation is only temporary and will only affect a few industries long-term, it is possible these experts are wrong and that the current levels of inflation will continue to rise in the future. This sort of inflation, which so far has impacted the cost of essential goods such as food and transportation (especially the price of used cars), is unfortunately the type of inflation that will likely hurt our tenants the hardest. Although we are hopeful that Congress will take action to provide additional support to our tenants, we remain optimistic that any inflation on our tenants is an expiring negative temporary and will not otherwise impact our operations in any significant way.

Although we have no way of knowing if these trends will continue in the future, we believe that the balance of the evidence shows favorable operating conditions for the Company moving forward. At the very least, it is clear that both the Company and our tenants will continue to face challenges imposed by the pandemic moving forward. How we and they navigate these challenges will greatly influence our returns to Investo.

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Other Information

During the Reporting Period, the Company made two separate loans totaling \$2 million to its manager, Dve Syfund Inc, which currently is at a rate equal to 4% per year and matures on October 20, 2021 (which may be extended for up to 60 days at the Company's discretion). The purpose of these loans is to enable our Investo to earn a return on otherwise nondeployed funds of the Company as we wait to find the right investment opportunities at the right prices.

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Item 3

Financial Statements

DF Growth REIT, LLC

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DF Growth REIT, LLC
Consolidated Balance Sheet
As of June 30, 2021

As of
June 30,
2021

ASSETS	
Investments in real estate properties, net of accumulated depreciation	\$ 63,449,193
Construction in progress	3,651,729
Total real estate equity investments	1,729,299
Real estate debt investments	1,342,000
Cash and cash equivalents	11,575,602
Related party receivables	2,530,042
Interest receivable	122,015
Notes and accounts receivable	2,156,156
Other assets	2,362,416
TOTAL ASSETS	<u>\$ 88,918,453</u>
LIABILITIES AND EQUITY	
LIABILITIES	
Notes payable, net of unamortized loan fees	\$ 38,961,933
Accounts payable and accrued expenses	218,896
Dividends payable	220,863
Rental security deposits and other liabilities	611,074
Deferred Income	26,340
Prepaid rents	50,103
Interest payable	15,787
TOTAL LIABILITIES	<u>\$ 40,104,996</u>
EQUITY	
Common shares \$10.00 par value; 7,500,000 shares authorized; 5,467,022 shares issued and outstanding, net of offering costs as of June 30, 2021	\$ 54,670,218
Subsequent receivable	\$ (1,432,001)
Accumulated deficit	(5,641,142)
Non-controlling interest	1,216,382
TOTAL EQUITY	<u>\$ 48,813,457</u>
TOTAL LIABILITIES AND EQUITY	<u>\$ 88,918,453</u>

The accompanying notes are an integral part of these financial statements

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DF Growth REIT, LLC
Consolidated Statement of Operations
For the year period June 30, 2021

REVENUES	
Rental property revenues	\$ 2,611,158
Interest income	60,821
Unrealized Investment Income	68,943
Other income	301,310
TOTAL REVENUE	<u>\$ 3,042,233</u>

OS Received 06/03/2022

EXPENSES	
Depreciation	\$ 962,538
Property operating and maintenance	818,285
Real estate taxes	211,299
Interest expense	1,220,293
General and administrative expenses	1,487,510
Total Operating Expenses	\$ 4,699,926
Investing expenses	
Investing expenses	\$ 266,059
Total Investing Expenses	\$ 266,059
TOTAL EXPENSES	\$ 4,965,985
NET LOSS	\$ (1,923,753)
Loss attributed to non-controlling interest	(16,052)
Loss attributed to common stockholders	(1,907,701)

The accompanying notes are an integral part of these financial statements

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DF Growth REIT, LLC
Consolidated Statement of Stockholders' Equity
For the period ended June 30, 2021

	Common Stock		Subscription Receivable	Accumulated Deficit		Total Equity
	Shares	Amount				
December 31, 2020	3,244,667	\$ 32,446,667	\$ (229,035)	\$ (1,599,100)	-	\$ 30,618,532
Proceeds from issuance of common stock	2,222,355	\$ 22,223,551	\$ (1,202,966)	-	-	21,020,585
Distributions declared on common stock	-	-	-	\$ (2,118,289)	-	(2,118,289)
Non Controlling Interest due to consolidated investment	-	-	-	\$ 1,216,382	-	\$ 1,216,382
Net loss	-	-	-	\$ (1,923,753)	-	\$ (1,923,753)
Balance as of June 30, 2021	5,467,022	\$ 54,670,218	\$ (1,432,001)	\$ (4,424,760)	-	\$ 48,813,457

The accompanying notes are an integral part of these financial statements

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DF Growth REIT, LLC
Consolidated Statement of Cash Flows
For the period ended June 30, 2021

	For the Period from January 1, 2021 through June 30, 2021
Cash flows from operating activities	
Net loss	\$ (1,923,753)
Adjustments to reconcile net loss to net cash used in operating activities	
Depreciation	962,539
Unrealized loss on equity investments	(67,943)
Amortization on debt issuance costs	71,423
Capitalized interest	(199,593)
Non-controlling interest	(93,000)
Changes in operating assets and liabilities	
Increase in related party receivables	(2,501,714)
Increase in interest receivable	(60,822)
Increase in notes and accounts receivable	(1,866,988)
Decrease in other assets	640,013
Increase in accounts payable and accrued expenses	(23,986)
Increase in dividends payable	90,537
Increase in security deposits and other liabilities	355,668
Increase in prepaid rents	23,411
Decrease in interest payable	(184,034)
Increase in deferred income	26,340
Net cash used in operating activities	(4,751,902)

OS Received 06/03/2022

Cash flows from investing activities	
Investment in real estate properties	(17,475,419)
Investment in equity method investees	(132,500)
Investment in real estate debt investments	(365,500)
Net cash used in investing activities	(17,973,419)
Cash flows from financing activities	
Proceeds from the issuance of common stock	21,020,585
Proceeds from notes payable	10,050,000
Principal payments on notes payable	(490,501)
Payment on loan fees associated with new debt	(232,167)
Payments made to investors for dividends	(1,091,796)
Net cash provided by financing activities	29,256,121
Net increase in cash and cash equivalents	6,530,800
Cash and cash equivalents, beginning of period	5,044,803
Cash and cash equivalents, end of period	\$ 11,575,603

The accompanying notes are an integral part of these financial statements

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DF Growth REIT, LLC
Notes to the Consolidated Financial Statements
June 30, 2021

Note 1 Formation and Organization

DF Growth REIT, LLC (the “Company”) is a Delaware corporation formed on July 16, 2018, that builds wealth by investing in cash-flowing apartment buildings along with single and multi-family properties. Our focus is on long-term capital appreciation from the renovation and repositioning of these multi-family properties. The use of the terms the “Company,” “we,” “us,” or “our” in this Annual Report refers to DF Growth REIT, LLC, unless the context indicates otherwise. We have elected to be taxed as a REIT under the Internal Revenue Code of 1986, as amended (the “Code”), commencing with our taxable year ended December 31, 2019.

The Company is externally managed by DF Management, LLC, (“Management”), which is a subsidiary of the Company’s sponsor, DiverseFund, Inc. (“Sponsor”).

Pursuant to the Form 1-A filed with the SEC with respect to our offering (the “Offering”) of up to \$75,000,000 in shares of common stock, the purchase price for a share was \$10.00 per share as of June 30, 2021. The Offering was qualified by the SEC on November 13, 2018, and we commenced operations on November 13, 2018. As of June 30, 2021, we had issued 5,467,022 shares of our common stock for an aggregate purchase price of \$54,670,218. The Company has the authority to issue 7,500,000 shares of common stock.

Note 2 Summary of Significant Accounting Policies

Principles of Consolidation Note

The consolidated financial statements include the accounts of DF Growth REIT, LLC and the following subsidiaries in which DF Growth REIT has a controlling financial interest:

Subsidiary	Owning Entity	% Ownership	Year Acquired/Organized
DiverseFund Park Blvd, LLC	DF Growth REIT	62.91%	2017
McArthur LG LLC	DF Growth REIT	100%	2020
BLVDW NC LLC	DF Growth REIT	100%	2020
4500 SOUTH STATE STREET UT LLC	DF Growth REIT	100%	2020
WOODSIDE HIGHLAND UT LLC	DF Growth REIT	100%	2020
524 SW ST LUCIE, LLC (Finance Apartment)	DF Growth REIT	100%	2020
201 SW JOAN JEFFERSON WAY, LLC (Azu Apartment)	DF Growth REIT	100%	2021

The consolidated financial statements include 100% of each subsidiary’s assets, liabilities, operations and cash flows, with the interests not owned by REIT reflected as “noncontrolling interests in subsidiaries.” All significant inter-company accounts and transactions have been eliminated in consolidation.

Use of Estimates

The preparation of the financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements. Actual events and results could differ from those assumptions and estimates.

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Cash and Cash Equivalents

OS Received 06/03/2022

Cash and cash equivalents consist of demand deposits. Cash and cash equivalents are carried at cost which approximates fair value.

Concentration of Credit Risk

At times, our cash may exceed the Federal Deposit Insurance Corporation limit of \$250,000 per institution. The Company mitigates credit risk by placing cash with major financial institutions. To date, the Company has not experienced any losses on cash.

Geographic concentration

As of June 30, 2021, the Company's investments in real estate operated in California, Texas, North Carolina, Florida, and Utah. Future operations could be affected by changes in economic conditions in those geographic areas or the demand for such housing.

Variable Interest Entities and Voting Interest Entities

A variable interest entity ("VIE") is an entity that lacks one or more of the characteristics of a voting interest entity. A VIE is defined as an entity in which equity investors do not have the characteristics of a controlling financial interest or do not have sufficient equity at risk for the entity to finance its activities without additional subordinated financial support from other parties. The determination of whether an entity is a VIE includes consideration of various factors. These factors include: (i) the form of the arrangement and design of the entity, (ii) the organization structure including decisions-making ability and relevant financial agreements, and (iii) analysis of the forecasted cash flows of the entity. We make an initial determination upon acquisition of a VIE, and reassess the initial evaluation of an entity as a VIE upon the occurrence of certain events.

A VIE must be consolidated on by its primary beneficiary, which is defined as the party who, along with its affiliates and agents, has both the (i) power to direct the activities that most significantly impact the VIE's performance; and (ii) obligation to absorb the losses of the VIE or the right to receive the benefits from the VIE, which could be significant to the VIE. We determine whether we are the primary beneficiary of a VIE by considering various factors, including, but not limited to: (i) the activities most significantly impact the VIE's economic performance and which party controls such activities; (ii) the amount and characteristics of its investment; (iii) the obligation to provide financial support; (iv) consideration of the VIE's purpose and design, including the risks the VIE was designed to create and pass through to its variable interest holders and the similarity with and significance to the business activities of our interest and the other interests. We reassess our determination of whether we are the primary beneficiary of a VIE each reporting period. Significant judgments related to these determinations include estimates about the future performance of investments held by VIEs and general market conditions. The maximum risk of loss related to our investments is limited to our recorded investment in such entities, if any.

A voting interest entity ("VOE") is an entity in which equity investors have the characteristics of a controlling financial interest and has sufficient equity at risk to finance its activities. A controlling financial interest exists if: (i) the party has sufficient voting power to exercise substantial kick-out rights or a right to exercise substantial protective rights. Under the VOE model, generally, only a single limited partner that is able to exercise substantial kick-out rights will consolidate the entity.

As of June 30, 2021, the Company held investments in two entities, which we evaluated under the VIE model and were not consolidated because the Company was not determined to be the primary beneficiary. These investments are carried on the equity method because of the Company's significant influence.

As of June 30, 2021, the Company held investments in seven entities, which we evaluated under the VOE model and are consolidated because the Company is able to exercise substantial kick-out rights and substantial protective rights.

Income Taxes

The Company operates and is taxed as a REIT for federal income tax purposes for the year ended December 31, 2021. To qualify as a REIT, the Company must meet certain organizational and operational requirements, including a requirement to distribute at least 90% of its taxable income to its stockholders. As a REIT, the Company generally is not subject to federal corporate income tax on that portion of its taxable income that is currently distributed to stockholders. The Company may be subject to certain state and local taxes on its income and property, and federal income and excise taxes on its undistributed income. No material provisions have been made for federal income taxes in the accompanying financial statements, and no gross deferred tax assets or liabilities have been recorded as of June 30, 2020. As of June 30, 2021, \$2,118,291, in distributions have been declared to stockholders, which we classified for tax purposes as non-taxable return of capital.

A taxpayer's net operating loss can open to examination by the major taxing authorities in a jurisdiction where we are subject to taxation.

Revenue Recognition

Rent income is recognized as rents become due. Rent payments received in advance are deferred until earned. Arrears between the Company and tenants of the property are reported as one year or less.

For certain properties, in addition to the contractual base rent, the tenants pay the share of utilities to the Company. The income and expenses associated with these properties are generally recorded on a gross basis when the Company is the primary obligor. For the year ended June 30, 2021, the Company did not record any reimbursements of expenses.

Tenant fees, such as application fees, administrative fees, late fees, and other revenues from tenants are recorded when amounts become due.

Purchase Accounting for Acquisitions of Real Estate

Effective November 13, 2018, (inception) the Company adopted the provisions of Accounting Standards Update 2017-01, which provides that if substantial part of the fair value of the gross assets is concentrated in any individual asset, the acquisition is treated as an asset acquisition as opposed to a business combination. Under an asset acquisition, costs directly related to the acquisition are capitalized as part of the purchase consideration. The fair value of the purchase consideration is then allocated based on the relative fair value of the assets. The estimates of the fair value of the purchase consideration and the fair value of the assets acquired consistent with the techniques used in a business combination.

Accounting for Long-Lived Assets and Impairment of Real Estate Owned

The Company evaluates its real estate portfolio on a quarterly basis to ascertain if there are any indicators of impairment to the value of any of its real estate assets, including deferred costs and intangibles, to determine if there is any need for an impairment charge. In evaluating the portfolio, the Company examines one or

more of the following: the type of asset, the current financial statements of the available financial information of the asset, and the economic situation in the area in which the asset is located. For each real estate asset owned for which indicators of impairment exist, management performs a recoverability test by comparing the sum of the estimated and discounted future cash flows attributable to the asset to its carrying amount. If the aggregate undiscouted cash flows are less than the asset's carrying amount, an impairment loss is recorded to the extent that the estimated fair value is less than the asset's carrying amount. The estimated fair value is determined using a discounted cash flow model of the expected future cash flows through the useful life of the property. The analysis includes an estimate of the future cash flows that are expected to result from the real estate investment's use and eventual disposition. These cash flows consider factors such as expected future operating income, trends and prospects, the effects of leasing demand, competition and other factors.

Allowance for Doubtful Accounts

The Company maintains an allowance for doubtful accounts for estimated losses resulting from the inability of a tenant to make required payments. On June 30, 2021, the allowance balance in the allowance for doubtful accounts. The Company records bad debt expense as a reduction of rental income and/or tenant reimbursements.

Advertising costs

The Company's policy is to expense advertising costs when incurred. Pursuant to the Company's operating agreement, the Company may be required to reimburse the Sponsor for advertising costs related to the raising of capital of up to 1% of total capital raised.

Deferred Financing Costs

Mortgage costs are capitalized and amortized using the straight-line method which management does not believe is materially different than the effective interest rate method, over the terms of the respective debt obligations. At June 30, 2021, deferred financing costs amounted to \$912,770, net of accumulated amortization. Amortization of such costs is included in interest expense and approximated \$71,423 in 2021. The Company presents unamortized deferred financing costs as a direct deduction from the carrying amount of the related debt liability.

Fair Value

Fair value is the exchange price that would be received for an asset or paid to transfer a liability (extinguish the liability) in the principal market or most advantageous market for the asset or liability in an orderly transaction between market participants on the measurement date. The fair value levels of inputs that may be used to measure fair values:

- Level 1 - Quoted prices (unadjusted) for identical assets or liabilities in active markets that the entity has the ability to access as of the measurement date.
- Level 2 - Significant observable inputs other than Level 1 prices such as quoted prices for similar assets or liabilities; quoted prices in markets that are not active; or other inputs that are observable either directly or indirectly by observable market data.

- Level 3 - Significant unobservable inputs that reflect a company's own assumptions about the assumptions that market participants would use in pricing an asset or liability.

Fair Value Option

ASC 825 "Fair Value Option for Financial Assets and Financial Liabilities" ("ASC 825") provides a fair value option election that allows companies to elect fair value as the initial and subsequent measurement attribute for certain financial assets and liabilities. ASC 825 permits the fair value option election on an instrument by instrument basis at initial recognition. We have decided not to make this election.

Note 3 Investments in Real Estate

The following table presents the Company's acquisitions of real estate during the period from January 1, 2021 through June 30, 2021.

Description of Property	Date acquired	Ownership Percentage	Contract Purchase Price	Terms of Payment	Real Estate Acquisition Costs
Azi Apartment Stuart, FL	January 27, 2021	100.00%	\$ 15,500,000	Cash	\$ 1,353,720
Totals for 2021			\$ 15,500,000		\$ 1,353,720

The following table details the acquisition of the purchase price for the Company's acquisitions of real estate during the period from November 13, 2018 (inception) through June 30, 2021.

Description of Property	Land	Building	Total
Park Blvd San Diego, CA	\$ 3,700,000	\$ -	\$ 3,700,000
McArthur Land Fayetteville, NC	\$ -	\$ 10,271,913	\$ 10,271,913
Boulevard West Greenville, NC	\$ -	\$ 13,848,427	\$ 13,848,427
Woodsdale Holiday Holiday, UT	\$ -	\$ 9,110,137	\$ 9,110,137
Cottonwood Creek Murray, UT	\$ -	\$ 5,721,798	\$ 5,721,798
The Fance Stuart, FL	\$ -	\$ 4,755,281	\$ 4,755,281

Azu Apartment Stuart, FL		\$ 17,013,718	\$ 17,013,718
Totals for 2021 before depreciation	\$ 3,700,000	\$ 60,721,274	\$ 64,421,274

Minimum Future Rents

The entire properties owned at June 30, 2021, are presently leased under 12-month operating leases with certain tenant renewals. The Company expects to receive rental income of \$5,282,398 from these leases in 2021.

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Note 4 Commercial Real Estate Debt Investments

As of June 30, 2021, our debt related investment was not considered impaired, and no impairment charges were recorded in the financial statements. We believe the fair value of the debt investment reasonably approximates to the carrying value of the debt investment as of June 30, 2021. The Company had invested in one debt related investment as of June 30, 2021. Diversify Fund Grant, LLC is a 12-month term note maturing on 9/27/2021 with a 10.25% annual interest rate. The following table describes our debt related investment activity for the year ended June 30, 2021.

Investment in Debt:	Amount
Balance at beginning of period	\$ 976,500
Principal and interest payments	-
Investment and interest	365,500
Balance as of June 30, 2021	\$ 1,342,000

The following table presents the Company's investments in debt securities, as of June 30, 2021.

Asset Type	Number	Original Principal Amount or Cost	Carrying Value	Average Investment Return	Allocation by Investment Type
Residential Property	1	\$ 1,342,000	\$ 1,342,000	10.25%	100.00%
Balance as of June 30, 2021	1	\$ 1,342,000	\$ 1,342,000	10.25%	100.00%

The following table presents certain information about the Company's investments in debt securities, as of June 30, 2021, by contractual maturity grouping.

Asset Type	Number	Amounts Maturing Within One Year
Residential Property	1	\$ 1,342,000
Balance as of June 30, 2021	1	\$ 1,342,000

Credit Quality Monitoring

The Company's preferred equity investments that earn interest based on debt-like terms are typically secured by interests in entities that have interests in real estate. The Company evaluates its debt investments at least quarterly and differentiates the level of credit quality principally based on (i) whether the borrower's current payment contractually guaranteed preferred equity payments in accordance with its contractual terms; and (ii) whether the Company believes the borrower will be able to perform under its contractual terms in the future, as well as the Company's expectations as to the ultimate recovery of principal at maturity. The Company considered an investment for which it expects to receive full payment of contractual principal and interest payments as "performing." As of June 30, 2021, the investment is considered to be performing and no allowance for loss has been recorded. In the event that an investment is deemed other than performing, the Company will evaluate the investment for any required impairment.

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Note 5 Equity Method Investments

As of June 30, 2021, the Company has invested in two separate mutual fund properties that are being reported on the equity method. The following table presents certain information about the Company's investments in equity securities, as of June 30, 2021.

Property Name	Year Invested	Location	Ownership	06/30/21 Value
The Sand Group	2018	San Diego, CA	53%	\$ 190,628
DF Summerlyn LLC	2019	Kenn, TX	38%	\$ 1,538,672
Total				\$ 1,729,300

Note 6 Related Party Arrangements

DF Manager, LLC, Manager

Subject to certain restrictions and limitations, the Manager is responsible for managing the Company's affairs on a day-to-day basis and for identifying and making investments on behalf of the Company.

OS Received 06/03/2022

The Manager will not be reimbursed for organization and office expenses incurred in conjunction with the Office. The Company will not reimburse the Manager for actual expenses incurred on behalf of the Company in connection with the selection or acquisition of an investment, to the extent not reimbursed by the borrower, whether or not the Company ultimately acquires the investment. The Company will not reimburse the Manager for out-of-pocket expenses paid to third parties in connection with providing services to the Company.

Under various agreements, the Company has engaged or will engage DF Manager, LLC to provide certain services to the Company, including asset management services, asset acquisition and disposition decisions, the sale of the Company's common shares available for issue, as well as other administrative responsibilities for the Company including accounting services and investment elections. As a result of these relationships, the Company is dependent upon DF Manager, LLC. In the event that these companies were unable to provide the Company with the respective services, the Company would be required to find alternative providers of these services.

DiversyFund, Inc., Sponsor

The Sponsor receives an acquisition fee directly from the Company's real estate investments for sponsoring the acquisition of the asset. The sponsor performs services of sourcing, underwriting, due diligence, investment oversight, arranging debt financing, and execution of the business plan. The Sponsor is entitled to receive an acquisition fee paid at the asset level of up to 8.00% of the total project cost including acquisition price, construction or capital expenditure budget and insurance and carrying costs. Sponsor is also entitled to receive a financing fee from the asset level of up to 1% of the total debt amount obtained for a project. Sponsor is also entitled to receive an asset management fee of up to 2% of collected rents from a project. In 2021 the Sponsor received financing and acquisition fees totaling \$1,453,720 in connection with the acquisitions of one new multifamily properties.

Property Name	Date	Acquisition Fee	Financing Fee	Total Sponsor Fee
Azi Apartment	1/27/2021	\$ 1,253,720	\$ 100,000	\$ 1,353,720
Total		\$ 1,253,720	\$ 100,000	\$ 1,353,720

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Executive Officers of our Sponsor

As of the date of this Annual Report, our executive officers are as follows:

Name	Position
Craig Cecilio	Chief Executive Officer
Alan Lewis	Chief Investment Officer

Craig Cecilio has served as our Chief Executive Officer of our Sponsor since its inception.

Alan Lewis has served as the Chief Investment Officer of our Sponsor since its inception.

DF Manager acts as the Company's manager and is wholly owned and operated by the sponsor.

All equity and debt investments owned by the Company are related parties as they are managed directly by DiversyFund, Inc.

Related Party Receivable

On June 22nd 2021, The Company lent \$2,000,000 as a short-term loan to DiversyFund Inc, the sponsor with 4% annual interest rate to support its operations. The Company loaned \$501,713.55 for Summer's insurance and property taxes and was repaid on July 13, 2021 after the reporting period \$28,328 was related to the services of DF Growth REIT II LLC. This amount showed back to the Company and was repaid in 2021.

Note 7 Commitments and Contingencies

Legal Proceedings

As of June 30, 2021, we were not named as a defendant in any active or pending litigation. However, it is possible that the Company could become involved in various litigation matters arising in the ordinary course of our business. Although we are unable to predict with certainty the eventual outcome of any litigation, management is not aware of any litigation likely to occur that we currently assess as being significant to us.

Note 8 Distributions

Investor distributions are determined by each shareholder's investment of record each day during the distribution period.

The table below outlines the Company's total distributions declared to shareholders and distributions relating to the Sponsor and affiliates for the year ended June 30, 2021.

Distribution Period	Daily Distribution per Common Share	Annualized Yield	Total Amount of Distribution	Paid/Reinvested as of June 30, 2021
June 1, 2019 through December 31, 2019	0.00059113	5.00%	\$ 140,945	\$ 140,945
January 1, 2020 through December 31, 2020	0.00074774	5.00%	\$ 885,549	\$ 885,549
January 1, 2021 through June 30, 2021	0.00054714	5.00%	\$ 1,091,797	\$ 870,933
			\$ 2,118,291	

(1) Distributions are paid or reinvested on the 15th of the following month after the distribution period.

Note 9 Notes Payable

The following table summarizes the terms of notes payable outstanding at June 30, 2021

Property	Lender	Monthly Debt Service	Interest Rate	Maturity	2021
<u>Unsecured Notes</u>					
DiversyFund Park Blvd	DiversyFund Income Fund		14.00% (Fixed Deferred Interest)	4/17/2022	\$ 134,800
					\$ 134,800
<u>Secured Notes</u>					
DiversyFund Park Blvd	Socotra Capital Inc	\$ 24,578	9.75% (Fixed)	8/1/2022	\$ 3,025,000
DiversyFund Park Blvd	Tempo Funding Opportunity	\$ 8,000	24.00% (Fixed)	6/23/2022	130,533
DiversyFund Park Blvd	TomCaula	\$ 8,000	16.00% (Fixed)	5/18/2022	200,000
McArthur Landng	Standard Insurance Company	\$ 33,584	4.13% (Fixed)	7/1/2045	6,145,747
Bvd West	StanCorp Mortgage Investments, LLC	\$ 42,364	3.63% (Fixed)	5/20/2045	8,176,251
Woodsde	Keystone Real Estate Income Trust	\$ 43,582	7.25% (Fixed)	9/1/2022	6,000,000
Cottonwood	StanCorp Mortgage Investments, LLC	\$ 12,766	3.50% (Fixed)	8/26/2045	2,512,373
Finance Apartments	Edgewood Mac V LLC	\$ 26,372	8.75% (Fixed)	12/1/2022	3,500,000
Azi Apartments	Edgewood Mac V LLC		7.25% (Fixed)	1/26/2022	10,050,000
					\$ 39,739,903
Unamortized Loan Costs					\$ (912,770)
Total Notes Payable					\$ 38,961,933

Unsecured Senior Notes

In 2017, the Company issued a private placement of unsecured senior notes. This senior note has a balance of \$134,800 as of June 30, 2021 and is due in 2022. The senior note has a fixed annual interest rate of 14%.

Secured Mortgage Notes

As of June 30, 2021, the Company had \$39.7 million outstanding on nine non-secured mortgage notes. All interest rates on the secured mortgage notes are fixed. Assets with depreciated carrying values of \$62.9 million were pledged as security on these mortgage notes payable.

Note 10 Investment and depreciation in real estate properties

Real estate assets are stated at depreciated cost less impairment, if any. Buildings are depreciated over the estimated useful lives of 30 years. The life of a particular building depends upon a number of factors including whether the building was developed or acquired and the condition of the building upon acquisition. The Company uses the straight-line method for depreciation and amortization.

	Estimated Useful Life	2021
Land		\$ 3,700,000
Operating Real Estate Properties	30 Years	61,182,974
Less Accumulated Depreciation		(1,433,782)
Total Real Estate, net		\$ 63,449,192

Note 11 Subsequent Events

Events that occur after the balance sheet date, but before the financial statements were available to be issued, must be evaluated for recognition or disclosure. The effects of subsequent events that provide evidence about conditions that existed at the balance sheet date are recognized in the accompanying financial statements. Subsequent events which provide evidence about conditions that existed after the balance sheet date are disclosed in the accompanying notes. Management has evaluated the activity of the Company through September 24, 2021, the date the financial statements were available to be issued.

DiversyFund Granito LLC

In July, 2021, the Company made an additional debt investment of \$70,000. In August, 2021 the Company invested \$76,000. In September 2021 the Company invested \$90,000. As of September 24, 2021, the Company has made a total debt investment of \$1,578,000.

DiversyFund Park Blvd, LLC

In July, 2021, the Company made an additional equity investment of \$270,000. In August, 2021, the Company made an additional equity investment of \$53,000. In September 2021 the Company invested \$105,000. As of September 24, 2021, the Company has made a total equity investment of \$3,018,700.

North Charleston Townhomes, LLC

On September 1, 2021 the Company acquired a 145-unit multi-family asset, Woodridge Apartments, in North Charleston, South Carolina. The Company

OS Received 06/03/2022

invested \$6,100,000 of equity to secure the asset at a price of \$22,075,000

Property Acquisition Deposits

On July 1st, 2021, the Company made an additional equity investment of \$250,000 into Cobble Hill Apartments. On July 2nd, 2021, the Company made an additional equity investment of \$100,000 into Moss on Vases Apartments. From July 8th to July 20th, 2021, the Company made a payment of \$70,974 for Town Centre Apartments' start-up costs, legal fees and pay off. On July 22nd, 2021, the Company made an additional equity investment of \$250,000 into Village Creek Apartments. On August 3rd, 2021, the Company made an additional equity investment of \$200,000 into Moss on Vases Apartments. From August 5th to 24th, the Company made a payment of \$21,000 for Town Centre's start-up costs and pay off costs. On August 25th, 2021, the Company made an additional equity investment of \$100,000 into Moss on Vases Apartments. As of September 28th, 2021, the Company has made a total equity investment of \$2,708,854 for new property acquisitions.

Offering Proceeds

As of September 24, 2021, we had a total gross offering proceeds of approximately \$61,163,582 from settled subscriptions and issued an aggregate of 6,116,358 shares of our common stock. As of September 24, 2021, approximately \$13,836,418 in shares remained available for sale to the public pursuant to the Offering.

Note 12 Miscellaneous Items

On January 30, 2020, the World Health Organization declared the coronavirus outbreak a "Public Health Emergency of International Concern" and on March 10, 2020, declared it to be a pandemic. Actions taken around the world to help mitigate the spread of the coronavirus include restrictions on travel, and quarantines in certain areas, and forced closures for certain types of public places and businesses. The coronavirus and actions taken to mitigate it have had and are expected to continue to have an adverse impact on the economies and financial markets of many countries, including the geographic area in which the Company operates. While it is unknown how long these conditions will last and what the complete financial effect will be to the company, management does not expect the COVID-19 outbreak to have a permanent negative impact on DF Growth REIT's operations. Additionally, it is reasonably possible that estimates made in the financial statements have been, or will be, materially and adversely impacted in the near term as a result of these conditions, such as impairment losses related to goodwill and other long-lived assets.

Item 4

Exhibits

Exhibit 1A-2A	<u>Certificate of Formation *</u>
Exhibit 1A-2B	<u>LLC Agreement</u> The agreement by and among the Company and a of its members captioned "Limited Liability Company Agreement" and dated August 1, 2018 *
Exhibit 1A-2C	<u>Authorizing Resolution</u> The resolution adopted by the Management concerning the Class A Investor Shares *
Exhibit 1A-6A	<u>Investment Agreement</u> The agreement to be signed by each Investor to acquire a Class A Investor Share *
Exhibit 1A-6B	<u>Management Agreement</u> The agreement captioned "Management Services Agreement" by and between the Company and the Manager dated August 1, 2018 *
Exhibit 1A-8	<u>Escrow Agreement</u> The Agreement captioned "Escrow Services Agreement" with Prime Trust, LLC *

* All Exhibits are incorporated by reference to those previously filed.

Signatures

Pursuant to the requirements of Regulation A, the issuer has duly caused this report to be signed on its behalf by the undersigned, the duly authorized

DF Growth REIT, LLC

By: DF Manager, LLC, as Manager

By: DiverseFund, Inc, as Manager

By: /s/ Craig Ceco
Craig Ceco, Chief Executive Officer

Pursuant to the requirements of Regulation A, this Semannual Report has been signed below by the following persons on behalf of the issuer and in the capacities and on the dates indicated:

/s/ Alan Lewis
Alan Lewis
Director and Chief Investment Officer of DiverseFund, Inc
September 28, 2021

/s/ Craig Ceco
Craig Ceco
Director and Chief Executive Officer of DiverseFund, Inc
September 28, 2021

Division of Enforcement's Exhibit 6



UNITED STATES OF AMERICA
SECURITIES AND EXCHANGE COMMISSION

ATTESTATION

IT IS HEREBY ATTESTED THAT:

The attached Form 1-K was received in this Commission on 5/3/2022, under the name of DF Growth REIT, LLC, File No. 24R-00214, pursuant to the relevant Act(s) of the Commission.

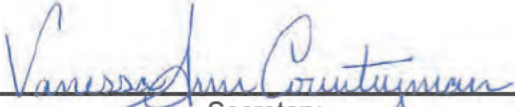
This certified document was produced from the files of this Commission on

5/5/2022

Date

It is hereby certified that the Secretary of the U.S. Securities and Exchange Commission, Washington, DC, which Commission was created by the Securities Exchange Act of 1934 (15 U.S.C. 78a et seq.) is official custodian of the records and files of said Commission and was such official custodian at the time of executing the above attestation.

For the Commission


Secretary

Form 1 K Issuer Information	UNITED STATES SECURITIES AND EXCHANGE COMMISSION Washington, D.C. 20549	OMB APPROVAL
FORM 1-K	FORM 1 K	OMB Number: 3235-0720
		Estimated average burden hours per response: 600.0

1-K: Filer Information

Issuer CIK	<input type="text" value="000 750695"/>
Issuer CCC	<input type="text" value="XXXXXXXX"/>
Is filer a shell company?	<input type="radio"/> Yes <input checked="" type="radio"/> No
Is the electronic copy of an official filing submitted in paper format?	<input type="checkbox"/>
File Number	<input type="text"/>
Is this filing by a successor company pursuant to Rule 257(b)(5) resulting from a merger or other business combination?	<input type="radio"/> Yes <input checked="" type="radio"/> No
Successor File Number	<input type="text"/>

Submission Contact Information

Is this a LIVE or TEST Filing?	<input checked="" type="radio"/> LIVE <input type="radio"/> TEST
Would you like a Return Copy?	<input type="checkbox"/>
Period	<input type="text" value="2 3 202"/>
Name	<input type="text"/>
Phone	<input type="text"/>
E-Mail Address	<input type="text"/>
Notify via Filing Website only?	<input type="checkbox"/>

1-K: Tab 1 Notification

This Form 1-K is to provide an	<input checked="" type="radio"/> Annual Report <input type="radio"/> Special Financial Report for the fiscal year
Fiscal Year End	<input type="text" value="2 3 202"/>
Exact name of issuer as specified in the issuer's charter	<input type="text" value="DF Growth REIT"/>
CIK	<input type="text" value="000 750695"/>
Jurisdiction of Incorporation / Organization	<input type="text" value="DELAWARE"/>
I.R.S. Employer Identification Number	<input type="text" value="83 263 55"/>

Address of Principal Executive Offices

Address 1	<input type="text" value="600 W BROADWAY"/>
Address 2	<input type="text" value="SUITE 420"/>
City	<input type="text" value="SAN DIEGO"/>

State/Country	CALIFORNIA
Mailing Zip/ Postal Code	92 0
Phone	858 430 8528
Title of each class of securities issued pursuant to Regulation A	Class A Investor Shares

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 1-K
ANNUAL REPORT

ANNUAL REPORT PURSUANT TO REGULATION A OF THE SECURITIES ACT OF 1933
For the fiscal year ended December 31, 2021

DF Growth REIT, LLC
(Exact name of registrant as specified in its charter)

Commission File Number **024-10912**

<p style="text-align: center;">Delaware (State or other jurisdiction of incorporation or organization)</p>	<p style="text-align: center;">83-1263155 (IRS Employee Identification Number)</p>
<p style="text-align: center;">750 B Street Suite 1930 San Diego, CA (Address of principal executive offices)</p>	<p style="text-align: center;">92101 (Zip Code)</p>
<p style="text-align: center;">(858) 430-8528 Registrant's telephone number, including area code</p>	
<p style="text-align: center;">Class A Investor Shares (Title of each class of securities issued pursuant to Regulation A)</p>	

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Caution Regarding Forward-Looking Statements

The term “forward-looking statements” means any statements, including financial projections, that relate to events or conditions in the future. Often, forward-looking statements include words like “we anticipate,” “we believe,” “we expect,” “we intend,” “we plan to,” “there is a risk,” or “we will.”

Forward-looking statements are, by their nature, subject to uncertainties and assumptions. The statement “We believe long-term trends favor secondary and tertiary markets” is not like the statement “We believe the sun will rise in the East tomorrow.” It is impossible for us to know exactly what is going to happen in the future, or even to anticipate all the things that could happen. Our business could be subject to many unanticipated events, including all of the things we talk about in the “Risks of Investment” section of our Offering Circular, which may be accessed via the EDGAR website maintained by the Securities and Exchange Commission.

Consequently, the actual result of investing in the Company could (and almost certainly will) differ from those anticipated or implied in any forward-looking statement, and the differences could be both material and adverse. We do not undertake any obligation to revise, or publicly release the results of any revisions to, any forward-looking statements, except as required by law.

Given The Risks And Uncertainties, Please Do Not Place Undue Reliance

On Any Forward-Looking Statements.

Page 1

Item 1. Business

Overview

The Company was formed to invest in real estate projects, primarily in and around primary and secondary markets that have a long history, with what we believe is a significant potential. While our primary focus will be on “value-add” multi-family real estate (currently a majority of the Company’s portfolio in such projects), we might also invest in other real estate projects that we determine have significant potential such as other value-add commercial real estate including office, industrial, self-storage, multi-family residences and other types of projects.

Sometimes the Company will own real estate directly. Most of the time, however, the investments made by the Company will be through other entities (“Project Entities”). For example, if the Company invests in a multi-family property, the property will likely be owned by a different entity, such as a limited partnership or a limited liability company. Typically, Project Entities will be controlled by the Sponsor or another entity controlled by the Sponsor. However, if the Company does not control the Project Entity itself then the retained control rights, meaning the Company’s consent will be required to certain major actions taken by the Project Entity, such as the sale or refinancing of its real estate and the replacement of its management, generate a partner.

The manager of the Company, DF Manager, LLC, a Delaware limited liability company, which we refer to as the “Manager,” is an affiliate of DVS Fund, Inc., a Delaware corporation and a real estate developer, which we refer to as the “Sponsor.” The Sponsor maintains a website, www.DVSFund.com (the “Site”) where it seeks funding for its real estate projects.

Regulation A Offering

On November 13, 2018, our Offering Circular dated October 3, 2018 (the “Offering Circular”), whereby we sought to raise up to \$50,000,000 through the sale of Class A Investo Shares under Regulation A (the “Offering”), was “qualified” by the Securities and Exchange Commission. On March 26, 2021, we increased the amount we were seeking to raise up to \$75,000,000. The Offering Circular is available through the SEC’s EDGAR site, www.sec.gov/edgar, and may also be obtained by contacting the Company. As of November 13, 2021, the Offering terminated, and we had raised \$65,128,397 from the sale of Class A Investo Shares.

LLC Agreement

The Company is governed by a Limited Liability Company Agreement dated August 1, 2018, which we refer to as the “LLC Agreement.” A copy of the LLC Agreement is attached as Exhibit 1A-2B.

Management

The Company is managed by the Manager. The LLC Agreement generally gives the Manager exclusive control over all aspects of the Company’s business. Other members of the Company, including Investo Sponsors who purchase Class A Investo Shares in the Offering, generally have no right to participate in the management of the Company. The exception on to this is the owners of the Class A Investo Shares may, in some situations, remove the Manager for cause.

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Investment Strategy

The Company is seeking to invest in a diversified portfolio of predominant multi-family value-add real estate assets throughout the United States.

In that way, the Company intends to target multi-family properties in a “value-add” strategy. That means a strategy where the Company would buy an existing multi-family property and undertake renovations with a view toward adding significant value. For example, the Company might renovate and modernize units, add landscaping, and/or add executive offices or other amenities, all with a view toward increasing the net income from (and the value of) the property.

The Company’s overall multi-family value-add strategy is

- Identify multi-family apartment communities in quantity locations in the Company’s target markets, where the Company believes it can acquire properties for a lower cost than the actual value or where the Company can add significant value through third-party hands-on management and/or application of expertise;
- Buy those communities at below-market prices, or at market prices where the excess sufficient upside potential to obtain above-market returns over the long term;

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- Make physical alterations and other improvements to those communities, where the Company can achieve significant benefit with minimal capital outlay; and
- Through third-party management, increase the rents to increase the overall value of the property

Currently a majority of the Company's portfolio consists in these value-add multifamily investments

The Company is also invested in a new multifamily ground up construction property where it believes it can expect a significant profit

The Company might also purchase, build, or invest in other kinds of properties, beyond multifamily properties, so long as such properties are generating positive cash flow or can be made to generate positive cash flow once built and stabilized

The Company might also invest in residential properties for example, single-family homes where the Management believes the Company can achieve a significant profit. The Company currently has one debt investment related to a property not zoned for single family

Geographically, we intend to focus on locations which can attract high-quality tenants, specifically central business districts or suburban markets of primary and secondary metropolitan areas

The Multi-Family Market

Historically, the multifamily market has been driven by favorable supply/demand fundamentals including (i) a limited number of new units coming onto the market; (ii) the demographic often referred to as "echo boomer"; (iii) an increase in the number of immigrants; and (iv) tight lending guidelines leading to lower rates of homeownership

However, the onset of the COVID-19 pandemic in March 2020 interrupted many of these positive fundamentals, causing the multifamily housing market to experience more market turbulence than it has in recent years. Many tenants lost their jobs, their income, or some even lost their homes, while others fled to the suburbs seeking more socially-distant housing options. Although another pandemic could potentially affect the housing market at any time, we believe the economic significance for our investment in the multifamily housing market in 2022 and beyond

Due Diligence

Our due diligence process is fairly simple and straightforward. When the Company identifies a potential property, we typically assign a contact and place an escrow deposit to be held with the designated escrow agent. The Company will then conduct extensive due diligence, including physical site inspections, environmental studies, a review of applicable zoning and land use restrictions, title reports, a review of all leases (if any), a review of the revenues and expenses from the property, and a study of the local market and local conditions. Based on this due diligence, the Company would then determine whether to move forward with the property or look for the next opportunity

Some aspects of our due diligence process may be delayed or delayed as a result of COVID-19. For example, with many construction projects being delayed or stalled due to various stay-at-home and shelter-in-place orders, the availability of contractors to perform certain tasks (such as conducting an environmental study) may be delayed or delayed once state and local governments reopen the economies. Additionally, the continued need to comply with social distancing guidelines may reduce our ability to do a full physical inspection of a potential property. However, as access to vaccines continues to spread, we believe these conditions are on a temporary basis and we should hopefully be able to resume our due diligence activities by the end of the year if not sooner

Evaluating Alternatives

During the next 12-36 months of owning and managing the property, the Company will analyze market conditions and decide whether the property should be maintained, refinanced, restructured (i.e., condominium conversion), or sold

Real Estate Investment Life Cycle

The lifecycle of a multifamily and other commercial real estate property varies on an individual property basis, but generally a property experiences periods of development, stabilization, and decline. A major component of successful real estate investing is timing the cycle in effect, buying low, selling high. The Company will pay close attention to the ongoing market cycles (including any impacts associated with the COVID-19 pandemic) in an effort to maximize returns to investors

Competitive Landscape

The US real estate market as a whole has historically experienced heavy demand and limited supply, with many developments, investments, and other parties competing for property. This has a generally remained true through the onset of the COVID-19 in March 2020, although lower levels of immigration and outsized economic fallout on certain industries with greater numbers of multifamily tenants may have impacted demand to some extent. However, with the economy showing signs of a rebound and the federal government's efforts to do a series of assistance to struggling Americans, we believe the demand will rebound to at least pre-pandemic levels and possibly even higher

At the same time, the pandemic's toll on certain average-rated industries has started to shift capital away from certain types of properties (e.g. hotels, restaurants) and towards the multifamily market. This means even greater demands for multifamily housing and more opportunities to invest in promising properties. However, we may be at a disadvantage to some of these competitors who may have greater capital resources than we do, including cash-on-hand. Still, we believe we can differentiate ourselves by targeting smaller to mid-sized properties, a market that typically carries lower risk and smaller investment sizes than a generalist would

Moreover, with interest rates at historically low levels and with more and more capital entering the multifamily housing market from alternative sources (e.g. private

equity funds), the e has neve been a better time to finance existing loans and/or make capital improvements to properties. Given our value-added focus to property acquisition and management, we believe the Company is well positioned to take advantage of these conditions to return real value to both our tenants and our investors.

Use of Special Purpose Vehicles

Most of the investments made by the Company will be through other entities. For example, if the Company invests in a multi-family property, the property will likely be owned by a different entity, such as a limited partnership or a limited liability company. In some situations, the Company will be the sole owner of the entity, while in other situations the entity will be co-owned with others. In all situations, however, the Company will control the management and operation of the entity.

Term of the Company

We intend to operate the Company for a period of approximately five years from the Inaugural Closing Date (November 20th, 2018), with the option of up to two additional one-year extensions at the discretion of the Manager.

To wind down the Company, the Manager will seek to generate liquidity for investors and realize any gains in the value of our investments by selling or refinancing our properties and returning capital to investors on an orderly basis. Sales and refinancing will be subject to prevailing market conditions and there is no guarantee that we will be successful in executing any such liquidity transactions on terms favorable to the Company and investors, so that we will be able to do so within the timeframe we have anticipated.

Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations

Operating Results

The Company began operating on November 1, 2018. As of December 31, 2021, the Company had invested a total of \$51,306,212 in equity in 11 projects managed by our Sponsor, and a total of \$1,789,000 in debt in one project managed by our Sponsor, as follows:

Entity	Units	Location	Amount	Type	Type
The Sandina Group Inc	10	San Diego, CA	\$ 356,500	Equity	Student Housing
DiveyFund Park Blvd LLC	60	San Diego, CA	\$ 3,338,700	Equity	Mixed-Use
BLVDW NC LLC	242	Greenville, NC	\$ 6,100,672	Equity	Multifamily
WoodsdeHgh and UT LLC	54	Hoaday, UT	\$ 3,737,928	Equity	Multifamily
McArthur LG, LLC	121	Fayetteville, NC	\$ 5,300,249	Equity	Multifamily
4500 South State Street UT LLC	36	Murray, UT	\$ 3,575,336	Equity	Multifamily
524 SW ST Lucie, LLC	30	Stuart, FL	\$ 3,716,905	Equity	Multifamily
201 SW Joan Jefferson Way LLC	49	Stuart, FL	\$ 7,671,305	Equity	Multifamily
Misson Villas SA, LLC	176	San Antonio, TX	\$ 4,601,135	Equity	Multifamily
WRTH North Charleston, LLC	145	North Charleston, SC	\$ 7,893,266	Equity	Multifamily
NCP Dove, LLC	285	North Charleston, SC	\$ 5,014,216	Equity	Multifamily
Total Equity Investments			\$ 51,306,212		
DiveyFund Grant, LLC		Los Angeles, CA	\$ 1,789,000	Debt	Single-Family
Total Debt Investments			\$ 1,789,000		

Our net loss for the period ending December 31, 2021 was \$3,618,487. Several factors contributed to this net loss, including \$2,092,833 of depreciation expense and \$3,693,442 of interest expense, which are items comprised of \$2,611,661 of interest payments and \$1,081,781 of the amortization of loan origination costs, which amounts are amortized over the length of the loan, making such average annual amortized amounts higher for shorter term loans with smaller origination costs, such as the debt for Misson Villas, which budgeted loan terms was less than a year.

One of the Company's portfolio assets, the 200-unit multifamily asset named Summerlyn in Killeen, Texas, was sold on July 13, 2021 for a profit to the Company and the other third party co-investors.

Liquidity and Capital Resources

We expect to deploy a majority of the capital we raised in the offering in making real estate investments. Should we need more capital for any reason, we could either seek a Class A Investor. Shares of other classes of securities. In seeking a Class A Investor. Shares of other securities, we might be constrained by the securities laws. For example, we are not allowed to sell more than \$75,000,000 of securities using Regulation A during any period of 12 months.

Trend Information

2021 saw multifamily rents and related asset pricing increase favorably in many markets in the US. "Throughout 2021, the average US asking rent gained \$190 and 2022 is forecasted to bring further gains in the multifamily market, at least by historical standards, but at a moderated pace, close to 5 percent annual increases. Possible headwinds include inflation and a new wave of COVID-19 cases."¹

¹ Anca Gaguc (2021, January 10, 2022) National Multifamily Report - December 2021 Multifamily News - <https://www.multifamilynews.com/national-multifamily-report-december-2021/#text=Ove%20a%202021%20was%20a%20year%20with%20an%20annual%20growth%20set%20n%2020215>

Item 3. Directors and Officers

Overview

Dve syFund, Inc, wh ch we efe to as ou “Sponso,” s the so e membe and manage of DF Manage, LLC, wh ch we efe to as ou “Manage.” Unde sect on 5 2 of the LLC Ag eement, the Manage has

[F]u and comp ete auth ty, powe and dsc et on to manage and cont o the bus ness, affa s and p ope tes of the Company, to make a dec s ons ega d ng those matte s, to execute any cont acts o othe nst uments on beha f of the Company, and to pe fo many and a othe acts o act v tes customa y o no denta to the management of the Company’s bus ness

The Company and the Manage ente ed nto a cont act ca ed a “Management Se v ces Ag eement” dated August 1, 2018, wh ch we efe to as the “Management Ag eement” The Management Ag eement desc bes at ength and n deta many of the dut es of the Manage , and a so desc es the Manage ’s compensat on Howeve, the st of the Manage ’s dut es and auth ty n the Management Ag eement s not exc us ve Unde the boad g ant of auth ty n the LLC Ag eement, the Manage cou d have dut es and auth ty not sted n the Management Ag eement

The Management Ag eement s nc uded as Exh b t 1A-6B

Our Key Personnel

Names, Ages, Etc.

<i>Name</i>	<i>Position</i>	<i>Age</i>	<i>Term of Office</i>	<i>Approximate Hours Per Week If Not Full Time</i>
C ag Cec o	Ch ef Execut ve Off ce	48	Indefn te	20 Hou s
A an Lew s	Ch ef F nanc a Off ce	45	Indefn te	20 Hou s
Isaac Dxon	Sen o V ce P es dent of Rea Estate	40	At W	Fu T me
Gnge Vyte na	Sen o Asset Manage	48	At W	Fu T me

* M Cec o and M Lew s a e off ce s of the Sponso

Business Experience

Craig Cecilio - M Cec o s the Ch ef Execut ve Off ce snce ou ncept on and s Co-Founde of the Sponso , Dve syFund, Inc M Cec o has wo ked n the ea estate ndust y fo nea y 20 yea s Ove the cou se of h s ca ee , M Cec o has pa t c pated n the deve opment of ove 1,000 s ng e fam y es dences n Ca fo n a as e the a jo nt ventu e equ ty pa tne , ende , o sponso P evous y, M Cec o owned a ea estate end ng bus ness, Coasta Ca fo n a Fund ng G oup, Inc , wh ch unde w ote and f nanced es dent a enovat ons and g ound-up const uct on n Ca fo n a coasta ma kets such as San D ego, O ange County, Los Ange es and San F anc sco, and a oan se v c ng bus ness

Add tona y, M Cec o founded a ea estate debt fund n 2013, wh ch manages a po tfo o of ea estate-backed b dge oans used p ma y to “p e-fund” many of the Manage ’s ea estate p ojects Snce 1997, M Cec o has f nanced nea y \$500 m on of ea estate assets, hav ng a sed ove \$100 m on n debt o equ ty fo ea estate t ansct ons n the ast th ee yea s, and has deve oped and managed ove \$50 m on of es dent a p ope ty (enovat ons and g ound-up) M Cec o s a g aduate of the Un ve s ty of Co o ad o at Bou de

Alan R. Lewis - M Lew s s the Ch ef Investment Off ce snce ou ncept on and was Co-Founde of the Sponso , Dve syFund, Inc P o to the aunch of the Manage , he was the head of the ea estate p vate equ ty d v s on of a ea estate nvestment and deve opment f m based out of Sa t Lake Cty, Utah, whe e he ove saw cap ta a s ng, dea st uct u ng and deve opment wo k fo mu t -fam y p ojects and maste -p anned es dent a commu tes P evous y, M Lew s wo ked fo nea y ten yea s on Wa St eet as oth an nvestment banke and a co po ate awye , most ecent y wo k ng as a Manag ng D ecto of the Investment Bank ng D v s on of B Secu tes whe e M Lew s p ov ded f nanc a adv so y and cap ta a s ng se v ces fo h gh-g owth compan es a ong w th ea estate and o and gas p ojects

P o to jo n ng B Secu tes n 2010, M Lew s p act ced as a co po ate atto ney at Dav s Po k & Wa dwe , a Te l anked Wa St eet aw f m (Chambe s USA) Hs p act ce nc uded IPOs, me ge s and acqu s t ons, and comm ce a ea estate, nc ud ng the acqu s t on and ef nanc ng of seve a F fth Avenue comm ce a bu d ngs, acqu s t ons and po tfo o est uct u ngs fo a \$6 b on ea estate p vate equ ty fund Ove h s ca ee , M Lew s has wo ked on t ansct ons tota ng, n agg egate, ove \$41 b on M Lew s ece ved a BA f om B gham Young Un ve s ty and a JD f om Co umb a Law Schoo , whe e he was a Sen o Ed to on the Co umb a Law Rev ew M Lew s s adm tted to p act ce aw n New Yo k and p evous y he d Se es 7, 66 and 79 FINRA censes

Isaac Dixon - Fo me y the V ce P es dent at Cante Compan es, M Dxon was espons b e fo ead ng the ea estate f m’s d v s ons and was act ve y nvo ved n unde w t ng va ous ventu e cap ta nvestments fo the company P o to h s t me w th Cante Compan es, M Dxon was the V ce P es dent of Nat ona Accounts w th CORE REALTY, as an act ve membe of the nvestment commtee and nte faced d ect y w th sen o execut ves at ndependent boke -dea es ac oss the count y to fac tate the ana ys s, ev ew, and app ova p ocess fo ea estate funds and TIC/1031 mu t -fam y synd cat ons

Befo e h s ca ee n nat ona accounts, Isaac wo ked as a sen o due d gence ana yst at Independent F nanc a G oup whe e he was espons b e fo ev ew ng ove \$500 m on n Tenant-In-Common and a te nat ve nvestment p oducts Th oughout h s ca ee , M Dxon has pa t c pated n seve a ndust y pane s on va ous aspects of synd cat ng ea estate nvestment p ograms and conduct ng p ope due d gence and has been nvo ved n the pu chase and/o synd cat on of ove 5,000

mut-famy unts va ued n excess of \$1 b on do a s Isaac g aduated f om San Dego State Un ve s ty w th a bache o 's deg ee n f nance He ho ds o has he d Se es 7, 22, 24 and 66 censes, he s a Ce t f ed F nanc a Panne and a censed ea estate bo ke n Ca fo n a

Ginger Vyterna - Gnge Vyte na b ngs ove 27 yea s of p og ess ve managem n ope at ons, acqu s t ons, asset management and deve opment w th n the mu t fam y a ena to D ve syFund W th a keen unde stand ng of both convent ona and LIHTC assets f om the on-s te eve to exccut ve eade sh p, he po tfo os have cont nua y exceeded o gan zat ona expectat ons By estab sh ng acqu s t on p otoco s, c eat ng custom bus ness p ans and unde stand ng d ve s ty she has cont nua y ed he teams th ough d ff cu t ma ket t ends wh e epos t on ng va ue-add commu n tes th oughout the count y He tenu e at Ram Rea Estate, At ant c Pac fc Management, P de ock Cap ta Pa tne s, G and Peaks and New U ban Commu n tes have p ov ded hands on expe ence n mu t p e ma kets f om O egon to New Je sey He expe ence w th unde stand ng the mu t fam y bus ness mode w assu e the management of ou assets exceeds nvesto s' expectat ons

Ownership of Related Entities

M Cec o and M Lew s own a majo ty of D ve syFund, Inc , the Sponso , wh ch n tu n owns 100% of DF Manage , LLC, the Manage

Family Relationships

The e a e no fam y e at onsh ps among the Execut ve Off ce s and S gn f cant Emp oyees of the Company

Legal Proceedings

W th n the ast f ve yea s, no Execut ve Off ce o S gn f cant Emp oyece of the Company has been conv cted of, o p eaded gu ty o no contest to, any c mna matte , exccud ng t affc v o at ons and othe mmo offenses

W th n the ast f ve yea s, no Execut ve Off ce o S gn f cant Emp oyece of the Company, no pa tne sh p of wh ch an Execut ve Off ce o S gn f cant Emp oyece was a gene a pa tne , and no co po at on o othe bus ness assoc at on of wh ch an Execut ve Off ce o S gn f cant Emp oyece was an exccut ve off ce , has been a debto n bank uptcy o any s m a p oceed ngs

Ne the the Company, Sponso , Manage , any Execut ve Off ce no S gn f cant Emp oyece a e cu ent y engaged n any mate a ega p oceed ngs

Compensation Of Management

Overview

The peop e who un the Company make money f om the Company n (on y) th ee ways

- They ece ve fees
- They nvest a ongs de Investo s and ece ve the same d st but ons as Investo s
- They ece ve the P omoted Inte est

A th ee fo ms of compensat on a e d scussed be ow

The Company tse f does not have any emp oyees o pay o Fo examp e, M Lew s and M Cec o, the owne s of the Sponso , do not ece ve any sa a y, bonuses, o othe compensat on d ect y f om the Company Instead, a of the compensat on s pa d f om the fees pa d to the Manage and f om the P omoted Inte est

Fees

Type of Fee	Description and Amount
<i>Reimbursement</i>	The Company was equ ed to embu se the Manage fo expenses the Manage ncu ed n connect on w th the Offe ng befo e t was "qua f ed" by the SEC (afte the Offe ng s qua f ed, the expenses w bo ne by the Company tse f, d ect y), ncud ng ega , account ng, and ma ket ng costs The Sponso 's tota expenses fo the Offe ng, befo e the Offe ng was qua f ed, we e app oxmate y \$25,000
<i>Asset Management</i>	Unde the LLC Ag eement, the Manage has the ght to cha ge the Company a month y asset management fee equa to 0.1667% of the Investo s' agg egate cap ta accounts as of the ast day of each ca enda month, o app oxmate y 2% pe yea An Investo 's "cap ta account" w gene a y e equa to the amount the Investo pa d fo h s, he o ts Cass A Investo Sha es, ess any cap ta that has been etu ned to the Investo and any osses a ocated to the Investo Howeve , s nce the ncept on of the Company, the Manage has wa ved a asset management fees and expects to cont nue to do so
<i>Developer</i>	Whe e the Company owns p ope ty d ect y, o s the so e owne of an ent ty that owns p ope ty, the Sponso w cha ge the Company a deve ope fee of between 6% and 8% of the tota p oject costs, ncud ng both "ha d" costs (e.g., the cost of and, bu d ngs, const uct on, and enovat on) and "soft" costs (e.g., p ofessa fees)
	Whe p ope ty s owned by an ent ty n wh ch the e s anothe f nanc a pa tne a jo nt ventu e the Sponso mght be ent ted to a s m a deve ope fee to the exte negot ated w th the f nanc a pa tne s n such jo nt ventu e, wh ch cou d be h ghe than the 6% - 8% fee fo d ect nvestment Howeve , the Company's cost of the fee w not excced 6% - 8% of the Company's sha e of the tota p oject cost
	<i>Estimate</i> The amount of the deve ope fee w depend on the cost of p ojects and, n the case of jo nt ventu es, the te ms ou Sponso negot ates w th jo nt ventu e pa tne s Fo the pe od end ng Decembe 31, 2021, the Company has pa d \$ 5,872,627 n deve ope fees to the Sponso
<i>Disposition of Property</i>	Whe e the Company owns p ope ty d ect y, o s the so e owne of an ent ty that owns p ope ty, the Sponso w ece ve a d spos t on fee equa to 1% of the tota sa e p ce of each p ope ty Whe p ope ty s owned by an ent ty n wh ch the e s anothe f nanc a pa tne a jo nt ventu e the Sponso mght be

entitled to a maximum disposition fee to the extent negotiated with the financial partner in such joint venture (which could be higher than the 1% disposition fee for direct investment). However, the Company's share of the fee will not exceed 1% of the Company's share of the total sale price.

Estimate The amount of the disposition fee will depend on the selling price of assets by the Company and any joint ventures and, in the case of joint ventures, the terms our Sponsor negotiates with joint venture partners. As of December 31, 2021, the Company has not paid any disposition fees to the Sponsor.

Financing When the Company owns property directly, or is the sole owner of an entity that owns property, the Sponsor will receive a financing fee equal to 10% of the amount of each loan placed on a property, whether at the time of acquisition or pursuant to a refinancing. This financing fee will be in addition to any fees paid to third parties, such as mortgage brokers.

When property is owned by an entity in which the entity is another financial partner in a joint venture, the Sponsor might be entitled to a maximum financing fee to the extent negotiated with the financial partner in such joint venture, which could be higher than the 1% financing fee for direct investment. However, the Company's cost of the fee will not exceed 1% of the Company's share of the loan.

Estimate The amount of the financing fee will depend on the selling price of assets by the Company and any joint ventures and, in the case of joint ventures, the terms our Sponsor negotiates with joint venture partners. For the period ending December 31, 2021, the Company paid \$341,300 in financing fees.

Construction Management The Sponsor might provide construction and/or construction management services on behalf of the Company. If so, it will provide such services pursuant to one or more written agreements containing terms and conditions that are standard in the construction industry, as determined by the Sponsor based on its experience. The amount of the Sponsor's compensation, and the manner in which it is calculated, shall also be consistent with industry standards, as determined by the Sponsor. Under the LLC Agreement, the Sponsor is entitled to compensation that is (i) fair to the Company, and (ii) no greater than would be paid to an unrelated party at a market rate.

Estimate The amount of compensation (if any) the Sponsor will receive for construction or construction management services will depend largely on the number of projects for which these services are retained and the size and nature of those services. As of December 31, 2021, the Company has paid \$0 in construction management fees.

Other Fees The Company engages third parties to provide a variety of other services, including insurance and marketing. If the Manager is able to engage third parties at lower-than-market rates, then the Manager is entitled to retain the difference. The Manager will determine the market rates for the services in question and thus its own compensation based on its experience in the real estate industry and, if necessary, by reviewing proposals from other providers of such services.

Estimate The amount of other fees will depend on the nature of the services the Sponsor provides and how much the Sponsor charges for such services. As of December 31, 2021, the Company has paid \$152,134 in property-level asset management fees to the Sponsor.

Co-Investment

The Manager (and possibly other affiliates of our Sponsor) might purchase Class A Investo Shares. If so, they will be entitled to the same discounts as other Investo Shares.

Promoted Interest

The Sponsor is entitled to share in certain discounts made by the Company, which we refer to as the "Promoted Interest." The Promoted Interest is paid in three tranches: first, after owners of the Class A Investo Shares have received a 7% preferred return on the investment, the Sponsor is entitled to a catchup return equal to approximately 53.85% of the preferred return paid to owners of the Class A Investo Shares; second, after owners of the Class A Investo Shares have received the preferred return and the Sponsor has received its catchup return, the Sponsor is entitled to 35% of the remaining profits; and third, after the holders of the Class A Investo Shares have received a 12% preferred return on the investment, the Sponsor is entitled to 50% of the remaining profits.

How much money the Sponsor ultimately receives as a Promoted Interest holder depends on a number of factors, including:

- How much capital is raised in the Offering;
- The investment returns the Company is able to achieve;
- When those returns are achieved (the Company might not achieve the same return every year);
- When the Company distributes money; and
- The amount of expenses the Company incurs.

Stages of Development

The stages of the Company's organization, development, and operation, and the compensation paid by the Company to the Manager and the Sponsor during each

stage, as follows

<u>Stage</u>	<u>Compensation to Manager</u>	<u>Compensation to Sponsor</u>
Organization	None	None
Acquisition of Property	<ul style="list-style-type: none"> Asset Management Fee 	<ul style="list-style-type: none"> Development Fee Financing Fee
Operation	<ul style="list-style-type: none"> Asset Management Fee 	<ul style="list-style-type: none"> Financing Fee Returns from Co-Investment Promoted Interest Disposition Fee
Liquidity		<ul style="list-style-type: none"> Returns from Co-Investment Promoted Interest Disposition Fee

Report to Investors

Not less than once per year, the Company will provide the owners of Class A Investo Shares with a detailed statement showing

- The fees paid to the Manager and its affiliates; and
- Any transactions between the Company and the Manager or its affiliates

In each case, the detailed statement will describe the services performed and the amount of compensation paid

Clawback

If, upon the liquidation of the Company, the owners of the Class A Investo Shares other than the Manager, the Sponsor, and the affiliates have not received distributions sufficient to return the capital contributed plus a 7% cumulative, non-compounded annual return, the Manager, the Sponsor, and the affiliates will be required to return any distributions they have received from the Company (not fees), over and above the actual contributed capital, an amount such that the Company can distribute the shortfall to the owners of the Class A Investo Shares, other than the Manager, the Sponsor, and the affiliates

Method of Accounting

The compensation described in this section was calculated using the accrual method of accounting

Item 4. Security Ownership of Management and Certain Securityholders²

The limited liability company interests in the Company are denominated by 20,000,000 "Shares," consisting of 1,000,000 "Common Shares" and 19,000,000 "Investo Shares." The Manager has the authority to divide the 19,000,000 Investo Shares into one or more "classes," by adopting one or more authorizing resolutions. The Manager adopted the Authorizing Resolution to create 5,000,000 Class A Investo Shares

As of December 31, 2021, the limited liability company interests of the Company were owned as follows

Common Shares

<u>Beneficial Owner</u>	<u>Number of Shares</u>	<u>Percent of Class</u>
Dive Fund, Inc * 750 B Street Suite 1930 San Diego, CA 92101	1,000,000	100%
DF Manager, LLC 750 B Street Suite 1930 San Diego, CA 92101	0	0%
Aan Lewis 750 B Street Suite 1930 San Diego, CA 92101	0	0%
Craig Cecero 750 B Street Suite 1930 San Diego, CA 92101	0	0%

Class A Investor Shares

<i>Beneficial Owner</i>	<i>Number of Shares</i>	<i>Percent of Class</i>
Un eated Investo s	6,512,839	100%

* D ve syFund, Inc, the Sponso , s owned and cont o ed by M Lew s and M Cec o

Item 5. Interest of Management and Others in Certain Transactions

The Company has ente ed nto a Management Ag eement wth the Manage , pu suant to wh ch the Manage w p ov de management and nvest ment management se v ces Unde the Management Ag eement, the Company w pay the Manage ce ta n fees as desc bed n “Compensat on of Management” The Manage s an aff ate of ou Sponso , D ve syFund, Inc Thus, the amount of fees and othe te ms of the Management Ag eement we e dete mned among e ated pa tes and not at a m’s-ength

The Sponso , the Manage , M Cec o, M Lew s, and pa tes e ated to them mght a so nvest n the Company by pu chas ng C ass A Investo Sha es, a ong wth othe Investo s

Item 7. Financial Statements

DF Growth REIT, LLC

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INDEPENDENT AUDITOR’S REPORT

To the Member s and Management
of DF Growth REIT, LLC

Opinion

We have aud ted the accompany ng financ a statements of DF Growth REIT, LLC (a De awa e co po at on), wh ch comp se the ba nce sheet as of Decembe 31, 2021, and the e ated statements of ope at ons, membe s’ equ ty, and cash f ows fo the yea then ended, and the e ated notes to the financ a statements

In ou op n on, the financ a statements efe ed to above p esent fa y, n a mate a espects, the financ a pos t on of DF Growth REIT, LLC as of Decembe 31, 2021, and the esu ts of ts ope at ons and ts cash f ows fo the yea then ended n acco dance wth account ng p nc es gene a y accepted n the Un ted States of Ame ca

Basis for Opinion

We conducted ou aud t n acco dance wth aud t ng standa ds gene a y accepted n the Un ted States of Ame ca Ou espons b tes unde those standa ds a e fu the desc ed n the Auditor’s Respons b tes fo the Auditor of the Financ a Statements sect on of ou epo t We a e equ ed to be ndependent of DF Growth REIT, LLC and to meet ou othe eth ca espons b tes n acco dance wth the e evant eth ca equ ements e at ng to ou aud t We be eve that the aud t ev dence we have obta ned s suff c ent and app op ate to p ov de a bas s fo ou aud t op n on

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether the evidence conditions or events, considered in the aggregate, that raise substantial doubt about DF Growth REIT, LLC's ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion on Reasonable Assurance. Such a high level of assurance does not also constitute absolute assurance and the effect is not a guarantee that an audit conducted in accordance with generally accepted auditing standards will always detect a material misstatement when it exists. The risk of not detecting a material misstatement existing from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls. Misstatements, including omissions, are considered material if the effect is substantial in the hood that, in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards, we

- Exercise professional judgment and maintain professional skepticism throughout the audit.



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- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of DF Growth REIT, LLC's internal control. According to the audit, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, the evidence conditions or events, considered in the aggregate, that raise substantial doubt about DF Growth REIT, LLC's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control related matters that we identified during the audit.

/s/ Hayne & Company
 Salt Lake City, UT
 April 30, 2022

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**DF Growth REIT, LLC
 Consolidated Balance Sheet
 As of December 31, 2021**

	As of December 31, 2021
ASSETS	
Investments in real estate properties, net of accumulated depreciation	\$ 100,309,457
Construction in progress	3,928,218
Total real estate equity investments	5,014,216
Real estate debt investments	1,789,000
Cash and cash equivalents	7,195,361
Related party receivables	1,741,831
Intest receivables	243,984
Notes and accounts receivable	2,158,979
Other assets	2,255,320
TOTAL ASSETS	\$ 124,636,366

OS Received 06/03/2022

LIABILITIES AND EQUITY	
LIABILITIES	
Notes payable, net of unamortized loan fees	\$ 64,615,873
Accounts payable and accrued expenses	465,961
Redemptions payable	121,988
Rental security deposits and other liabilities	711,268
Prepaid items	150,476
Interest payable	94,779
TOTAL LIABILITIES	\$ 66,160,345
MEMBER'S EQUITY	
Class A shares \$10.00 par value; 7,500,000 shares authorized; 6,512,840 shares issued and outstanding, net of offering costs as of December 31, 2021	\$ 65,128,397
Accumulated deficit	(8,007,712)
Non-controlling interest	1,355,336
TOTAL MEMBER'S EQUITY	\$ 58,476,021
TOTAL LIABILITIES AND MEMBER'S EQUITY	\$ 124,636,366

The accompanying notes are an integral part of these financial statements

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DF Growth REIT, LLC
Consolidated Statement of Operations
For the year ended December 31, 2021

REVENUES	
Rental property revenues	\$ 7,463,526
Distribution Income	300,000
Interest income	192,804
Realized Investment Income	238,188
Other income	387,988
TOTAL REVENUE	\$ 8,582,506
EXPENSES	
Operating expenses	
Depreciation and amortization	\$ 2,092,833
Property operating and maintenance	2,988,673
Real estate taxes	555,772
Interest expense	3,693,442
General and administrative expenses	2,760,402
Total Operating Expenses	\$ 12,087,122
Investing Expenses	
Investing Expenses	\$ 113,871
Total Investing Expenses	\$ 113,871
TOTAL EXPENSES	\$ 12,200,993
NET LOSS	\$ (3,618,487)
Loss attributed to non-controlling interest	(3,565,853)
Loss attributed to DF Growth REIT LLC	(52,634)

The accompanying notes are an integral part of these financial statements

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DF Growth REIT, LLC
Consolidated Statement of Members' Equity
For the year ended December 31, 2021

	Class A Investor Shares		Subscription Receivable	Accumulated Deficit	Noncontrolling Interest	Total Equity
	Shares	Amount				
December 31, 2020	3,244,667	\$ 32,446,667	\$ (229,035)	\$ (2,618,637)	\$ 1,302,426	\$ 30,901,421
Proceeds from issuance of class A shares	3,268,173	32,681,730	229,035	-	-	32,910,765
Distributions declared on class A shares	-	-	-	(1,823,222)	-	(1,823,222)
Non-controlling interest	-	-	-	-	105,544	105,544
Net loss	-	-	-	(3,565,853)	(52,634)	(3,618,487)
Balance as of December 31, 2021	6,512,840	\$ 65,128,397	\$ -	\$ (8,007,712)	\$ 1,355,336	\$ 58,476,021

DF Growth REIT, LLC
Consolidated Statement of Cash Flows
For the period from January 1, 2021 through December 31, 2021

OPERATING ACTIVITIES	
Net loss	\$ (3,618,487)
Adjustments to reconcile net loss to net	
Depreciation and amortization	2,092,833
Amortization on debt issuance costs	861,156
Capitalized interest	(314,561)
Changes in operating assets and liabilities	
Accounts receivable	(2,038,187)
Prepaids and other assets	870,893
Related party receivables	(1,713,503)
Accounts payable and accrued expenses	228,555
Rent security deposits	455,862
Other liabilities	(330,147)
Net cash provided by (used in) operating activities	(3,505,586)
INVESTING ACTIVITIES	
Investment in real estate equity investments	(53,207,651)
Investment in equity method investees	(4,947,685)
Investment in real estate debt investments	(812,500)
Proceeds from sale of equity method investees	1,462,325
Net cash used in investing activities	(57,505,511)
FINANCING ACTIVITIES	
Proceeds from the issuance of Class A shares	32,676,253
Proceeds from notes payable	34,448,328
Principal payments	(662,709)
Payment on loan fees associated with new debt	(1,476,995)
Payments made to investors for dividends	(1,823,222)
Net cash provided by financing activities	63,161,655
Net increase in cash and cash equivalents	2,150,558
Cash and cash equivalents, beginning of period	5,044,803
Cash and cash equivalents, end of period	\$ 7,195,361

The accompanying notes are an integral part of these financial statements

DF Growth REIT, LLC
Notes to the Consolidated Financial Statements
December 31, 2021

Note 1 Formation and Organization

DF Growth REIT, LLC (the "Company") is a Delaware corporation formed on July 16, 2018, that conducts its business through its investment in cash-flowing apartment buildings along with single and multi-family properties. Our focus is on long-term capital appreciation from the renovation and repositioning of these multi-family properties. The use of the terms "Company," "we," "us," or "our" in this Annual Report refers to DF Growth REIT, LLC, unless the context indicates otherwise. We have elected to be taxed as a REIT under the Internal Revenue Code of 1986, as amended (the "Code"), commencing with our taxable year ended December 31, 2019.

The Company is externally managed by DF Management, LLC, ("Management"), which is a subsidiary of the Company's sponsor, Diverse Fund, Inc. ("Sponsor")

Pursuant to the Form 1-A filed with the SEC with respect to our offering (the "Offering") of up to \$75,000,000 in shares of Class A shares, the purchase price for a share was \$10.00 per share as of December 31, 2021. The Offering was qualified by the SEC on November 13, 2018, and we commenced operations on November 13, 2018. As of December 31, 2021, we had issued 6,512,840 shares of our Class A shares for an aggregate purchase price of \$65,128,397. The Company has the authority to issue 7,500,000 shares of Class A shares.

Note 2 Summary of Significant Accounting Policies*Principles of Consolidation Note*

The consolidated financial statements include the accounts of DF Growth REIT, LLC and the following subsidiaries in which DF Growth REIT has a controlling financial interest.

Subsidiary	Owning Entity	% Ownership	Year Acquired/Organized
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Dve syfund Pa k Bvd , LLC	DF Growth REIT	65.82%	2017
The Sa d n a Goup Inc	DF Growth REIT	62.33%	2018
McA thu LG LLC	DF Growth REIT	100%	2020
BLVDW NC LLC	DF Growth REIT	100%	2020
4500 SOUTH STATE STREET UT LLC	DF Growth REIT	100%	2020
WOODSIDE HIGHLAND UT LLC	DF Growth REIT	100%	2020
524 SW ST LUCIE, LLC	DF Growth REIT	100%	2020
201 SW JOAN JEFFERSON WAY LLC	DF Growth REIT	100%	2021
7604 WARSAW ROAD SC LLC	DF Growth REIT	95.5%	2021
MISSION VILLAS SA LLC	DF Growth REIT	100%	2021

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The consolidated financial statements include 100% of each subsidiary's assets, liabilities, operations and cash flows, with the interests not owned by REIT reflected as "noncontrolling interests in subsidiaries." All significant inter-company accounts and transactions have been eliminated in consolidation.

Use of Estimates

The preparation of the financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements. Actual events and results could differ from those assumptions and estimates.

Cash and Cash Equivalents

Cash and cash equivalents consist of demand deposits. Cash and cash equivalents are carried at cost which approximates fair value.

Concentration of Credit Risk

At times, our cash may exceed the Federal Deposit Insurance Corporation deposit insurance limit of \$250,000 per institution. The Company mitigates credit risk by placing cash with major financial institutions. To date, the Company has not experienced any losses on cash.

Geographic concentration

As of December 31, 2021, the Company's investments in real estate operate in California, Texas, North Carolina, South Carolina, Florida, and Utah. Future operations could be affected by changes in economic conditions in those geographic areas or the demand for such housing.

Variable Interest Entities and Voting Interest Entities

A variable interest entity ("VIE") is an entity that lacks one or more of the characteristics of a voting interest entity. A VIE is defined as an entity in which equity investors do not have the characteristics of a controlling financial interest or do not have sufficient equity at risk for the entity to finance its activities without additional unsecured financial support from other parties. The determination of whether an entity is a VIE includes consideration of various factors. These factors include: view of the formation and design of the entity, its organizational structure including decisions on making ability and relevant financial agreements, and analysis of the forecasted cash flows of the entity. We make an initial determination upon acquisition of a VIE, and reassess the initial evaluation of an entity as a VIE upon the occurrence of certain events.

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A VIE must be consolidated on by its primary beneficiary, which is defined as the party who, along with its affiliates and agents, has both the (i) power to direct the activities that most significantly impact the VIE's performance; and (ii) obligation to absorb the losses of the VIE or the right to receive the benefits from the VIE, which could be significantly impacted by the VIE. We determine whether we are the primary beneficiary of a VIE by considering various factors, including, but not limited to: which activities most significantly impact the VIE's economic performance and which party controls such activities; the amount and characteristics of its investment; the obligation or likelihood for other interests to provide financial support; consideration of the VIE's purpose and design, including the risks the VIE was designed to create and pass through to its variable interest holders and the similarity with and significant influence to the business activities of our interest and the other interests. We reassess our determination of whether we are the primary beneficiary of a VIE each reporting period. Significant judgments related to these determinations include estimates about the future performance of investments held by VIEs and general market conditions. The maximum risk of loss related to our investments is limited to our recorded investment in such entities, if any.

A voting interest entity ("VOE") is an entity in which equity investors have the characteristics of a controlling financial interest and has sufficient equity at risk to finance its activities. A controlling financial interest exists if limited partnership with equity at risk is able to exercise substantial kick-out rights or is able to exercise substantial protective rights. Under the VOE mode, generally, on a significant limited partnership that is able to exercise substantial kick-out rights will consolidate the entity.

As of December 31, 2021, the Company held investments in one entity, which was evaluated under the VIE mode and we are not consolidated because the Company was not determined to be the primary beneficiary. These investments are carried on the equity method because of the Company's significant influence.

As of December 31, 2021, the Company held investments in ten entities, which we evaluated under the VOE mode and are consolidated because the Company is able to exercise substantial kick-out rights and substantial protective rights.

Income Taxes

The Company operates and is taxed as a REIT for federal income tax purposes for the year ended December 31, 2021. To qualify as a REIT, the Company must meet certain organizational and operational requirements, including a requirement to distribute at least 90% of its taxable income to its stockholders. As a REIT, the Company generally is not subject to federal corporate income tax on that portion of its taxable income that is currently distributed to stockholders. The Company may be subject to certain state and local taxes on its income and property, and federal income and excise taxes on its undistributed income. No material provisions

OS Received 06/03/2022

have been made for federal income taxes in the accompanying financial statements, and no gross deferred tax assets obligations have been recorded as of December 31, 2021. As of December 31, 2021, \$2,849,715, net debit balances have been recorded to stockholders, which we classify for tax purposes as non-taxable return of capital.

All tax periods since inception remain open to examination by the major taxing authorities in a jurisdiction where we are subject to taxation.

Revenue Recognition

Rent income is recognized as rents become due. Rent payments received in advance are deferred until earned. Arises between the Company and tenants of the property are reported as expenses and are one year in length.

For certain properties, in addition to the contractual base rent, the tenants pay the share of utilities to the Company. The income and expenses associated with these properties are generally recorded on a gross basis when the Company is the primary obligor. For the year ended December 31, 2021, the Company did not record any reimbursements of expenses.

Tenant fees, such as application fees, administrative fees, late fees, and other revenues from tenants are recorded when amounts become due.

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Purchase Accounting for Acquisitions of Real Estate

Effective November 13, 2018, (Inception) the Company adopted the provisions of Accounting Standards Update 2017-01, which provides that if substantial part of the fair value of the gross assets is concentrated in any individual asset, the acquisition is treated as an asset acquisition as opposed to a business combination. Under an asset acquisition, costs directly related to the acquisition are capitalized as part of the purchase consideration. The fair value of the purchase consideration is then allocated based on the relative fair value of the assets. The estimates of the fair value of the purchase consideration and the fair value of the assets acquired are consistent with the techniques used in a business combination.

Accounting for Long-Lived Assets and Impairment of Real Estate Owned

The Company evaluates its real estate portfolio on a quarterly basis to ascertain if there are any indicators of impairment to the value of any of its real estate assets, including deferred costs and intangibles, to determine if there is any need for an impairment charge. In evaluating the portfolio, the Company examines one or more of the following: the type of asset, the current financial statements or other available financial information of the asset, and the economic situation in the area in which the asset is located. For each real estate asset owned for which indicators of impairment exist, management performs a recoverability test by comparing the sum of the estimated undiscounted future cash flows attributable to the asset to its carrying amount. If the aggregate undiscounted cash flows are less than the asset's carrying amount, an impairment loss is recorded to the extent that the estimated fair value is less than the asset's carrying amount. The estimated fair value is determined using a discounted cash flow model of the expected future cash flows through the useful life of the property. The analysis includes an estimate of the future cash flows that are expected to result from the real estate investment's use and eventual disposition. These cash flows consider factors such as expected future operating income, trends and prospects, the effects of changing demand, competition and other factors.

Allowance for Doubtful Accounts

The Company maintains an allowance for doubtful accounts for estimated losses resulting from the inability of a tenant to make required payments. At December 31, 2021, there was zero balance in the allowance for doubtful accounts. The Company records bad debt expense as a reduction of rental income and/or tenant reimbursements.

Advertising costs

The Company's policy is to expense advertising costs when incurred. There were no such costs incurred for the year ending December 31, 2021.

Deferred Financing Costs

Mortgage costs are capitalized and amortized using the straight-line method which management does not believe is materially different than the effective interest method, over the terms of the respective debt obligations. At December 31, 2021, deferred financing costs amounted to \$1,623,050, net of accumulated amortization. Amortization of such costs is included in interest expense and approximated \$605,970 in 2021. The Company presents unamortized deferred financing costs as a direct deduction from the carrying amount of the related debt liability.

Fair Value

Fair value is the exchange price that would be received for an asset or paid to transfer a liability (exit price) in the principal market most advantageous to the asset or liability in an orderly transaction between market participants on the measurement date. The fair value hierarchy of inputs that may be used to measure fair values:

- Level 1 - Quoted prices (unadjusted) for identical assets or liabilities in active markets that the entity has the ability to access as of the measurement date.
- Level 2 - Significant observable inputs other than Level 1 prices such as quoted prices for similar assets or liabilities; quoted prices in markets that are not active; or other inputs that are observable either directly or indirectly.
- Level 3 - Significant unobservable inputs that reflect a company's own assumptions about the assumptions that market participants would use in pricing an asset or liability.

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Fair Value Option

OS Received 06/03/2022

ASC 825 "Fair Value Option for Financial Assets and Financial Liabilities" ("ASC 825") provides a fair value option on effect on that allows companies to elect to measure the fair value of the financial assets and liabilities ASC 825 permits the fair value option on effect on an instrument by instrument basis at the recognition. We have decided not to make this election.

Construction in Progress

As the company does possess investments in real estate development projects we must account for construction in progress. The Company's accounting policy on these investments is that any costs directly related to the development of construction of the asset be capitalized until the point where the asset has the ability to derive revenue through the property interests of the disposition of the asset. Examples of capitalized costs incurred have been interest on construction loans, construction costs, and property taxes. The Company currently has one real estate investment in the development phase that utilizes construction in progress.

Note 3 Investments in Real Estate

The following table presents the Company's acquisitions of real estate during the period from January 1, 2021 through December 31, 2021.

Description of Property	Date acquired	Ownership Percentage	Contract Purchase Price	Terms of Payment	Real Estate Acquisition Costs
Azu Luxury Residences Stuart, FL	January 27, 2021	100.00%	\$ 15,500,000	Cash	\$ 1,253,720
Worridge North Charleston, SC	September 1, 2021	95.5%	\$ 22,075,000	Cash	\$ 1,843,600
MISSION Vistas San Antonio, TX	September 28, 2021	100.00%	\$ 10,250,000	Cash	\$ 880,000
NCP Dove North Charleston, SC	December 10, 2021	31.07%	\$ 46,370,000	Cash	\$ 3,147,450
Totals for 2021			\$ 94,195,000		\$ 7,124,770

The following table details the acquisition of the purchase price for the Company's acquisitions of real estate during the period from November 13, 2018 (except on) through December 31, 2021.

Description of Property	Land	Building	Total
The Sandina Group San Diego, CA	\$ 1,018,892	\$ -	\$ 1,018,892
Park Blvd San Diego, CA	\$ 3,700,000	\$ -	\$ 3,700,000
McArthur Land Fayetteville, NC	\$ 1,150,000	\$ 8,525,000	\$ 9,675,000
Boulevard West Greenville, NC	\$ 900,000	\$ 11,915,000	\$ 12,815,000
Woodsdale at Hoaday Hoaday, UT	\$ 53,800	\$ 8,446,200	\$ 8,500,000
Cottonwood Creek Murray, UT	\$ 1,084,600	\$ 4,155,400	\$ 5,240,000
The Fance Stuart, FL	\$ 775,500	\$ 3,474,500	\$ 4,250,000
Azu Luxury Residences Stuart, FL	\$ 1,063,740	\$ 14,436,260	\$ 15,500,000
Worridge North Charleston, SC	\$ 2,030,000	\$ 20,045,000	\$ 22,075,000
MISSION Vistas San Antonio, TX	\$ 348,250	\$ 9,901,750	\$ 10,250,000
Totals as of December 31, 2021	\$ 12,124,782	\$ 80,899,110	\$ 93,023,892

The following table details the accumulated depreciation on for the Company's acquisitions of real estate during the period from November 13, 2018 (except on) through December 31, 2021.

Description of Property	Asset Life	Capital Improvements	Building	Accumulated Depreciation
The Sandina Group San Diego, CA	30 Years	\$ 1,662,621	\$ -	\$ 110,841
Park Blvd San Diego, CA	30 Years	\$ -	\$ -	\$ -
McArthur Land Fayetteville, NC	30 Years	\$ -	\$ 8,525,000	\$ 449,931
Boulevard West Greenville, NC	30 Years	\$ -	\$ 11,915,000	\$ 562,653
Woodsdale at Hoaday Hoaday, UT	30 Years	\$ -	\$ 8,446,200	\$ 375,387
Cottonwood Creek Murray, UT	30 Years	\$ -	\$ 4,155,400	\$ 161,599
The Fance Stuart, FL	30 Years	\$ -	\$ 3,474,500	\$ 115,817
Azu Luxury Residences Stuart, FL	30 Years	\$ -	\$ 14,436,260	\$ 441,108

W o w R dge No th Ch a eston, SC	30 Yea s	\$ 66,241	\$ 20,045,000	\$ 223,664
M ss on V as San Anton o, TX	30 Yea s	\$ -	\$ 9,901,750	\$ 82,515
Totals as of December 31, 2021		\$ 1,728,862	\$ 80,899,110	\$ 2,523,515

Minimum Future Rents

The enta p ope t es owned at Decembe 31, 2021, a e p nc pa y eased unde 12-month ope at ng eases w th ce ta n tenant enewa ghts

Note 4 Equity Method Investments

If t s dete mned that we do not have a cont o ng nte est n a jo nt ventu e th ough ou f nanc a nte est n a VIE, the equ ty method of account ng s used Unde the equ ty method, the nvestm t s o g na y e po ted at cost and s adjusted fo cap ta act v ty nc ud ng subsequent subsc pt ons, edempt ons o d st but ons As d st but ons a e ece ved f om the unde y ng equ ty nvestm t, the cost bas s of the nvestm t w be e duced As d st but on p oceeds su pass the cost bas s of the nvestm t, we w then e co d ea zed nvestm t gans fo the assoc ated equ ty nvestm t The fo ow ng s a tab e deta ng the cu ent nvestm ts made unde the equ ty method as of Decembe 31, 2021

Description of Property	Date acquired	Ownership Percentage	Contract Purchase Price	Terms of Payment	Investment Amount
NCP Dove No th Ch a eston, SC	Decembe 10, 2021	31.07%	\$ 46,370,000	Cash	\$ 5,014,216
Totals for 2021			\$ 46,370,000		\$ 5,014,216

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Note 5 Commercial Real Estate Debt Investments

As of Decembe 31, 2021, ou debt e ated nvestm t was not cons de ed mpa ed, and no mpa ment ch ges we e e co ded n the f nanc a statem ts We be e ve the fa va ue of the debt nvestm t easonab y app oxm tes to the ca y ng va ue of the debt nvestm t as of Decembe 31, 2021 The Company had nvested n one debt e ated nvestm t as of Decembe 31, 2021 D ve syFund G an to, LLC s a 12-month te m note matu ng on 9/27/2022 w th a 10.25% annua nte est ate The fo ow ng tab e desc bes ou debt e ated nvestm t act v ty fo the yea ended Decem e 31, 2021

Investment in Debt:	Amount
Ba ance at beg nn ng of pe od	\$ 976,500
P nc pa and nte est e payments	-
Cu ent pe od debt nvestm ts	812,500
Balance as of December 31, 2021	\$ 1,789,000

The fo ow ng tab es p esent the Company's nvestm ts n debt secu t es, as of Decembe 31, 2021

Asset Type	Number	Original Principal Amount or Cost	Carrying Value	Average Investment Return	Allocation by Investment Type
Res dent a P ope ty	1	\$ 1,789,000	\$ 1,991,668	10.25%	100.00%
Balance as of December 31, 2021	1	\$ 1,789,000	\$ 1,991,668	10.25%	100.00%

The fo ow ng tab es p esent ce ta n nfo mat on about the Company's nvestm ts n debt secu t es, as of Decembe 31, 2021, by cont actua matu ty g oup ng

As of Decembe 31, 2021

Asset Type	Number	Amounts Maturing After One Year Through Five Years
Res dent a P ope ty	1	\$ 1,991,668
Balance as of December 31, 2021	1	\$ 1,991,668

Credit Quality Monitoring

The Company's p e fe ed equ ty nvestm ts that ea n nte est based on debt- ke te ms a e ty ca y secu ed by nte ests n ent t es that have nte ests n ea estate The Company e va uates ts debt nvestm ts at east qua te y and d ff e nt ates the e at ve e d t qua ty p nc pa y based on () whethe the bo owe s cu ent y pay ng cont actua gua anteed p e fe ed equ ty payments n acco dance w th ts cont actua te ms; and () whethe the Company be e ves the bo owe w be ab e to pe fo m unde ts cont actua te ms n the futu e, as we as the Company's expectat ons as to the ut mate e co ve y of p nc pa at matu ty The Company cons de ed an nvestm t fo wh ch t expects to e ce ve fu payment of cont actua p nc pa and nte est payments as "pe fo m ng" As of Decembe 31, 2021, the nvestm t s cons de ed to be pe fo m ng and no a owance fo oan oss has been e co ded In the event that an nvestm t s deemed othe than pe fo m ng, the Company w e va uate the nst ument fo any equ e d mpa ment

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Note 6 Related Party Arrangements

DF Manager, LLC, Manager

Subject to certain restrictions and limitations, the Manager is responsible for managing the Company's affairs on a day-to-day basis and for identifying and making investments on behalf of the Company.

The Manager will not be reimbursed for organizational and office expenses incurred in conjunction with the Office. The Company will not reimburse the Manager for actual expenses incurred on behalf of the Company in connection with the selection or acquisition of an investment, to the extent not reimbursed by the borrower, whether or not the Company ultimately acquires the investment. The Company will not reimburse the Manager for out-of-pocket expenses paid to third parties in connection with providing services to the Company.

DiversyFund, INC, Sponsor

The Sponsor receives an acquisition fee directly from the Company's real estate investments for sponsoring the acquisition of the asset. The sponsor performs services of sourcing, underwriting, due diligence, investment oversight, arranging debt financing, and execution of the business plan. The Sponsor is entitled to receive an acquisition fee paid at the asset level of up to 8% of the total project cost including acquisition price, construction or capital expenditure budget and insurance and carrying costs. Sponsor is also entitled to receive a financing fee from the asset level of up to 1% of the total debt amount obtained for a project. Sponsor is also entitled to receive an asset management fee of up to 2% of collected rents from a project. These costs are allocated on the pro-rata basis and are treated as acquisition costs which are amortized over the life of the asset. In 2021 the Sponsor received financing and acquisition fees totaling \$6,537,745 in connection with the acquisitions of 4 new multi-family properties and the remaining acquisition and financing fees.

Property Name	Date	Acquisition Fee	Financing Fee	Total Sponsor Fee
Azi	1/27/2021	\$ 1,253,720	-	\$ 1,253,720
W oweridge	9/01/2021	\$ 1,843,600	-	\$ 1,843,600
Miss on V as	9/28/2021	\$ 880,000	-	\$ 880,000
NCP Dove	12/10/2021	\$ 2,560,425	-	\$ 2,560,425
Total		\$ 6,537,745	\$ -	\$ 6,537,745

Executive Officers of our Manager and Sponsor

As of the date of this Annual Report, our executive officers are as follows:

Name	Position
Craig Cecilio	Chief Executive Officer
Alan Lewis	Chief Investment Officer

Craig Cecilio has served as our Chief Executive Officer of our Sponsor and Manager since its inception.

Alan Lewis has served as the Chief Investment Officer of our Sponsor and Manager since its inception.

All equity and debt investments owned by the Company are managed directly by DiversyFund, Inc.

Related Party Receivable

The Company paid \$32,456 in 2021 for Lex Nova legal services for DF Growth REIT II LLC. This amount is owed back to the Company and will be repaid in 2022. REIT entities include DiversyFund Inc. in 2021 with an interest rate of 4.00%. One was \$2,000,000 on June 22nd, the other was \$500,000 on August 25th. The related party notes receivable as of December 31, 2021 is \$1,700,000. The Company is owed \$9,375 due to a discount in 3rd party acquisition costs incurred on to the NCP Dove LLC purchase. The Company has a total related party receivable balance of \$1,741,831 as of December 31, 2021.

Note 7 Economic Dependency

Under various agreements, the Company has engaged or will engage DF Manager, LLC to provide certain services to the Company, including asset management services, asset acquisition and disposition decisions, the sale of the Company's common shares available for issue, as well as other administrative responsibilities for the Company including accounting services and investor relations. As a result of these relationships, the Company is dependent upon DF Manager, LLC. In the event that these companies were unable to provide the Company with the respective services, the Company would be required to find a alternate provider of these services.

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Note 8 Commitments and Contingencies

Legal Proceedings

As of December 31, 2021, we were not named as a defendant in any active ongoing litigation. However, it is possible that the Company could become involved in various litigation matters arising in the ordinary course of our business. Although we are unable to predict with certainty the eventual outcome of any litigation, management is not aware of any litigation likely to occur that we currently assess as being significant to us.

Note 9 Distributions

Investor distributions are determined by each shareholder's investment of record each day during the distribution period.

The table below outlines the Company's total distributions declared to shareholders and distributions payable to the Sponsor and affiliates for the year ended December 31, 2021.

OS Received 06/03/2022

Distribution Period	Declaration Date	Daily Distribution per Common Share	Annualized Yield	Total Amount of Distribution	Paid/Reinvested as of December 31, 2021	Payment Date
June 1, 2019 through June 30, 2019	6/30/2019	0.00133398	5.00%	\$ 7,634	\$ 7,634	7/15/2019
July 1, 2019 through July 31, 2019	7/31/2019	0.00115498	5.00%	\$ 9,591	\$ 9,591	8/15/2019
August 1, 2019 through August 31, 2019	8/31/2019	0.00119106	5.00%	\$ 11,869	\$ 11,869	9/13/2019
September 1, 2019 through September 30, 2019	9/30/2019	0.00127056	5.00%	\$ 14,880	\$ 14,880	10/15/2019
October 1, 2019 through October 31, 2019	10/31/2019	0.00125900	5.00%	\$ 17,654	\$ 17,654	11/14/2019
November 1, 2019 through November 30, 2019	11/30/2019	0.00134947	5.00%	\$ 20,182	\$ 20,182	12/15/2019
December 1, 2019 through December 31, 2019	12/31/2019	0.00297561	10.96%	\$ 59,135	\$ 59,135	1/15/2020
January 1, 2020 through January 31, 2020	1/31/2020	0.00121003	5.00%	\$ 30,477	\$ 30,477	2/14/2020
February 1, 2020 through February 29, 2020	2/28/2020	0.00133652	5.00%	\$ 36,183	\$ 36,183	3/13/2020
March 1, 2020 through March 31, 2020	3/31/2020	0.00126045	5.00%	\$ 42,223	\$ 42,223	4/15/2020
April 1, 2020 through April 30, 2020	4/30/2020	0.00130590	5.00%	\$ 47,679	\$ 47,679	5/15/2020
May 1, 2020 through May 31, 2020	5/31/2020	0.00127588	5.00%	\$ 53,563	\$ 53,563	6/15/2020
June 1, 2020 through June 30, 2020	6/30/2020	0.00128252	5.00%	\$ 62,553	\$ 62,553	7/15/2020
July 1, 2020 through July 31, 2020	7/31/2020	0.00125403	5.00%	\$ 72,179	\$ 72,179	8/14/2020
August 1, 2020 through August 31, 2020	8/31/2020	0.00126094	5.00%	\$ 84,529	\$ 84,529	9/15/2020
September 1, 2020 through September 30, 2020	9/30/2020	0.00131003	5.00%	\$ 97,606	\$ 97,606	10/15/2020
October 1, 2020 through October 31, 2020	10/31/2020	0.00128373	5.00%	\$ 108,921	\$ 108,921	11/13/2020
November 1, 2020 through November 30, 2020	11/30/2020	0.00137317	5.00%	\$ 119,310	\$ 119,310	12/15/2020
December 1, 2020 through December 31, 2020	12/31/2020	0.00129568	5.00%	\$ 130,326	\$ 130,326	1/15/2021
January 1, 2021 through January 31, 2021	1/31/2021	0.00128366	5.00%	\$ 141,996	\$ 141,996	2/15/2021
February 1, 2021 through February 28, 2021	2/28/2021	0.00143663	5.00%	\$ 156,613	\$ 156,613	3/15/2021
March 1, 2021 through March 31, 2021	3/31/2021	0.00128682	5.00%	\$ 172,841	\$ 172,841	4/15/2021
April 1, 2021 through April 30, 2021	4/30/2021	0.00133582	5.00%	\$ 188,718	\$ 188,718	5/15/2021
May 1, 2021 through May 31, 2021	5/31/2021	0.00128750	5.00%	\$ 203,856	\$ 203,856	6/15/2021
June 1, 2021 through June 30, 2021	6/30/2021	0.00134678	5.00%	\$ 218,191	\$ 218,191	7/15/2021
July 1, 2021 through July 31, 2021	7/31/2021	0.00130588	5.00%	\$ 232,480	\$ 232,480	8/15/2021
August 1, 2021 through August 31, 2021	8/31/2021	0.00130769	5.00%	\$ 248,661	\$ 248,661	9/15/2021
September 1, 2021 through September 30, 2021	9/30/2021	0.00134172	5.00%	\$ 259,866	\$ 259,866	10/15/2021
				\$ 2,849,716		

(1) Distributions are paid or reinvested on the 15th of the following month after the distribution period.

Note 10 Notes Payable

The following table summarizes the terms of notes payable outstanding at December 31, 2021.

Property	Lender	Monthly Debt Service	Interest Rate	Maturity	2021
Unsecured Notes					
The Sandina Group	Richard Heald (2nd)		0%	10/10/2022	\$ 579,435
The Sandina Group	CCFG		25.00%		80,000
The Sandina Group	Dive syFund Income Fund, LLC		8.00%	9/22/2022	58,100
Secured Notes					
Dive syFund Park Blvd	Socot a Capita Inc	\$ 24,578	9.75% (Fixed)	4/1/2022	\$ 3,025,000
	Tempo Fund ng				
Dive syFund Park Blvd	Opposition ty	\$ 8,000	24.00% (Fixed)	6/23/2021	200,000
Dive syFund Park Blvd	TomCa a uca	\$ 8,000	16.00% (Fixed)	5/18/2021	200,000
The Sandina Group	Richard Heald (1st)	\$ 10,654	20.00%		1,420,565
McArthur Land ng	Standard Insurance Company	\$ 33,584	4.13% (Fixed)	7/1/2045	6,070,354
Bvd West	StanCo p Mortgage Investo s, LLC	\$ 42,364	3.63% (Fixed)	5/20/2045	8,069,457
Woods de	Keystone Real Estate Income Trust	\$ 43,582	7.25% (Fixed)	9/1/2022	6,108,179
Cottonwood	StanCo p Mortgage Investo s, LLC	\$ 12,766	3.50% (Fixed)	8/26/2045	2,479,504
Fance Apartments	Edgewood Mac VLLC	\$ 26,372	8.75%	12/1/2022	3,500,000
Azi Luxury residences	Edgewood Mac VLLC	\$ 62,431	6.50%	8/26/2022	10,000,000
WorWidge	Elect a Capita	\$ 76,166	5.05%	9/1/2023	16,948,329
Miss on V as	IBI Vcano Investments LLC	\$ 50,959	8.00%	2/28/2022	7,500,000
					\$ 66,238,923
Unamortized Loan Costs					\$ (1,623,050)
Total Notes Payable					\$ 64,615,873

OS Received 06/03/2022

Unsecured Senior Notes

In 2017, the Company issued a private placement of unsecured senior notes. This senior note has a balance of \$462,350 as of December 31, 2021 and is due in 2021. The senior notes has fixed annual interest rates of 20%, 25% and 8%.

Secured Mortgage Notes

As of December 31, 2021, the Company had \$64.4 million outstanding on eight non-secured mortgage notes. Assets with depreciated carrying values of \$100,309.5 million were pledged as security on these mortgage notes payable.

For the year ended December 31, 2021, interest was recorded as follows:

	2021
Total interest incurred	\$ 5,971,598
Interest capitalized	(2,278,156)
Total interest expense	\$ 3,693,442

Debt Maturities

Future principal payments due on the Company's notes payable at December 31, 2021 are as follows:

2022	\$ 33,252,759
2023	17,195,763
2024	430,575
2025	441,846
2026	453,529
The estate	14,464,451
	\$ 66,238,923

Note 11 Investment and depreciation in real estate properties

Real estate assets are stated at depreciated cost less impairment, if any. Buildings are depreciated over the estimated useful lives of 30 years. The life of a particular building depends upon a number of factors including whether the building was developed or acquired and the condition of the building upon acquisition. The Company uses the straight-line method for depreciation and amortization.

	Estimated Useful Life	2021
Land		\$ 12,124,782
Operating Real Estate Properties	30 Years	90,708,189
Less Accumulated Depreciation		(2,523,514)
Total Real Estate, net		\$ 100,309,457

Note 12 Subsequent Events

Events that occur after the balance sheet date, but before the financial statements were available to be issued, must be evaluated for recognition or disclosure. The effects of subsequent events that provide evidence about conditions that existed at the balance sheet date are recognized in the accompanying financial statements. Subsequent events which provide evidence about conditions that existed after the balance sheet date are disclosed in the accompanying notes. Management has evaluated the activity of the Company through April 29, 2022, the date the financial statements were available to be issued.

DiversyFund Granito LLC

In January, 2022, the Company made an additional debt investment of \$50,000. In February 2022 the Company invested \$40,000. In March 2022 the Company invested \$45,000. In April 2022 the Company invested \$50,000. As of April 29, 2022, the Company has made a total debt investment of \$1,974,000.

DiversyFund Park Blvd., LLC

In January 2022, the Company made an additional equity investment of \$90,000. In February 2022 the Company invested \$105,000. In March 2022 the Company invested \$202,000. In April 2022 the Company invested \$40,000. As of April 29, 2022, the Company has made a total equity investment of \$3,775,700.

THE SARDINIA GROUP, INC

On February 1st 2022, the Company sold The Sardinia Group in San Diego, CA for \$2,900,000.

Property Acquisition Deposits

On February 15, 2022, the Company made an additional equity investment of \$50,000 into Abo Wood Apartments. As of April 29, 2022, the Company has made a total equity investment of \$50,000 for new property acquisitions.

As of April 29, 2022, the Company had a total gross offering proceeds of approximately \$65,128,397 from settled subscriptions and issued an aggregate of 6,512,840 shares of our common stock. As of April 29, 2022, \$0 in shares remained available for sale to the public pursuant to the Offering.

Exhibits

The following Exhibits are filed as part of this Annual Report:

- Exhibit 1A-2A*** Certificate of Formation
- Exhibit 1A-2B*** LLC Agreement The agreement by and among the Company and all of its members captioned "Limited Liability Company Agreement" and dated August 1, 2018.
- Exhibit 1A-2C*** Authorizing Resolution The resolution adopted by the Management concerning the Class A Investor Shares.
- Exhibit 1A-6A*** Investment Agreement The agreement to be signed by each Investor to acquire a Class A Investor Share.
- Exhibit 1A-6B*** Management Agreement The agreement captioned "Management Services Agreement" by and between the Company and the Manager dated August 1, 2018.
- Exhibit 1A-8*** Escrow Agreement The Agreement captioned "Escrow Services Agreement" with Prime Trust, LLC.

* Previously filed and incorporated by reference.

Signatures

Pursuant to the requirements of Regulation A, the issuer has duly caused this report to be signed on its behalf by the undersigned, the duly authorized

May 3, 2022

DF Growth REIT, LLC

By DF Manager, LLC, as Manager

By Dive syFund, Inc., as Manager

By /s/ Craig Cecio
Craig Cecio, Chief Executive Officer

Pursuant to the requirements of Regulation A, this report has been signed below by the following persons on behalf of the issuer and in the capacities and on the dates indicated:

/s/ Alan Lewis
Alan Lewis
Director and Chief Investment Officer of Dive syFund, Inc
May 3, 2022

/s/ Craig Cecio
Craig Cecio
Director and Chief Executive Officer of Dive syFund, Inc
May 3, 2022

Division of Enforcement's Exhibit 7

No. _____

IN THE UNITED STATES COURT OF APPEALS
FOR THE NINTH CIRCUIT

DIVERSYFUND, INC., DF GROWTH REIT, LLC, DF
GROWTH REIT II, LLC, DF MANAGER, LLC, CRAIG
CECILIO, AND ALAN LEWIS,

Petitioners,

v.

UNITED STATES SECURITIES AND EXCHANGE
COMMISSION,

Respondent.

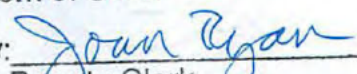
On Appeal from the United States of America
Before the Securities and Exchange Commission
File No. LA-5266

PETITIONERS' EMERGENCY MOTION FOR STAY PURSUANT
TO CIRCUIT RULE 27-3; RELIEF REQUESTED BY
FEBRUARY 28, 2022

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*Attorneys for Petitioners DiversyFund, Inc., DF Growth REIT,
LLC, DF Growth REIT II, LLC, DF Manager, LLC,
Craig Cecilio, and Alan Lewis*

A TRUE COPY
ATTEST
MOLLY C. DWYER
Clerk of Court
by: 
Deputy Clerk
OS Received 06/03/2022

UNITED STATES COURT OF APPEALS
FOR THE NINTH CIRCUIT

Form 16. Circuit Rule 27-3 Certificate for Emergency Motion

Instructions for this form: <http://www.ca9.uscourts.gov/forms/form16instructions.pdf>

9th Cir. Case Number(s)

Case Name

Diversyfund, Inc. et al. v. U.S. Securities & Exchange Commission

I certify the following:

The relief I request in the emergency motion that accompanies this certificate is:

An order forbidding the SEC from depriving Petitioners of property (their duly approved Regulation A exemption) without prior notice and opportunity to be heard; thus staying the SEC's orders of January 13 and 26, 2022 only insofar as they would disqualify Petitioners' exemption without notice or hearing before a neutral decisionmaker.

Relief is needed no later than (*date*): February 28, 2022

The following will happen if relief is not granted within the requested time:

Absent prompt relief, the SEC's challenged actions will put Petitioners out of business, irreparably injuring their nearly 30,000 investors and 250 shareholders. Petitioners operate a capital-intensive real estate investment business that requires continued capital inflow for investments and operations. If relief is not obtained by February 28, 2022, Petitioners and their investors would lose a \$1 million deposit on a project in Texas because of inability to close the transaction. In addition, though a date certain is difficult to specify, within a few weeks Petitioners will likely be forced to initiate drastic action, including discharging employees and winding down operations, to attempt to limit investor losses.

I could not have filed this motion earlier because:

Petitioners were notified of the SEC's January 2022 orders late on January 26, 2022. Petitioners immediately began work on judicial relief, and on February 7 notified the SEC of intent to file for emergency relief. The SEC asked to meet and confer, and for additional time. but then on Friday February 11 refused to offer any compromise.

Feedback or questions about this form? Email us at forms@ca9.uscourts.gov

I requested this relief in the district court or other lower court: Yes No

If not, why not:

Petitions for relief from SEC orders must be filed in this court under 15 U.S.C. §§ 77i(a) and 78y(a)(1).

I notified 9th Circuit court staff via voicemail or email about the filing of this motion: Yes No

If not, why not:

I have notified all counsel and any unrepresented party of the filing of this motion:

On (date): February 7 and 14, 2022

By (method): Email (and telephonic meet and confers)

Position of other parties: The SEC opposes the motion.

Name and best contact information for each counsel/party notified:

Jeffrey Berger, Victoria A. Levin
SEC Reg. Ofc., 444 S. Flower St., Suite 900 Los Angeles, CA 90071
(323) 965-3872
bergerje@sec.gov, levinv@sec.gov

I declare under penalty of perjury that the foregoing is true.

Signature /s/ Sanjay Bhandari

Date Feb. 15, 2022

(use "s/[typed name]" to sign electronically-filed documents)

Feedback or questions about this form? Email us at forms@ca9.uscourts.gov

CORPORATE DISCLOSURE STATEMENT

Pursuant to Federal Rule of Appellate Procedure 26.1, none of the entity Petitioners—that is, DiversyFund, Inc., DF Growth REIT, LLC, DF Growth REIT II, LLC, DF Manager, LLC—have any parent corporation and no publicly held corporation owns 10% or more of the stock of any of these Petitioners.

Dated: February 15, 2022

Respectfully submitted,

BUCHALTER
A PROFESSIONAL CORPORATION

By: /s/ Sanjay Bhandari

SANJAY BHANDARI

Attorneys for Petitioners

*DiversyFund, Inc., DF Growth REIT, LLC,
DF Growth REIT II, LLC, DF Manager,
LLC, Craig Cecilio, and Alan Lewis*

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INTRODUCTION

May a federal agency terminate a company's right to raise capital in a qualified exempt securities offering, putting it out of business and harming tens of thousands of investors, without notice or opportunity to be heard? The settled answer is no. Due process' "general rule requiring predeprivation notice and hearing" is excused "only in extraordinary situations," *United States v. James Daniel Good Prop.*, 510 U.S. 43, 53 (1993), and even then, it requires prompt, meaningful post-deprivation process. *Barry v. Barchi*, 443 U.S. 55, 64 (1979).

The U.S. Securities and Exchange Commission ("SEC") issued orders that violate this settled law. Based on a mere investigation, the SEC deprived Petitioners of the right to continue their duly approved securities offering with no notice or opportunity to be heard. Petitioners asked the SEC to investigate freely but just not shut them down and injure their investors without providing due process. The SEC refused, ignoring evidence of the lack of need for an immediate suspension and the severe harm imposed on Petitioners and their investors.

The SEC's orders put Petitioners in imminent jeopardy of either going out of business or facing severe penalties—all before any determination that they have done something wrong. Petitioners have no

choice but to seek relief from this Court. Petitioners ask this Court to stay the SEC's disqualification of Petitioners' Reg A offering until the SEC has provided Petitioners notice and an opportunity to be heard before a neutral adjudicator. Because the SEC's unconstitutional action will quickly force the closure of their business and losses to 30,000 investors, Petitioners respectfully request that the Court order expedited briefing and enter relief by February 28, 2022, to avoid a \$1 million loss to investors and winding down of operations. Alternatively, the Court should enter a temporary stay to prevent irreparable harm to Petitioners while the Court considers this motion.

JURISDICTION AND VENUE

Petitioners are aggrieved by two SEC orders: its January 13, 2022 Amended Formal Order Directing Private Investigation and Designating Officers to Take Testimony (the "January 13 Order"), and its January 26, 2022 Order Denying Petition for Review (the "January 26 Order"). This Court has jurisdiction under 15 U.S.C. §§ 77i(a) and 78y(a)(1), and has the power to grant this motion for stay pending appeal. 5 U.S.C. § 705; Fed. R. App. P. 8. Venue is proper because Petitioners reside or have their

principal place of business in the Ninth Circuit. 15 U.S.C. §§ 77i(a), 78y(a)(1); 5 U.S.C. § 703.

STATEMENT OF FACTS

1. Petitioners' Business

Petitioners DF Growth REIT, LLC (“REIT I”), DF Growth REIT II, LLC (“REIT II”), DF Manager, LLC, and DiversyFund, Inc. are affiliated entities (run by Petitioners Craig Cecilio and Alan Lewis) that work together to allow everyday investors to participate in investments such as Real Estate Investment Trusts (“REITs”). (*See* Ex. 1, First Lewis Decl., ¶¶ 7-8.) Investment terms are several years long to allow multiple stages of growth: raising capital, acquiring assets, developing assets, allowing appreciation, and selling. (*Id.* ¶ 10.) Capital is continuously raised and deployed to meet ongoing obligations. (*Id.* ¶ 11-13.)

Petitioners obtain this capital from investors through the offer and sale of securities under Reg A, a Congressionally endorsed avenue for smaller issuers to offer securities after meeting less burdensome requirements. (*Id.* ¶ 12; 17 C.F.R. §§ 230.251-230.263; “Reg A.”) Reg A is an exemption to the general requirement that securities offerings be formally registered. 15 U.S.C. §§ 77a *et seq.*; 77(c)(b). In 2012, Congress

directed the SEC to increase Reg A's ceiling from \$5 million to \$50 million, and to consider further increases every two years. Pub. L. No. 112-106, § 401,126 Stat. 306, 323 (2012); 15 U.S.C. § 77(c)(b)(5).

The SEC qualified DF Growth REIT II's Reg A offering on January 29, 2021, allowing its use for three years. (Ex 2, Petition to SEC at 3, 14.) Using this and DF Growth REIT's prior Reg A approval, Petitioners have invested over \$40 million for about 30,000 individual investors and 250 shareholders. (Ex. 1, First Lewis Decl. ¶ 17.)

2. The SEC Investigation

The SEC's first substantive communication with Petitioners was on November 29, 2021. (Ex. 3, Waiver Request at 3-4.) SEC staff told Petitioners that although their investigation had just begun (no subpoenas had even been prepared), its existence required Petitioners' disqualification under Rule 262(a)(7) (17 C.F.R. § 230.262(a)(7)) from offering or selling securities under Reg A. (*Id.*) Petitioners promptly conveyed (including through the December 7, 2021 Waiver Request) the constitutional issues and irreparable harm discussed herein, asking the SEC to follow the normal practice of first investigating and only if merited imposing consequences. (Ex. 3, Waiver Request at 6-8.) The SEC

never formally responded to Petitioners' Waiver Request but its staff stated that they would recommend denial.

In December 2021, Petitioners brought an administrative petition, which stayed the SEC staff's orders. (Ex. 4, Notice of Intent to Petition at 1-2; Ex. 2, Petition to SEC at 1; 17 C.F.R. § 201.431(e).) The petition explained Petitioners' reliance on Reg A and the immediate harm that would be suffered by 30,000 investors. It argued that SEC staff acted contrary to their authority, contrary to due process, and arbitrarily in purporting to disqualify Petitioners before the SEC was prepared to accuse Petitioners of doing anything wrong and allow them a chance to respond. (Ex. 2, Petition to SEC at 12-19.) It noted that the SEC had just commenced its investigation, showed no urgency, and could at the appropriate time start suspension proceedings under SEC Rule 258 or temporary cease-and-desist proceedings under 15 U.S.C. § 77h-1. (*Id.*)

In response, the SEC issued two orders. On January 13, it issued an Amended Formal Order of Investigation which, unlike the prior Formal Order, expressly and intentionally disqualified Petitioners, using

language drawn from Rule 262(a)(7).¹ On January 26, it issued an Order Denying Petition for Review, declining to address the constitutional issues and relying on the January 13 Order to moot the petition. (Ex. 6, January 26 Order at 1-3.) The SEC appeared to admit that its action raised “important policy implications,” *id.*, but refused to consider them.

Petitioners’ February 7 courtesy notice to the SEC of intent to file this motion led to a week-long meet and confer. The SEC ended discussions on February 11 by issuing a “Wells Notice” of intent to invoke Rule 258, which would offer it a new way to disqualify Petitioners’ Reg A rights without prior notice and hearing. Rule 258’s threatened invocation appears to be a retaliatory tactic—an attempt to evade review or change what is being reviewed in response to Petitioners’ exercise of their constitutional right to petition the courts. *Cf. Sackett v. EPA*, 8 F.4th 1075, 1084-85 (9th Cir. 2021), *certiorari granted in part on other grounds*, No. 21-454 (Jan. 24, 2022) (voluntary-cessation doctrine precluded

¹ Compare Ex. 5 with Ex. 8. The January 13 Order’s phrase “to determine whether a suspension order should issue,” mirrors disqualification language in Rule 262(a)(7). Ex. 5, January 13 Order at 3; *see also* 17 C.F.R. § 230.262(a)(7) (disqualification applies if an issuer “is, at the time of such filing or sale, the subject of an investigation or proceeding to determine whether a stop order or suspension order should be issued”) (emphasis added).

agency from mootng appeal and leaving challengers “in the same regulatory quagmire”). As of now, Petitioners are disqualified only by the SEC’s January 13 and January 26 Orders, under Rule 262(a)(7).

ARGUMENT

I. Standard Governing Preliminary Relief.

Four factors determine whether a stay should issue: “(1) whether the stay applicant has made a strong showing that he is likely to succeed on the merits; (2) whether the applicant will be irreparably injured absent a stay; (3) whether issuance of the stay will substantially injure the other [interested parties]; and (4) where the public interest lies. *Leiva-Perez v. Holder*, 640 F.3d 962, 964 (9th Cir. 2011) (citation omitted). The first two factors “are the most critical.” *Id.* The factors are balanced, allowing for a stay for a substantial case on the merits where the balance of interests is sharply in favor of a stay. *Id.* at 964-65.

II. Petitioners’ Appeal Will Likely Succeed on the Merits.

A. This Court Has Jurisdiction.

15 U.S.C. § 77i(a) and 78y(a)(1) allow any “person aggrieved by an order of” the SEC to seek judicial review in the court of appeals for their home circuit. Petitioners presented their constitutional and statutory

arguments about the SEC staff's actions through their December 2021 Petition to SEC and Waiver Request. The SEC responded with two orders that even more clearly imposed disqualification on Petitioners, in action by the Commission itself. The SEC's January 13 Order imposes on Petitioners the obligation to stop offering securities under Reg A or face potential civil and criminal penalties for sale of unregistered securities. 15 U.S.C. §§ 77e(a), 77x. The January 26 Order refused to correct the SEC staff's November 2021 unconstitutional order or to consider evidence and argument on why disqualification was unwarranted and unlawful. No agency appeal is available from these SEC actions: they are final, and they compel action on pain of severe penalties. Judicial review is ripe. *U.S. Army Corp of Eng'rs v. Hawkes Co.*, 136 S. Ct. 1807, 1810 (2016) ("parties need not await enforcement proceedings before challenging final agency action where such proceedings carry the risk of serious criminal and civil penalties") (cleaned up); *Sackett v. EPA*, 566 U.S. 120, 127 (2012) (agency orders that impose obligation on pain of legal consequences are final and subject to judicial review). Further, Petitioners will be put out of business absent immediate relief.

B. The SEC Violated Procedural Due Process.

Procedural due process requires a “two part-inquiry”: “whether [claimant] was deprived of a protected interest, and if so, what process was his due.” *Logan v. Zimmerman Brush Co.*, 455 U.S. 422, 428 (1982).

1. Petitioners Had a Protected Property Interest.

Petitioner DF Growth REIT II’s three-year Reg A exemption was a protected property interest, of which the SEC’s orders deprive it.

The due process clause protects “those claims upon which people rely in their daily lives” for which they have a “legitimate claim of entitlement.” *Bd. of Regents v. Roth*, 408 U.S. 564, 577 (1972). These include both business licenses and exemptions. *See, e.g., Alaska Airlines, Inc. v. Civilian Aeronautics Bd.*, 545 F.2d 194, 199-200 (D.C. Cir. 1976) (airline had a protected interest in exemption for charter flights, on which it relied “in framing the scope and nature of its operations”); *Rebirth Christian Acad. Daycare, Inc. v. Brizzi*, 835 F.3d 742, 747-48 (7th Cir. 2016) (child care ministry had protected interest in continued license exemption). Whether the right to operate is called a license or an exemption is “semantics”: the existence of a protected interest turns on the reasonableness of reliance on the right to operate, given the

mandatory or discretionary terms of governing law. *Rebirth*, 835 F.3d at 747-48; *Gerhart v. Lake Cty., Mont.*, 637 F.3d 1013, 1019 (9th Cir. 2011).

Here, Congress directed that the SEC “shall” create an exemption from full registration for small issuers like Petitioners, and directed the SEC to continuously analyze expansion of that exemption. 15 U.S.C. § 77c(b)(2), 77(b)(5); *cf. Geneva Towers Tenants Org. v. FMIC*, 504 F.2d 483, 489-90 (9th Cir. 1974) (legislative intent to endow benefit supports existence of constitutionally protected interest). 15 U.S.C. § 77c(b) contains no language suggesting entitlement to the exemption is discretionary.² Reg A implements Congress’s directives using mandatory language: an issuer selling securities “pursuant to Regulation A shall be exempt under section 3(b) from the registration requirements of the Securities Act of 1933 . . . [if the issuer] is not disqualified under Rule 262.” 17 C.F.R. § 230.251. This mandatory language guarantees an exemption for all but the “bad actors” disqualified in Rule 262.

² In any event, “the discretion to deny a benefit to those who do not meet the statutory terms of eligibility does not undermine the benefit’s status as a protected property interest in the first instance.” *Hall v. Cal. Dep’t of Corr.*, 835 F. Supp. 522, 526 (N.D. Cal. 1993) (citing *Bd. of Regents*, 408 U.S. at 577).

Unlike all other “bad actor” disqualifications, which follow felony conviction or similar robust processes to determine wrongdoing,³ the SEC’s orders disqualified Petitioners without any process or explanation.⁴ This is particularly problematic in this case, where the SEC recently investigated Petitioners, received full cooperation, and ended that inquiry with no adverse finding. (Ex. 2, Petition to SEC at 19.)

Of course, the mere fact that the disqualification provisions in Rule 262 exist within Reg A does not mean that the SEC’s attempt to invoke them here is constitutional: the Supreme Court has expressly rejected such “bitter with the sweet” arguments. *Cleveland Board of Education v. Loudermill*, 470 U.S. 532, 541 (1985). Once a statute creates reasonable reliance, an agency cannot strip a benefit away without due process. *Id.* Here, the undisputed evidence shows that Petitioners have long

³ “Bad actor’ disqualification requirements ... disqualify securities offerings from reliance on exemptions if the issuer or other relevant persons ... have been convicted of, or are subject to court or administrative sanctions for, securities fraud or other violations of specified laws.” Disqualification of Felons and Other “Bad Actors” From Rule 506 Offerings, 78 Fed. Reg. 44730-01, 44731 (July 24, 2013).

⁴ This is true for both REIT II and its affiliates and officers (the other Petitioners), who are tainted by REIT II’s disqualification. 17 C.F.R. §§ 230.262(a), 230.506(a).

structured their capital-intensive business in reliance on continued access to capital through their duly approved Reg A offerings. (See generally Ex 1, First Lewis Decl.) Petitioners' use of Reg A was no "mere hope" or "unilateral expectation." Rather, Petitioners have a protected right to continue their Reg A offering.

2. The SEC's Orders Deprived Petitioners of Property Without Any Process.

"An essential principle of due process is that a deprivation of life, liberty, or property be preceded by notice and opportunity for hearing appropriate to the nature of the case." *Loudermill*, 470 U.S. at 542. The requirement of pre-deprivation process is excused only in "extraordinary situations where some valid government interest is at stake." *Fuentes v. Shevin*, 407 U.S. 67, 82 (1972); *James Daniel Good Real Prop.*, 510 U.S. at 53. Even then, however, the "important government interest" must be "accompanied by a substantial assurance that the deprivation is not baseless or unwarranted," and the government must provide a *prompt* post-deprivation hearing. *FDIC v. Mallen*, 486 U.S. 230, 240-41, 244 (1988) (relying in part on "independent body" of the grand jury having found probable cause of a felony); *cf. Fuentes*, 407 U.S. at 80-81

(procedural due process “is not only to ensure abstract fair play” but to “minimize substantively unfair or mistaken deprivations of property”).

Here, the SEC’s mere decision to investigate Petitioners, applying unknown standards to unknown allegations in a secret, one-sided proceeding, provides no such assurance. *Fuentes*, 407 U.S. at 81 (“fairness can rarely be obtained by secret, one-sided determination of facts decisive of rights”); *Mallen*, 486 U.S. at 244 (relying “perhaps most significantly” on low chance of erroneous deprivation because the grand jury, “an independent body,” found probable cause of a felony). In fact, beyond boilerplate references to the securities laws, the SEC has never given meaningful notice of the allegations against Petitioners. The Court will search in vain in the orders under review for any explanation for why the SEC believes disqualification is necessary. Considering the corporate-life-or-death seriousness of Petitioners’ protected interest, the unbounded deprivation, the high risk of an erroneous deprivation arising from secret proceedings on untested allegations, and the SEC’s exhibited lack of urgency, the balance of interests does not excuse pre-deprivation process. *Yagman v. Garcetti*, 852 F.3d 859, 864-65 (9th Cir. 2017) (courts

balance private interest, risk of erroneous deprivation, and government interest to determine timing and type of process that is due).

Even if pre-deprivation process were excused, the SEC has not provided the *prompt* post-deprivation process that would then be due. *Mallen*, 486 U.S. at 242; *Barchi*, 443 U.S. at 64; *Horne Bros., Inc. v. Laird*, 463 F.2d 1268, 1270 (D.C. Cir. 1972) (“While we may accept a temporary suspension for a short period, not to exceed one month, without any provision for according [due process] to the contractor, that cannot be sustained for a protracted suspension.”). The SEC’s January 2022 orders initiate an open-ended investigation likely to last for years (Ex. 7, Second Lewis Decl., ¶ 3), disqualifying Petitioners in the meantime. No citizen can simply be “left in limbo to await a hearing that might or might not ‘eventually’ occur.” *Michell v. W.T. Grant Co.*, 416 U.S. 600, 618 (1974); *see also Myers & Myers, Inc. v. U. S. Postal Serv.*, 527 F.2d 1252, 1259 (2d Cir. 1975); *Horne Bros.*, 463 F.2d at 1270-71. And even if due process could tolerate such limbo in other cases, the corporate life-or-death consequences in this case require that the SEC justify deprivation before it imposes it.

In sum, by depriving Petitioners of their protected right to continue their duly approved Reg A offering without providing either pre-deprivation process or prompt post-deprivation process, the SEC has violated Petitioners' due process rights.

C. The SEC Acted Arbitrarily and Capriciously.

Before acting, an agency must consider if its decision impacts "reliance interests, determine whether they [are] significant, and weigh any such interests against competing policy concerns." *DHS v. Regents of Univ. of Cal.*, 140 S. Ct. 1891, 1915 (2020). The record before the SEC proved that Petitioners relied on Reg A for years and would be swiftly put out of business if suddenly disqualified, causing about 30,000 investors to suffer irreparable injury. (Ex. 2, Petition to SEC at 3-4, 17-19).

The SEC's January 13 and January 26 Orders give no consideration whatsoever to these issues, and cite no persuasive evidence or reason to cause this widespread injury. The SEC's January 2022 Orders, which avoided the issues presented by the SEC staff's actions by purporting to moot them, are an intentional refusal to consider the consequences of agency action. That refusal "alone renders [the SEC's] decision arbitrary and capricious." *Cf. Regents of Univ. of Cal.*, 140 S. Ct. at 1913.

III. Petitioners Will Be Irreparably Harmed Absent a Stay.

The second factor—irreparable harm to the moving party—also weighs in favor of a stay. *hiQ Labs, Inc. v. LinkedIn Corp.*, 938 F.3d 985, 992 (9th Cir. 2019) (“the threat of being driven out of business is sufficient to establish irreparable harm”) (citation and quotations omitted); *Spinelli v. City of New York*, 579 F.3d 160, 171 (2d Cir. 2009). Inability to obtain and deploy capital will quickly cause irreparable injury to Petitioners and their 30,000 investors, including forfeiture of a \$1 million deposit on a Texas project and the loss of \$18 million in construction financing for a San Diego project. (Ex. 7, Second Lewis Decl., ¶¶ 3-5; Ex. 1, First Lewis Decl., ¶¶ 15-16.) If relief from the SEC’s action is not secured by February 28, 2022, Petitioners will lose the \$1 million deposit in Texas and will be forced to initiate drastic action, including discharging employees and winding down operations, to attempt to limit investor losses. (Ex. 7, Second Lewis Decl., ¶¶ 3-5.)

Due to sovereign immunity, Petitioners will be unable to obtain financial recourse for these injuries from the SEC. *Sprecher v. Von Stein*, 772 F.2d 16, 18 (2d Cir. 1985). In sum, any cognizable injury suffered by Petitioners will be irreparable.

IV. Issuance of a Stay Will Not Harm the SEC.

The SEC loses nothing if this matter is stayed. Petitioners do not ask that the SEC stop its investigation, but only that they not be disqualified as “bad actors” without being proven to be bad actors. If the SEC thinks it should immediately disqualify Petitioners, then it can seek temporary and preliminary relief in many ways, including under 15 U.S.C. § 77h-1(c)-(d), after proving that immediate relief is necessary to prevent “significant dissipation or conversion of assets, significant harm to investors, or substantial harm to the public interest.” There is no reason to bypass these basic due process prerequisites here.

Nor would a stay of Petitioners’ disqualification interfere with the SEC’s investigation, in which Petitioners have already participated voluntarily. This Court has broad discretion to “mold its decree to meet the exigencies of the particular case.” *Trump v. Int’l Refugee Assistance Project*, 137 S. Ct. 2080, 2087 (2017) (cleaned up). The Court’s stay order can specify that it applies only to disqualification without due process.

V. Issuance of a Stay Is in the Public Interest.

Unlawful agency action is per se contrary to the public interest, regardless of the purported justification. *Ala. Ass’n of Realtors v. HHS*,

141 S. Ct. 2485, 2490 (2021) (“[O]ur system does not permit agencies to act unlawfully even in pursuit of desirable ends.”). There is no evidence that allowing the SEC to proceed precipitously is in the public interest. To the contrary, the record shows that 30,000 individual investors will be immediately and irreparably harmed. To the extent the SEC relies on a purported risk of harm to *future* investors as a basis for the purported disqualification under Section 230.262(a)(7), the argument is purely speculative, contrary to the record (Petitioners were previously investigated and cleared), and cannot outweigh the *actual* harm that *current* investors will suffer. The SEC has multiple tools to prevent future harm without depriving issuers and their investors of basic procedural protections.

VI. Appropriate Relief.

Petitioners have already suffered lengthy disqualification without any process. Moreover, the SEC has repeatedly responded to Petitioners’ concerns (about the legality and investor impact of summary disqualification) by replacing one illegal directive with another intended to have the same effect. On February 11, as part of a meet and confer about Petitioners’ intent to exercise their constitutional right to petition,

the SEC signaled that it will do this again by starting a Rule 258 proceeding. Such tactics reflect poorly on the SEC, but do not affect this Court's powers. *Sackett*, 8 F.4th at 1084-85 (rejecting agency's attempt to moot appeal by withdrawing challenged order where the challenger's "central legal challenge remains unresolved"). The Court should stay the SEC's order disqualifying Petitioners from relying on Reg A until they have had a full and fair hearing before a neutral decision maker.

CONCLUSION

This Court should grant this motion to stay Petitioners' disqualification pending this appeal. In the alternative, the Court should enter a temporary stay while it allows briefing on this motion.

Dated: February 15, 2022

Respectfully submitted,

BUCHALTER
A PROFESSIONAL CORPORATION

By: /s/ Sanjay Bhandari

SANJAY BHANDARI

Attorneys for Petitioners

*DiversyFund, Inc., DF Growth REIT, LLC,
DF Growth REIT II, LLC, DF Manager,
LLC, Craig Cecilio, and Alan Lewis*

CERTIFICATE OF COMPLIANCE

(FRAP 32(a)(7)(C), Cir. Rule 32-1)

The undersigned, counsel for Petitioners, certifies that the text of this motion is double-spaced and printed using proportionately-spaced 14-point Century Schoolbook font type. The motion contains 3,747 words as determined by Microsoft Word 2016 word processing software.

Dated: February 15, 2022

Respectfully submitted,

BUCHALTER
A PROFESSIONAL CORPORATION

By: /s/ Sanjay Bhandari

SANJAY BHANDARI

Attorneys for Petitioners

*DiversyFund, Inc., DF Growth REIT, LLC,
DF Growth REIT II, LLC, DF Manager,
LLC, Craig Cecilio, and Alan Lewis*

STATEMENT OF RELATED CASES

(Cir. Rule 28-2.6)

The undersigned, counsel for Petitioners, certifies that there are no known related cases under Circuit Rule 28-2.6.

Dated: February 15, 2022

Respectfully submitted,

BUCHALTER
A PROFESSIONAL CORPORATION

By: /s/ Sanjay Bhandari

SANJAY BHANDARI

Attorneys for Petitioners

*DiversyFund, Inc., DF Growth REIT, LLC,
DF Growth REIT II, LLC, DF Manager,
LLC, Craig Cecilio, and Alan Lewis*

APPENDIX

EXHIBIT	DESCRIPTION
1	December 13, 2021 Declaration of Alan Lewis
2	Petition For Review of Order Commanding DiversyFund to Stop Offering or Selling Securities Previously Offered Pursuant to Regulation A Exemption
3	Request for Expedited Waiver of Any Disqualification Under Rule 262(a)(7) of Regulation A
4	Notice of Intent to Petition
5	January 13 Order – Filed Under Seal
6	January 26 Order – Filed Under Seal
7	Declaration of Alan Lewis In Support of Petitioners Motion for Stay
8	November 8 Order – Filed Under Seal

EXHIBIT 1

**UNITED STATES OF AMERICA
BEFORE THE
SECURITIES AND EXCHANGE COMMISSION**

In the Matter of the Petition of:
DiversyFund, Inc., DF Growth REIT, LLC,
DF Growth REIT II, LLC, DF Manager,
LLC, Craig Cecilio and Alan Lewis

File No. LA-5266

**DECLARATION OF ALAN LEWIS IN SUPPORT OF DIVERSYFUND'S MOTION
FOR THE SUBMISSION OF ADDITIONAL EVIDENCE PURSUANT TO 17 C.F.R. §
201.452 (RULE 452)**

I, Alan Lewis declare:

1. I am the co-founder, Chief Investment Officer, of DF Growth REIT, LLC (“REIT I”); (“REIT II”); DF Manager, LLC (“DF Manager”); and DiversyFund, Inc. (collectively “DiversyFund”). I have personal knowledge of all the facts stated herein, and I could and would competently testify thereto, if called upon to do so.

2. This declaration is submitted in support of DiversyFund’s Motion for the Submission Additional Evidence pursuant to 17 C.F.R. § 201.452, which is being filed concurrently with DiversyFund’s Petition for Review of the November 8, 2021 Order of Investigation (LA-5266) from the Securities and Exchange Commission (“Commission”) and the Division of Enforcement’s November 29, 2021 order commanding DiversyFund to stop offering or selling securities previously offered pursuant to Regulation A exemptions.

Background on DiversyFund and Investors

3. REIT I includes approximately 25,828 individual investors, while REIT II includes approximately 3,712 individual investors.

4. For the period ending December 13, 2021, REIT II had raised \$8,032,282.00, and invested \$ 5,230,404.00 in one multifamily property.

5. DF Manager, LLC (“DF Manager”) is a Delaware limited liability company that serves as the manager of REIT I and REIT II.

6. DiversyFund, Inc. is a Delaware corporation that serves as the sponsor of REIT I and REIT II, and owns 100% of DF Manager. DiversyFund, Inc. has sponsored or managed approximately eight issuers (“Reg D Issuers”) raising capital under 17 CFR §230.506. It has approximately 250 shareholders who contributed Series A funding.

7. REIT I, REIT II, DF Manager, and DiversyFund, Inc. are all affiliated to operate under the same business model.

DiversyFund’s Business Model Relies on Regulation A

8. DiversyFund, Inc. started in 2016 with the purpose of bringing the wealth-building investment tools traditionally used by the wealthy (“the 1%”) to the everyday investor through

participation in alternative investments, such as Real Estate Investment Trusts.

9. REIT I first qualified under Regulation A in November 2018 which allowed it to open up investment opportunities to all investors, not just institutional investors. Since then, DiversyFund has relied on Regulation A offerings to build its business model and long term growth strategy.

10. DiversyFund's real estate investments are categorized as "growth" investments, as opposed to "income" investments. Its business model is based on a five-stage growth cycle that includes: (1) raising capital, (2) acquiring assets, (3) performing value-add renovations to the properties which allows for increased rents and greater appreciation, (4) time for natural market appreciation, and (5) sale of the property based on market conditions. This means the investment term is typically several years long.

11. This model requires consistent and significant capital over time, not only for the initial acquisition of a property, but also for the ongoing improvements to the property.

12. Similar to other startup companies, DiversyFund, Inc. obtained initial capital through Series A funding for fintech platform operations and marketing to potential REIT customers and the REITs now obtain capital financing from investors through the offer and sale of securities under Regulation A for purchasing properties for REIT customers.

13. Obtaining ongoing capital is critical to DiversyFund's growth model as it: (i) provides the REITs with the funds necessary to meet current and future obligations, and deploy capital effectively to produce profits for REIT customers and (ii) generates fee revenue for DiversyFund, Inc. upon each property acquisition that DiversyFund, Inc. can use to market to additional REIT customers and operate the fintech platform that supports the REITs.

14. The real estate industry is capital-intensive and DiversyFund's inability to access funding through capital markets could limit its growth and negatively affect operations, prospects, and properties already in the portfolio.

15. If the Commission blocks DiversyFund from raising capital under Regulation A, which was the only means of raising capital identified in REIT II's disclosures, then the

Commission has predictably and inevitably assured that DiversyFund, Inc. will experience significant financial loss to its 250 shareholders and the nearly 30,000 REIT investors will experience a significant reduction in expected profits. Such harm is severe and possibly permanent.

16. Importantly, REIT II investors are, and will be, co-investors with REIT I investors in many projects that continue to require capital investment. Thus, the sudden stop of REIT II capital will cause harm to investors in both REITs. For example, a joint investment by both REITs in two Texas multifamily properties requires REIT II to be able to raise several million dollars before the end of January 2022 in order to close the real estate transaction—a timeline that is well before the Commission’s investigation will be complete. Without the benefit of Regulation A upon which DiversyFund is relying to raise the necessary capital for REIT II, the deals will fall through and investors in REIT I will suffer a loss of nearly \$1 million of deposits that have already been put toward the deals.

17. Thus, the Division’s invocation of Rule 262(a)(7) on the basis of preliminary suspicion for the duration of a complex financial investigation will very likely cause significant and irreparable harm to DiversyFund and their approximately 30,000 individual investors. Simply put, a lack of capital for the investments required for a capital-intensive business will cause significant and irreparable financial harm to the business and the nearly 30,000 REIT investors.

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

Executed on December 13, 2021 at San Diego, California.


Alan Lewis

CERTIFICATE OF SERVICE

I, Chandra Roam, counsel for DiversyFund, Inc., DF Growth REIT, LLC, DF Growth REIT II, LLC, DF Manager, LLC, Craig Cecilio and Alan Lewis (collectively "DiversyFund"), hereby certify that, on December 13, 2021, I electronically filed a copy of:

DECLARATION OF ALAN LEWIS IN SUPPORT OF DIVERSYFUND'S MOTION FOR THE SUBMISSION OF ADDITIONAL EVIDENCE PURSUANT TO 17 C.F.R. § 201.452 (RULE 452)

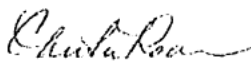
via the SEC's eFAP system.

Additionally, I hereby certify that, on December 13, 2021, I served a copy of the above-listed document via email at the email addresses indicated below:

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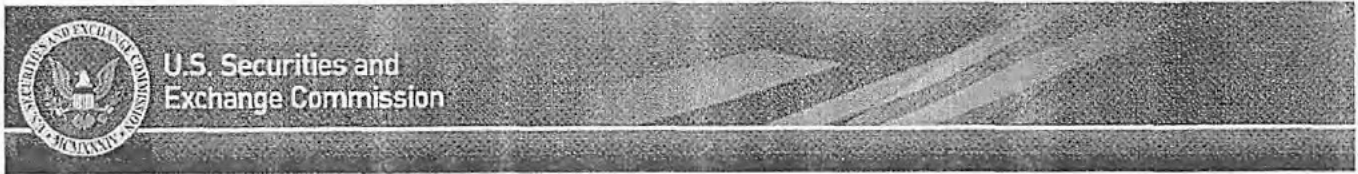
DATED: December 13, 2021



Chandra Roam

12/13/21, 7:52 PM

Filing Confirmation



Filing Confirmation

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Filing Details

AP File No.	N/A	Filer	Bhandari, Sanjay	ID	3328
Case Name	N/A	On Behalf of	DiversyFund, Inc., DF Growth REIT, LLC, DF Growth REIT II, LLC, DF Manager, LLC, Craig Cecilia and Alan Lewis		
Date Submitted	12/13/2021				
Description	Petition for Review and Certificate of Service, Motion for the Submission of Additional Evidence and Certificate of Service, and Declaration of Alan Lewis in Support of DiversyFund's Motion for the Submission of Additional Evidence and Certificate of Service.				

Successfully Uploaded Files

AP File No.	Date Submitted	File Name	Title/Description	Document Type	Under Seal
N/A	12/13/2021	2021-12-13_DiversyFund_Declaration of Alan Lewis in Support of Motion for the Submission of Additional Evidence.pdf	Other - Declaration of Alan Lewis in Support of DiversyFund's Motion for the Submission of Additional Evidence and Certificate of Service	Filing	No
N/A	12/13/2021	2021-12-13_DiversyFund_Motion for the Submission of Additional Evidence.pdf	Other - Motion for the Submission of Additional Evidence and Certificate of Service	Filing	No
N/A	12/13/2021	2021-12-13_DiversyFund_Petition for Review of Orders.pdf	Other - Petition for Review and Certificate of Service	Filing	No

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EXHIBIT 2

**UNITED STATES OF AMERICA
BEFORE THE
SECURITIES AND EXCHANGE COMMISSION**

In the Matter of the Petition of:
DiversyFund, Inc., DF Growth REIT, LLC,
DF Growth REIT II, LLC, DF Manager,
LLC, Craig Cecilio and Alan Lewis

File No. LA-5266

**PETITION FOR REVIEW OF ORDER OF INVESTIGATION AND ORDER
COMMANDING DIVERSYFUND TO STOP OFFERING OR SELLING SECURITIES
PREVIOUSLY OFFERED PURSUANT TO REGULATION A EXEMPTIONS.**

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(619) 219-5335
Counsel for Petitioners

Date: December 13, 2021

BN 48620863v6

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I. INTRODUCTION

DiversyFund, Inc., DF Growth REIT, LLC, DF Growth REIT II, LLC, DF Manager, LLC, Craig Cecilio and Alan Lewis (collectively “DiversyFund”) submits this Petition for Review of the November 8, 2021 Order of Investigation (LA-5266) from the Securities and Exchange Commission (“Commission”) and the Division of Enforcement’s November 29, 2021 order commanding DiversyFund to stop offering or selling securities previously offered pursuant to Regulation A exemptions.

The Commission should grant review, vacate or modify the Division of Enforcement’s orders, and make clear that the Division’s investigation does not disqualify DiversyFund’s offerings from Regulation A, because disqualification under these circumstances is arbitrary, capricious, and unconstitutional as it deprives DiversyFund of its fundamental right to due process, including notice and opportunity to be heard.

The Division of Enforcement issued its directive based on an erroneous interpretation of the Regulation A’s disqualification provisions (17 C.F.R. § 230.262(a)(7)), taking the position that Section 230.262 *automatically* disqualifies DiversyFund, indefinitely, and *without any finding of wrongdoing or opportunity to be heard*, simply because the Division of Enforcement has initiated an investigation and is supposedly *considering* whether to initiate temporary suspension proceedings. The Division issued its orders without any notice, opportunity to be heard by a neutral decision maker, or other procedural protections to which DiversyFund is entitled. To the extent the Division’s interpretation of Section 230.262(a)(7) is correct, the regulation itself is unlawful to the extent it purports to disqualify covered persons without adequate notice or the opportunity to be heard.

Furthermore, the Division of Enforcement's orders are arbitrary and capricious because the Division failed to consider the significant impact of its decision on the reliance interests of DiversyFund and its investors. DiversyFund operates a capital-intensive business and its model of providing everyday people the opportunity to invest in real property assets depends on the availability of Regulation A. DiversyFund has been relying on, and using, the Regulation A exemption for years. If DiversyFund is disqualified from Regulation A, it will be unable to access capital markets to raise the funds necessary to meet current and future obligations, and deploy capital effectively to produce profits. This will result in immediate and irreparable harm to its investors and cause them to lose millions of dollars. Furthermore, DiversyFund will suffer irreparable harm to its reputation by prematurely, and baselessly, being labeled a "bad actor" before any such findings are made. The stigma of being labeled a "bad actor" will permeate long into the future, well after the pending investigation reveals no wrongdoing.

Ms. Levin's apparent decision to expand the investigation to include considering a temporary suspension proceeding, and to disqualify DiversyFund on that basis alone, also violates the Appointments Clause. Combined with her broad investigatory powers, Ms. Levin's purported authority to make decisions that disqualify covered parties from Regulation A, makes her authority equivalent to that exercised by the administrative-law judges that the Supreme Court held are "inferior officers" in *Lucia v. SEC*, 138 S. Ct. 2044 (2018).

To be clear, DiversyFund is *not* asking the Commission to stop the Division's investigation, with which DiversyFund is eager to comply, but simply to reverse Enforcement staff's position that the investigation automatically imposes a disqualification of Regulation A under 17 C.F.R. § 230.262(a)(7). Because of the arbitrary and capricious nature of the purported disqualification, and its incongruity with the minimum process required by the U.S. Constitution and basic

principles of administrative law, the Commission should grant this Petition for Review. If the Commission denies this Petition for Review, DiversyFund respectfully requests that the Commission stay the effectiveness of the Division's orders for 30 days to allow for judicial review.

II. RELEVANT BACKGROUND

A. DiversyFund's Corporate Structure

DF Growth REIT, LLC ("REIT I") is a Delaware limited liability company that offered and sold securities through November 13, 2021 under Regulation A in an offering qualified by the Commission on November 18, 2018.¹

DF Growth REIT II, LLC ("REIT II") is a Delaware limited liability company that is offering and selling securities under Regulation A in an offering qualified by the Commission on January 29, 2021.²

The purpose of REIT I and REIT II is to invest in real estate projects and assets across the United States, focusing primarily on multifamily value-add properties.³ As of REIT I's last Form 1-SA filing, for the period ended June 30, 2021, REIT I had raised \$54,670,218, and invested \$35,172,294 in ten projects, seven of which are multifamily properties.⁴ REIT I includes

¹ See DF Growth REIT, LLC, Offering Circular at 1 (Oct. 19, 2018) (<https://www.sec.gov/Archives/edgar/data/1750695/999999999418000268/9999999994-18-000268-index.htm>) ("REIT I Circular"); SEC Notice of Qualification (Nov. 13, 2018) (<https://www.sec.gov/Archives/edgar/data/1750695/999999999418000268/9999999994-18-000268-index.htm>).

² See DF Growth REIT II, LLC, Offering Circular (Amendment No. 1) at 1 (Jan. 19, 2021) ("REIT II Circular"). (https://www.sec.gov/Archives/edgar/data/1824154/000121390021003411/ea133531-1aa1_dfgrowthreit2.htm); SEC Notice of Qualification (Jan. 29, 2021) (https://www.sec.gov/Archives/edgar/data/1824154/999999999421000032/xslQUALIFX01/primary_doc.xml).

³ REIT I Circular at 1; REIT II Circular at 1.

⁴ See DF Growth REIT, LLC, Semi-Annual Report Pursuant to Regulation A, at 1-2 (Sept. 28, 2021) (https://www.sec.gov/Archives/edgar/data/1750695/000121390021050257/ea148054-1sa_dfgrowth.htm).

approximately 25,828 individual investors, while REIT II includes approximately 3,712 individual investors.⁵ For the period ending December 13, 2021, REIT II had raised \$8,032,282.00, and invested \$ 5,230,404.00 in one multifamily property.⁶

DF Manager, LLC (“DF Manager”) is a Delaware limited liability company that serves as the manager of REIT I and REIT II.⁷

DiversyFund, Inc. is a Delaware corporation that serves as the sponsor of REIT I and REIT II, and owns 100% of DF Manager. DiversyFund, Inc. has sponsored or managed approximately eight issuers (“Reg D Issuers”) raising capital under 17 CFR § 230.506. It has approximately 250 shareholders who contributed Series A funding.⁸

REIT I, REIT II, DF Manager, and DiversyFund, Inc. are all affiliated to operate under the same business model.⁹ Under 17 C.F.R. § 230.506(d)(1)(vii), a disqualification under 17 C.F.R. § 230.262(a)(7) automatically results in disqualification under 17 C.F.R. § 230.506. Consequently, the current disqualification affects REIT I, REIT II, DF Manager, DiversyFund, Inc., all the Reg D Issuers, and any other affiliated issuer.

Therefore, for the purposes of this Petition for Review, REIT I, REIT II, DF Manager, and DiversyFund, Inc. are collectively referred to as “DiversyFund.”

B. DiversyFund’s Business Model Relies on Regulation A

DiversyFund, Inc. started in 2016 with the purpose of bringing the wealth-building investment tools traditionally used by the wealthy (“the 1%”) to the everyday investor through

⁵ See Declaration of Alan Lewis (“Lewis Decl.”), ¶ 3, which is being filed concurrently herewith in support of DiversyFund’s Motion for the Submission of Additional Evidence pursuant to 17 C.F.R. § 201.452.

⁶ *Id.* ¶ 4.

⁷ *Id.* ¶ 5.

⁸ *Id.* ¶ 6.

⁹ *Id.* ¶ 7.

participation in alternative investments, such as Real Estate Investment Trusts.¹⁰ REIT I first qualified under Regulation A in November 2018, which allowed it to open up investment opportunities to all investors, not just institutional investors. Since then, DiversyFund has relied on Regulation A offerings to build its business model and long term growth strategy.¹¹

DiversyFund’s real estate investments are categorized as “growth” investments, as opposed to “income” investments. Its business model is based on a five-stage growth cycle that includes: (1) raising capital, (2) acquiring assets, (3) performing value-add renovations to the properties which allows for increased rents and greater appreciation, (4) time for natural market appreciation, and (5) sale of the property based on market conditions. This means the investment term is typically several years long. This model requires consistent and significant capital over time, not only for the initial acquisition of a property, but also for the ongoing improvements to the property.¹²

Similar to other startup companies, DiversyFund, Inc. obtained initial capital through Series A funding for fintech platform operations and marketing to potential REIT customers and the REITs now obtain capital financing from investors through the offer and sale of securities under Regulation A for purchasing properties for REIT customers. Obtaining ongoing capital is critical to DiversyFund’s growth model as it: (i) provides the REITs with the funds necessary to meet current and future obligations, and deploy capital effectively to produce profits for REIT customers and (ii) generates fee revenue for DiversyFund, Inc. upon each property acquisition that DiversyFund, Inc. can use to market to additional REIT customers and operate the fintech platform that supports the REITs. The real estate industry is capital-intensive and DiversyFund’s inability

¹⁰ *Id.* ¶ 8.

¹¹ *Id.* ¶ 9.

¹² *Id.* ¶ 10-11.

to access funding through capital markets could limit its growth and negatively affect operations, prospects, and properties already in the portfolio.¹³

Today, DiversyFund has approximately 30,000 individual investors in its real estate portfolio. If the Commission blocks DiversyFund from raising capital under Regulation A, which was the only means of raising capital identified in REIT II's disclosures, then the Commission has predictably and inevitably assured that DiversyFund, Inc. will experience significant financial loss to its 250 shareholders and the nearly 30,000 REIT investors will experience a significant reduction in expected profits. Such harm is severe and possibly permanent.¹⁴

Importantly, REIT II investors are, and will be, co-investors with REIT I investors in many projects that continue to require capital investment. Thus, the sudden stop of REIT II capital will cause harm to investors in both REITs. For example, a joint investment by both REITs in two Texas multifamily properties requires REIT II to be able to raise several million dollars before the end of January 2022 in order to close the real estate transaction—a timeline that is well before the Commission's investigation will be complete. Without the benefit of Regulation A upon which DiversyFund is relying to raise the necessary capital for REIT II, the deals will fall through and investors in REIT I will suffer a loss of nearly \$1 million of deposits that have already been put toward the deals.¹⁵

Thus, the Division's invocation of Rule 262(a)(7) on the basis of preliminary suspicion for the duration of a complex financial investigation will very likely cause significant and irreparable harm to DiversyFund and its approximately 30,000 individual investors. Simply put, a lack of

¹³ *Id.* ¶ 12-14.

¹⁴ *Id.* ¶ 15.

¹⁵ *Id.* ¶ 16.

capital for the investments required for a capital-intensive business will cause significant and irreparable financial harm to the business and the nearly 30,000 REIT investors.¹⁶

C. Procedural Background

The first contact from the Commission to DiversyFund occurred on November 18, 2021, when Victoria A. Levin (Assistant Regional Director, Enforcement, Los Angeles Regional Office) contacted counsel by email to determine the status of representation. Just hours later, counsel confirmed DiversyFund was represented and offered to speak with Ms. Levin the next day. When Ms. Levin informed counsel that she would be out of the office through November 28, 2021, the parties agreed to set a call for November 29, 2021.¹⁷

During the November 29, 2021 phone call, Ms. Levin informed counsel she did not yet have a subpoena for DiversyFund, but nonetheless, that under Rule 262(a)(7), REIT I and REIT II must stop offering or selling securities because she and/or others had decided to investigate whether to seek a stop or suspension order. Upon counsel's request, Ms. Levin sent a follow up email memorializing the Commission staff's position, stating:

Thank you for speaking with us this afternoon. Per our call, this email confirms that in our DiversyFund (LA-5266) matter, we are investigating, among other things, to determine whether to seek a Regulation A suspension order with respect to DF Growth REIT and DF Growth REIT II. This means that, under the disqualification provisions of Rule 262 of Regulation A (17 C.F.R. Section 230.262) the two issuers, and related entities and persons as set forth in the rule, are considered bad actors pending our investigation. See Rule 262(a)(7). *As a result, Regulation A is not available to DF Growth REIT and DF Growth REIT II and offers and sales by both issuers must stop.* (emphasis added).

Pursuant to the Commission's rules, Ms. Levin speaks for the Division of Enforcement. 17 C.F.R.

¹⁶ *Id.* ¶ 17.

¹⁷ The facts discussed herein, and exhibits evidencing those facts, were put before the Commission through undersigned counsel's December 7, 2021 letter to Sebastian Gomez Abero, Chief, Office of Small Business Policy, Division of Corporation Finance, requesting a waiver of any disqualification under Rule 262(a)(7) of Regulation A.

§ 202.1(d) (“[A]ny statement by the ... assistant director ... of a division can be relied upon as representing the views of that division.”).

Neither Ms. Levin, nor anyone else at the Commission provided DiversyFund with any explanation as to the grounds for the investigation or the grounds for considering whether to seek a suspension order. DiversyFund was provided no evidence supporting any suspicion against it, and was provided no opportunity to confront or rebut such evidence.

On November 30, 2021, counsel asked to speak with Ms. Levin regarding the Commission’s position that DiversyFund is considered a “bad actor” pending the investigation—for which the Commission had not yet provided a formal Order of Investigation or Subpoena—explaining to Ms. Levin that shutting down DiversyFund suddenly and indefinitely carries significant risk of harming tens of thousands of people. Ms. Levin responded that the Commission was not “shutting down” DiversyFund, but reiterated that Regulation A was no longer available for DiversyFund’s offers and sales of securities pending the investigation. However, Ms. Levin’s “clarification” is a distinction without a difference. The fact remains that DiversyFund’s business model relies on its ability to access capital markets by offering securities under Regulation A, and without it, the company’s 30,000 individual investors will suffer irreparable harm.

The Commission did not provide the Formal Order of Investigation (LA-5266) until December 1, 2021 (despite the fact that the Order is dated November 8, 2021) and did not issue a subpoena to DiversyFund until after close of business on December 2, 2021. Nowhere in the Formal Order of Investigation (LA-5266) is there any mention of the Commission having formally authorized the Commission staff to investigate whether to seek a Regulation A suspension order, or to disqualify DiversyFund during the course of such an investigation. Rather, the assertion that the mere initiation of an investigation triggers disqualification of DiversyFund’s reliance on

Regulation A under Rule 262(a)(7) appears to be based on nothing more than the Division of Enforcement staff's interpretation of the Rule.

The Division of Enforcement's lackadaisical timeline, above, indicates that the Division has no credible reason to think that there is an imminent threat of harm to investors that could somehow require a sudden and immediate halt of DiversyFund's offerings under Regulation A. For example, the Formal Order of Investigation is dated November 8, 2021, yet Ms. Levin did not contact DiversyFund's counsel until ten days later, on November 18, 2021. By November 29, 2021—three weeks after the Formal Order of Investigation—the Division of Enforcement had not yet prepared a document subpoena for DiversyFund, nor had the Formal Order been provided to counsel. When the Division of Enforcement finally sent a subpoena to DiversyFund, it requested documents be produced by December 16, 2021—nearly six weeks *after* the “qualifying event” (i.e., the November 8, 2021 Formal Order of Investigation) upon which the Division of Enforcement purports to rely in temporarily suspending DiversyFund's Regulation A exemption. As of the filing of this Petition, the Division of Enforcement has not issued any subpoenas for testimony by the principals of DiversyFund—nor has it provided a list of topics to address—and such testimony is not expected to take place until January 2022 or later. Clearly, the mere initiation of an investigation, with nothing more, does not create exigent circumstances sufficient to justify an immediate termination of DiversyFund's offerings under its duly issued Regulation A exemption without even the possibility of a hearing before an administrative-law judge or other neutral decision maker.

On December 6, 2021, DiversyFund notified the Commission of its intent to file a petition for review of the Formal Order of Investigation and Ms. Levin's order to halt the offer of sale of

securities under Rule 262(a)(7). This Notice automatically stayed both orders (and the purported disqualification) pending further action by the Commission. 17 C.F.R. § 201.431(e).

Additionally, given the magnitude of harm that will result from the Commission's directive that DiversyFund immediately cease offering or selling securities under Regulation A, DiversyFund sent an expedited Waiver Request to the Division of Corporation Finance on December 7, 2021. As of the filing of this Petition for Review, the Division of Corporation Finance has not responded to the Waiver Request.

On December 8, 2021, Ms. Levin, responded to DiversyFund's Notice of Intent to file a petition, stating:

[M]y November 29, 2021 email "was not an order issued by the Division of Enforcement or the Commission. Rather, my correspondence was designed to notify you that the SEC is conducting an investigation that includes seeking to determine whether a Regulation A suspension order should issue suspending the ability of [DiversyFund] to rely on the Regulation A exemption. We want to make sure that in evaluating this information both you and your client are aware of Rule 262(a)(7), which states, in relevant part, the exemption from registration under Regulation A is not available for a sale of securities, if the issuer is 'at the time of . . . sale[] the subject of an investigation . . . to determine whether a . . . suspension order should be issued.'"

Ms. Levin therefore acknowledges the Division of Enforcement has issued no formal order suspending Regulation A, but nonetheless takes the position that its investigation into whether DiversyFund is a "bad actor" imposes an immediate disqualification preventing DiversyFund from relying on Regulation A to issue offers or sales. This extremely tenuous position blatantly strips DiversyFund of all procedural protections and due process rights. While it is appropriate for the Commission to conduct an investigation, it is not appropriate for the Commission staff to arbitrarily and capriciously terminate a duly issued exemption before affording DiversyFund the minimum process required by the U.S. Constitution and basic principles of administrative law.

III. DIVERSYFUND IS ENTITLED TO COMMISSION REVIEW

17 C.F.R. § 201.431(b) sets forth the standards for mandatory or discretionary review of actions made pursuant to delegated authority. Here, the Commission's review is mandatory, and in any event, would be warranted under the standard for discretionary review.

A. Mandatory Review

17 C.F.R. § 201.431(b)(1) provides that “the Commission shall review any action that it would be required to review pursuant to § 201.411(b)(1) if the action was made as the initial decision of a hearing officer.” *See also* 15 U.S.C. § 78d-1(b). Section 201.411(b)(1)(iii) provides, in turn, that the Commission shall review any decision by a hearing officer “in a case of adjudication (as defined by 5 U.S.C. 551) not required to be determined on the record after notice and opportunity for hearing,” subject to certain exemptions not relevant here. 5 U.S.C. § 551(7) defines an “adjudication” broadly to mean “agency process for the formulation of an order.”

Here, the Division of Enforcement's orders are decisions made in an adjudication that did not require “determin[ations] on the record after notice and an opportunity for hearing.” 17 C.F.R. § 201.411(b)(1)(iii). In fact, the absence of notice and an opportunity for a hearing was a key flaw in the orders to the extent they disqualified DiversyFund's offerings.

Accordingly, if the Division's orders had been entered as the initial decision of a hearing officer, then they would be subject to mandatory review under Section 201.411(b)(1). Thus, they are subject to mandatory review under the plain text of Section 201.431(b)(1).

B. Discretionary Review

Even if this tribunal determines review is not mandatory, discretionary review is warranted. In determining whether to grant discretionary review, the Commission considers, among other things, whether a decision involves: (1) “a prejudicial error ... in the conduct of the proceeding”;

(2) an erroneous conclusion of law; or (3) “[a]n exercise of discretion or decision of law or policy that is important and that the Commission should review.” 17 C.F.R. § 201.411(b)(2).

Here, the conduct of the Division of Enforcement’s proceedings and orders below caused prejudicial error—namely, a *de facto* order disqualifying DiversyFund’s offering from Regulation A without any notice or opportunity to be heard, with profound consequences for DiversyFund and its 30,000 individual investors.

As explained below, the Division of Enforcement’s disqualification orders are also legally erroneous because the orders deprive DiversyFund of liberty and property interests without due process, rest on an unconstitutional interpretation of the Commission’s disqualification rules, fail to consider reliance interests, and violate the Appointments Clause.

Review is otherwise warranted because the Division of Enforcement’s application of the disqualification provisions in Regulation A (Rule 262(a)(7)) appears to be unprecedented and would present grave constitutional, statutory, and policy concerns, and would impose immediate and irreparable harm on DiversyFund and its investors. Furthermore, should the Division of Enforcement’s interpretation of Rule 262(a)(7) be accepted, countless others would be equally deprived of their constitutional right to due process in the future.

IV. ARGUMENT

A. The Division’s Orders Deprive DiversyFund of Its Right to Use Regulation A, in Violation of the Fifth Amendment’s Due Process Clause

17 C.F.R. § 230.262(a) lists “Disqualification events,” virtually all of which require a formal conviction or determination of wrongdoing by a court or regulatory agency after notice and an opportunity to be heard.

As relevant here, Section 230.262(a)(7) provides for disqualification if an issuer (or other covered person) is “the subject of an investigation or proceeding to determine whether a stop order or suspension order should be issued.” Enforcement Staff erroneously takes the position that 17 C.F.R. § 230.262(a)(7) *automatically* disqualifies DiversyFund, indefinitely, and *without any finding of wrongdoing or opportunity to be heard*, simply because the Division of Enforcement has initiated an investigation and is supposedly *considering* whether to initiate temporary suspension proceedings.

The Enforcement Staff rely on an amendment to Section 230.262(a)(7) that was described by the Commission in requests for public comment as merely harmonizing the reference times for bad actor provisions across different regulations. Nowhere in the public comment on the proposed amendments is there any mention of a new power to terminate previously granted Regulation A exemptions on mere suspicion, without due process. Nowhere does the statutory basis for bad actor provisions authorize deprivation of registration exemptions without notice and an opportunity to be heard.

DiversyFund is unaware of any entity or individual who has ever been similarly disqualified under Section 230.262(a)(7) and, to the extent the Commission adopts that interpretation of Section 230.262(a)(7), the regulation is unconstitutional and arbitrary and capricious because it permits disqualification without any finding of wrongdoing or any procedural safeguards for affected parties.

A procedural due process claim requires a party to show that: (1) government action infringes on a liberty or property interest; and (2) the “procedures attendant upon that deprivation” were insufficient. *Carver v. Lehman*, 558 F.3d 869, 872 (9th Cir. 2009). It is “well-established”

that “mandatory language” in statutes lead to “state-created liberty interests.” *Carver v. Lehman*, 558 F.3d 869, 873 (9th Cir. 2009).

Similarly, a business has a property interest in a discretionary exemption upon which it relies “in framing the scope and nature of its operation.” *Alaska Airlines, Inc. v. Civilian Aeronautics Board*, 545 F.2d 194, 199–200 (D.C. Cir. 1976). “The Supreme Court has repeatedly recognized the severity of depriving someone of his or her livelihood,” and “the interim period between erroneous deprivation . . . and reinstatement can be financially devastating.” *Spinelli v. City of New York*, 579 F.3d 160, 171 (2d Cir. 2009).

Here, Congress provided that the Commission “shall” create an exemption from registration requirements for small issuers like DiversyFund. 15 U.S.C. § 77c(b)(2). Regulation A implements that directive, and Regulation A itself uses mandatory language: An issuer selling securities “pursuant to Regulation A shall be exempt under section 3(b) from the registration requirements of the Securities Act of 1933 . . . [if the issuer] is not disqualified under Rule 262.” 17 C.F.R. § 230.251. Put differently, this mandatory language guarantees an exemption unless 17 C.F.R. § 230.262 says otherwise.

Moreover, the Commission qualified REIT II for the Regulation A exemption in January 2021, giving DiversyFund the practical equivalent of a license to use Regulation A for up to three years. The Division’s orders take away DiversyFund’s right to use the Regulation A exemption without any procedural protections. The “interim period” in which the Commission’s investigation proceeds could “take months or years” and will have a “financially devastating” impact on DiversyFund. *Spinelli, supra*, 579 F.3d at 171.

Where, as here, an agency infringes on a regulated party’s protected liberty and property interests, “[a]n essential principle of due process is that a deprivation of life, liberty, or property

be preceded by notice and opportunity for hearing appropriate to the nature of the case.” *Cleveland Board of Education v. Loudermill*, 470 U.S. 532, 542 (1985). Yet the Division of Enforcement purported to disqualify DiversyFund with no prior notice and no meaningful opportunity for a hearing on the question.

Although the Commission’s rules allow DiversyFund to seek a waiver, the waiver process is insufficient to satisfy the bare minimums of due process for at least three reasons. First, DiversyFund lacks sufficient information about the Division of Enforcement’s reasons for the disqualification (beyond the bare fact of an investigation and rudimentary details about information the Division of Enforcement will seek). Second, the Commission’s waiver procedures occur after the purported disqualification has already occurred. Third, the waiver provisions do not provide for a hearing before a neutral adjudicator with an opportunity to present evidence and challenge the Division of Enforcement’s evidence (to the extent any exists).¹⁸

Nor does the Division of Enforcement lack options to seek temporary relief to protect investors while providing DiversyFund with procedural protections. The Division of Enforcement could have sought a temporary cease-and-desist order under 15 U.S.C. § 77h-1(c) or a suspension order under 17 C.F.R. § 230.258. Either procedural path would have provided DiversyFund at least with notice, a prompt post-deprivation hearing before a neutral decision maker, and an orderly process for Commission and judicial review based on a complete record.

17 C.F.R. § 230.258(a) authorizes the Commission to “enter an order temporarily suspending a Regulation A exemption if the Commission has reason to believe that . . . any

¹⁸ Because DiversyFund was never given a hearing or opportunity to present evidence, it is filing a Motion for the Submission of Additional Evidence, pursuant to 17 C.F.R. § 201.452, concurrently herewith, to provide evidence demonstrating the severe harm that disqualification imposes on DiversyFund and its investors.

proceeding has been initiated for the purposes of Rule 262(a)(3)-(8) (§ 230.262(a)(3) through (8)).” 17 C.F.R. § 230.258. However, “[u]pon the entry of an order under [Section 230.258(a)], the Commission will promptly give notice to the issuer, any underwriter, and any selling securityholder: (1) That such order has been entered, together with a brief statement of the reasons for the entry of the order; and (2) That the Commission, upon receipt of a written request within 30 calendar days after the entry of the order, will, within 20 calendar days after receiving the request, order a hearing at a place to be designated by the Commission.” 17 C.F.R. § 230.258(b).

According to the Commission’s own explanation in the Federal Register Volume 86, Issue 9, published January 14, 2021, “[u]nder Regulation A, if a covered person triggers one of the disqualifying events in Rule 262, *the Commission may suspend reliance on the Regulation A exemption through 17 CFR 230.258 (“Rule 258”)*, which requires a notice and hearing opportunity for the issuer prior to the suspension becoming permanent.” (Facilitating Capital Formation and Expanding Investment Opportunities by Improving Access to Capital in Private Markets, 86 Fed. Reg. 3496 at 3549.) (emphasis added).

The Division of Enforcement now seeks to circumvent its obligation to provide DiversyFund with notice and a statement of reasons for its purported decision to disqualify DiversyFund, and has not provided DiversyFund with the opportunity to be heard. In fact, the attempt to impose disqualification-by-investigation, without any representation that temporary cease-and-desist or suspension proceedings are imminent, is contrary to, and may encourage attempts to evade, the procedural protections in Section 77h-1(c)-(d) and 17 C.F.R. § 230.258.

B. The Division's Orders Are Arbitrary and Capricious Because it Did Not Consider DiversyFund's Reliance on Regulation A or the Harm to Investors

As a general matter, before an agency acts it must, among other things, consider whether its decision impacts "reliance interests, determine whether they [are] significant, and weigh any such interests against competing policy concerns." *DHS v. Regents of Univ. of Cal.*, 140 S. Ct. 1891, 1915 (2020).

Here, DiversyFund has operated for years in reliance on the Regulation A exemption and crafted a business model that depends on the availability of the exemption to access capital markets. The company's growth model in real estate markets requires considerable and consistent capital over time. Heavy value-add assets like those in the DiversyFund portfolio do not generate positive cash flow until after the construction improvements are completed. However, once improved, the properties benefit from greater market appreciation and increased gains upon disposition.

Thus, ongoing access to capital markets is critical as it provides DiversyFund with the funds necessary to meet current and future obligations, and deploy capital effective to produce profits. Indeed, this was one of the first risk factors identified in REIT II's Offering Circular. (See Form I-A, Regulation A Offering Statement, Part II-Offering Circular, Amendment No. 1, DF Growth REIT II, LLC (effective January 19, 2021).)

When making its determination to disqualify DiversyFund, the Division of Enforcement gave no consideration to DiversyFund's reliance on access to capital markets, nor did the Division of Enforcement consider the harm to 30,000 individual investors that will result from such an arbitrary and capricious order. Consider the following:

- DiversyFund will suffer irreparable damage to its reputation. Rule 262(a)(7) and Rule 506(d) are not referred to as the “bad actor rules” for nothing. Even if, as we strongly suspect, the Division of Enforcement’s current investigation reveals no wrongdoing whatsoever, the public will hear that the Regulation A offering of REIT II was suspended because DiversyFund and its principals are “bad actors.” They will never be able to remove that stench.
- There are over 30,000 investors in DiversyFund. If the disqualification is sustained, they will suffer irreparable economic damage, including a loss of millions of dollars, as a direct and unavoidable consequence of the damage to DiversyFund’s reputation and ability to access capital markets.
- Once labeled “bad actors,” DiversyFund will never again enjoy the same access to the capital markets they enjoy today. You cannot put that genie back in the bottle.
- As the dominoes continue to fall, if REIT II and the other issuers are denied access to the capital markets, it will increase their borrowing costs, which will have an immediate and irreversible impact on investors.
- Capital raised by REIT II and other issuers is used, in part, to pay for the physical renovations that are central to the company’s “value add” investment strategy. If the reputation of the company is impaired by a “bad actor” suspension, investors might never obtain the benefits intended.
- The company engages approximately 30 people whose salaries are funded by the fees earned when the REITs acquire assets by deploying new capital. If the company’s ability to raise capital is interrupted by disqualification pending a long investigation, many of

those employees will lose their jobs. It will be of no benefit to them, the company, or investors when the investigation reveals no wrongdoing months later.

The Division of Enforcement did not consider or give any weight to any of these concerns when it purported to disqualify DiversyFund's offerings from Regulation A without any finding of wrongdoing. The "bad actor" provisions of Section 230.262 were designed to limit the harm that demonstrated bad actors, such as convicted felons, can cause to investors. In this case, there are no demonstrated bad actors. Rather, the Division of Enforcement has prematurely labeled DiversyFund as a "bad actor" based upon nothing more than mere suspicion and without any consideration of the impact of its decision on the reliance interests of DiversyFund or its investors.

To the extent the Division of Enforcement relies on a purported risk of harm to *future* investors as a basis for the purported disqualification under Section 230.262(a)(7), the argument is purely speculative and carries no weight when compared to the *actual* harm that *current* investors will suffer. And, as explained above, the Division has multiple tools to prevent future harm without depriving issuers and their existing investors of basic procedural protections.

The arbitrary and capricious nature of the Division of Enforcement's order is further illustrated by fact that the Division of Enforcement previously investigated DiversyFund—also supervised by Ms. Levin—in which no wrongdoing was found and the investigation was closed on January 14, 2020, within a matter of months of being commenced. No such order of disqualification was issued during the previous investigation. Since then, nothing about DiversyFund's business model, operations, or management has changed. The Division of Enforcement provides no explanation or evidence to support its novel application of Section 230.262(a)(7) to disqualify DiversyFund pending the current investigation.

C. The Division's Disqualification Order is Unlawful Under the Appointments

Clause of the U.S. Constitution

Any disqualification of DiversyFund's Regulation A exemption under the Division of Enforcement's "interpretation" of Section 230.262(a)(7) would also violate the Appointments Clause of the U.S. Constitution, because Ms. Levin—the apparent decision maker here—does not appear to have been appointed by the President, a court, or the Commission. *See Lucia v. SEC*, 138 S. Ct. 2044, 2055-56 (2018).

The Appointments Clause of the United States Constitution empowers the President to nominate, and upon the advice and consent of the Senate, appoint "ambassadors, other public ministers and consuls, judges of the Supreme Court, and all other officers of the United States" U.S. Const. art. II, § 2, cl. 2. With respect to "inferior officers," Congress may vest the appointment in the President alone, in the courts of law, or in the heads of departments. U.S. Const. art. II, § 2, cl. 2.

In *Lucia v. SEC*, *supra*, the Supreme Court held that the Securities and Exchange Commission's Administrative Law Judges ("ALJs") are "inferior officers" because they hold continuing positions, exercise significant discretion, and hold the power to receive evidence, order and take depositions, administer oaths, shape the administrative record, and issue orders that become the action of the Commission without the Commission's review. *Lucia*, *supra*, 138 S. Ct. at 2053-54.

Here, Ms. Levin has all of these same powers. She has a continuing position as an Assistant Regional Director of Enforcement. She was "designated" as an "officer[] of the Commission" and has been "empowered to administer oaths and affirmations, subpoena witnesses, compel their attendance, take evidence, and require the production of [documents], and to perform all other

duties in connection therewith as prescribed by law.” November 8 Order at 3. Furthermore, on November 29, 2021, Ms. Levin purported to disqualify DiversyFund’s Regulation A exemption, stating:

[W]e are investigating, among other things, to determine whether to seek a Regulation A suspension order with respect to DF Growth REIT and DF Growth REIT II. This means that, under the disqualification provisions of Rule 262 of Regulation A (17 C.F.R. Section 230.262) the two issuers, and related entities and persons as set forth in the rule, are considered bad actors pending our investigation. See Rule 262(a)(7). As a result, Regulation A is not available to DF Growth REIT and DF Growth REIT II, and offers and sales by both issuers must stop.

In her December 8, 2021 correspondence, responding to DiversyFund’s Notice of Intent to Petition, Ms. Levin denies having issued “any sort of order . . . pursuant to delegated authority (or otherwise).” According to Ms. Levin, her November 29, 2021 directive was “not an order issued by the Division of Enforcement or the Commission” but instead, was simply “designed to notify” DiversyFund of the investigation and “ensure that [DiversyFund] were aware of the staff’s interpretation of Rule 262(a)(7) in determining what steps, if any, should be taken in response to the pending investigation.”

However, Ms. Levin’s attempted downplaying of the imposition on DiversyFund does not reconcile with her unequivocal mandate that “offers and sales by [REIT I and REIT II] must stop” because petitioners are considered “bad actors” under Section 230.262(a)(7). If anything, it highlights the precarious position she created for DiversyFund by failing to provide any notice or hearing either before or after she decided to consider seeking a suspension order and then purported to disqualify DiversyFund on that basis. The haphazard nature of the Division’s disqualification decision underscores the importance of respecting fundamental procedural protections and ensuring that decisions like these are made by officials who are appointed in compliance with the Constitution.

As noted, 17 C.F.R. § 230.258(a) authorizes the *Commission* to “enter an order temporarily suspending a Regulation A exemption if the *Commission* has reason to believe that . . . any proceeding has been initiated for the purposes of Rule 262(a)(3)-(8) (§ 230.262(a)(3) through (8).” 17 C.F.R. § 230.258 (emphasis added). Thus, under the Division of Enforcement’s interpretation of Section 230.262(a)(7), Ms. Levin has discretion to make and announce investigation decisions for the Commission that have the necessary and known consequence of disqualifying issuers, such as DiversyFund, from using Regulation A. For all practical purposes, Ms. Levin is exercising the authority to issue temporary suspension or stop orders that normally must be issued by an ALJ, a court, or the Commission.

Pursuant to the Appointments Clause, powers such as these may only be vested in officers that are appointed by the President, a court, or a “Head[] of Department.” Art. II, § 2, cl.2. Here, Ms. Levin received the ostensible authority to disqualify DiversyFund from Regulation A from the Division of Enforcement. *See* November 8 Order at 3 n.1. Accordingly, DiversyFund’s purported disqualification is unlawful under the Appointments Clause.

V. **THE COMMISSION SHOULD LEAVE THE AUTOMATIC STAY IN PLACE WHILE IT CONSIDERS THIS PETITION FOR REVIEW**

The Division of Enforcement’s orders, including DiversyFund’s purported disqualification, were automatically stayed by DiversyFund’s December 6, 2021 Notice of Intent to Petition for Review. *See* 17 C.F.R. § 201.431(e). Section 201.431(d) provides that when the Commission grants review and sets a briefing schedule it must also “state whether a stay shall be granted, if none is in effect, or shall be continued, if in effect pursuant to paragraph (e).”

Here, the Commission should leave the stay in place if it grants this Petition for Review.

As detailed above, disqualification would impose immediate and irreparable harm on DiversyFund and its investors.

In contrast, the Division of Enforcement has made no attempt at showing that an immediate disqualification is necessary—if the Division thought otherwise, it would have followed the appropriate procedural path and sought a cease-and-desist order under 15 U.S.C. § 77h-1(c) or a temporary suspension order under 17 C.F.R. § 230.258.

For the same reasons, if the Commission denies this Petition for Review it should stay the effectiveness of the Division of Enforcement's orders for 30 days to allow DiversyFund the opportunity to seek judicial review.

VI. CONCLUSION

The Commission should grant this Petition for Review and modify the Division of Enforcement's orders to make clear that the Division's investigation does not disqualify DiversyFund's offerings from Regulation A. To the extent required and permitted under the Commission's Rules of Practice, Rule 451, DiversyFund hereby requests an oral argument before the Commission on this matter. If the Commission denies this Petition for Review, it should stay the effectiveness of the Division's orders for 30 days to allow for judicial review.

Respectfully submitted,



Sanjay Bhandari
BUCHALTER APC
655 West Broadway, Suite 1600
San Diego, CA 92101-8494
(619) 219-5335

Counsel for Petitioners

Date: December 13, 2021

CERTIFICATE OF SERVICE

I, Chandra Roam, counsel for DiversyFund, Inc., DF Growth REIT, LLC, DF Growth REIT II, LLC, DF Manager, LLC, Craig Cecilio and Alan Lewis (collectively "DiversyFund"), hereby certify that, on December 13, 2021, I electronically filed a copy of:

**PETITION FOR REVIEW OF ORDER OF INVESTIGATION AND ORDER
COMMANDING DIVERSYFUND TO STOP OFFERING OR SELLING SECURITIES
PREVIOUSLY OFFERED PURSUANT TO REGULATION A EXEMPTION**

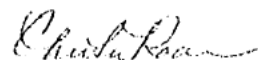
via the SEC's eFAP system.

Additionally, I hereby certify that, on December 13, 2021, I served a copy of the above-listed document via email at the email addresses indicated below:

Will Rosenthal
Counsel, Division of Enforcement
Securities and Exchange Commission, Los Angeles Regional Office
444 South Flower Street, Suite 900, Los Angeles, CA 90071
Phone: (323) 965-4518
Email: rosenthalw@sec.gov

Victoria Levin
Assistant Regional Director, Division of Enforcement
Securities and Exchange Commission, Los Angeles Regional Office
444 South Flower Street, Suite 900, Los Angeles, CA 90071
Phone: (323) 965-3872
Email: levinv@sec.gov

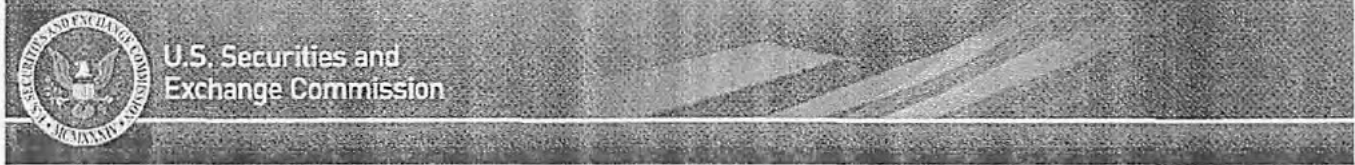
DATED: December 13, 2021



Chandra Roam

12/13/21, 7:52 PM

Filing Confirmation

**Filing Confirmation**

Your Filing ID is 3328.

Use this ID when making any inquiries about this filing.

Filing Details

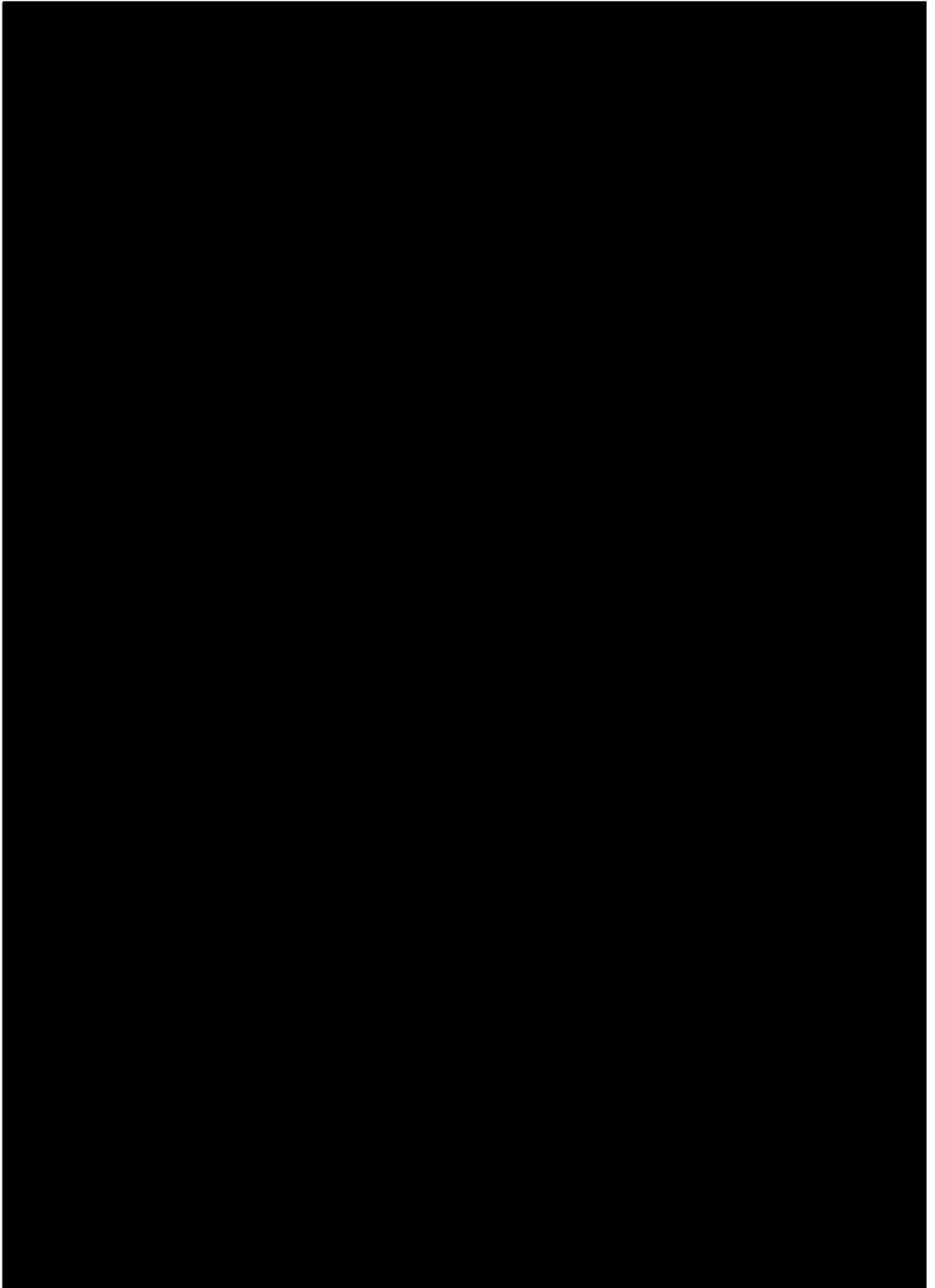
AP File No.	N/A	Filer	Bhantan Sanjay	ID	3328
Case Name	N/A	On Behalf of	DiversyFund, Inc., DF Growth REIT, LLC, DF Growth REIT II, LLC, DF Manager, LLC, Craig Cecilia and Alan Lewis		
Date Submitted	12/13/2021				
Description	Petition for Review and Certificate of Service, Motion for the Submission of Additional Evidence and Certificate of Service, and Declaration of Alan Lewis in Support of DiversyFund's Motion for the Submission of Additional Evidence and Certificate of Service.				

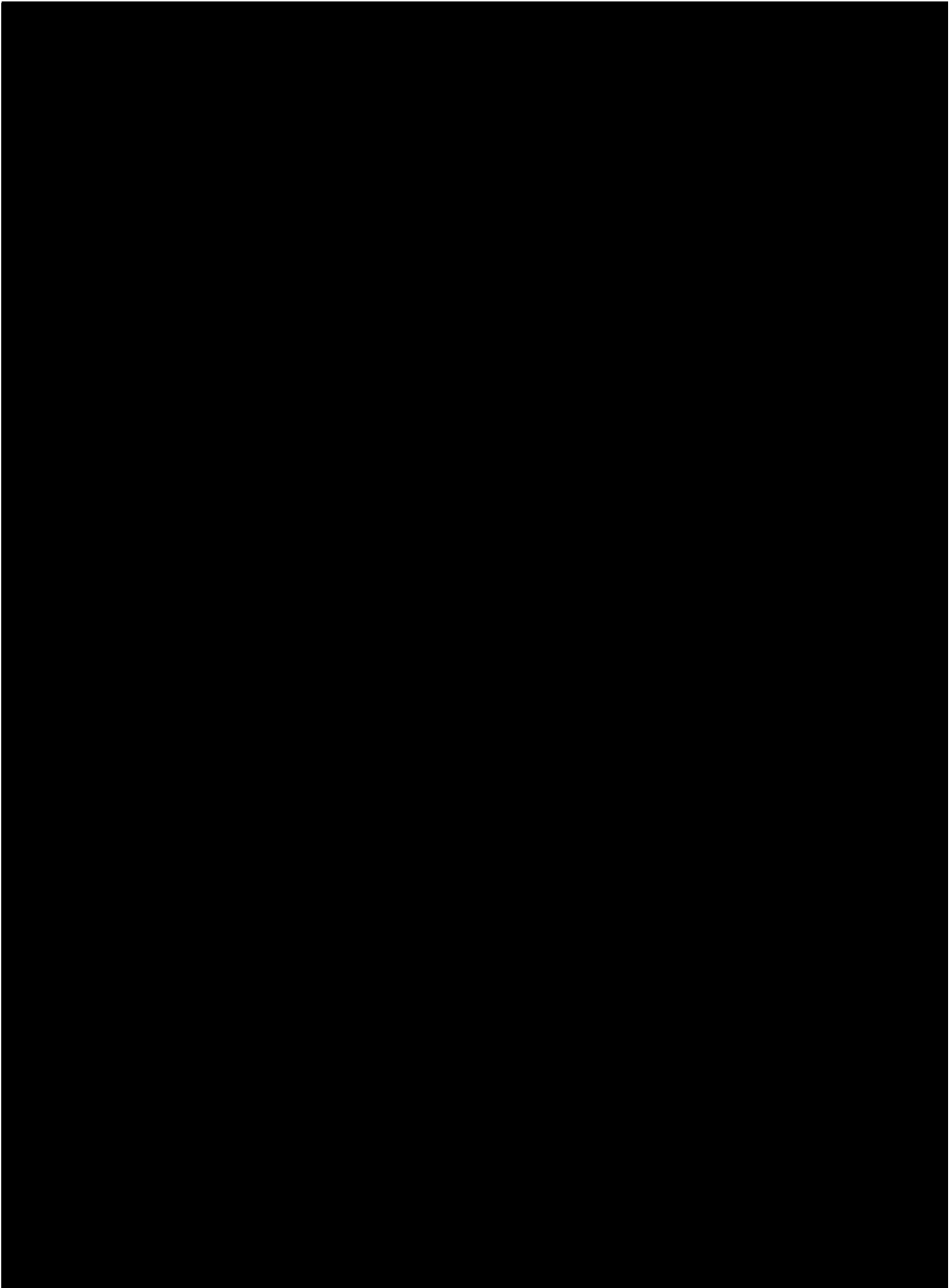
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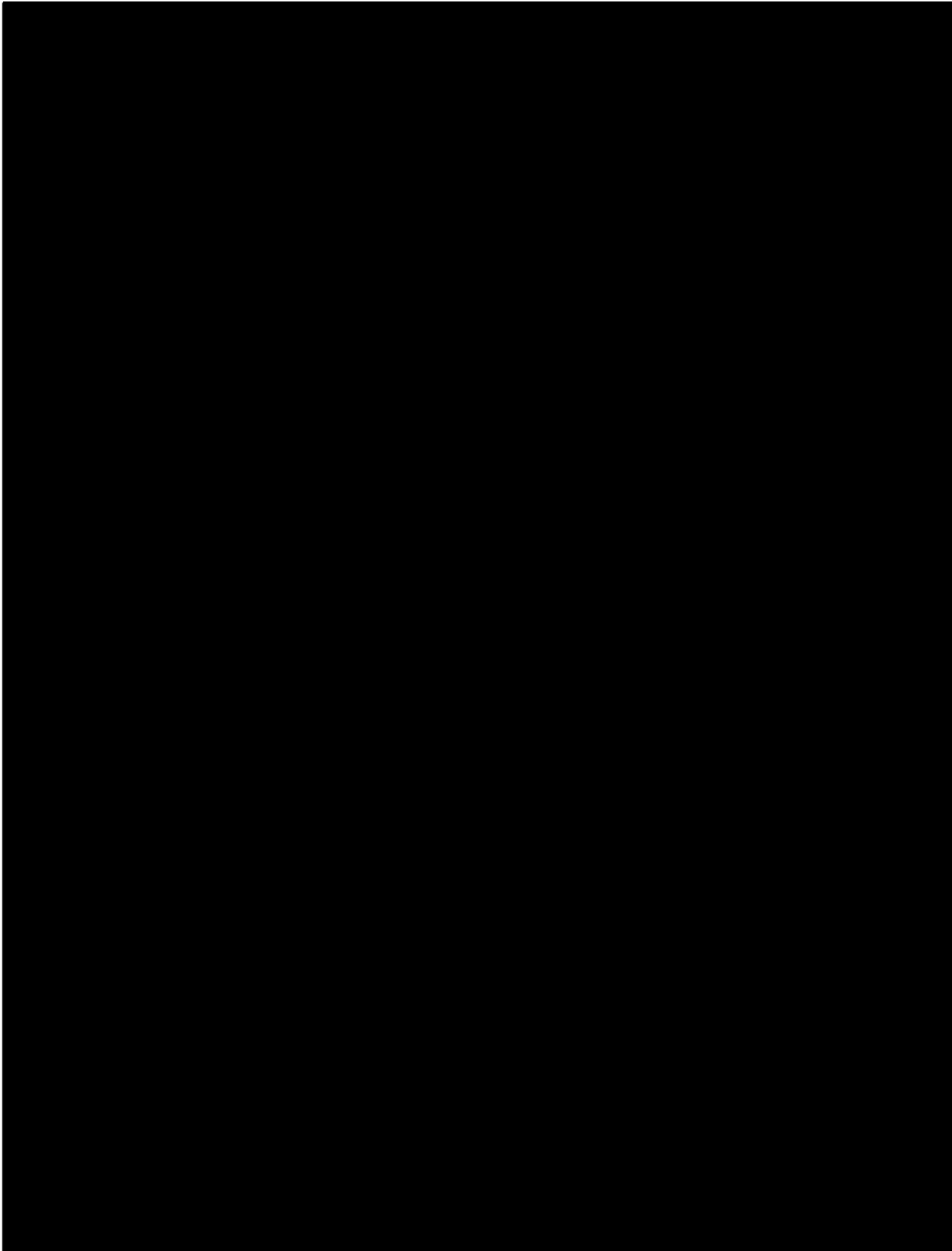
AP File No.	Date Submitted	File Name	Title/Description	Document Type	Under Seal
N/A	12/13/2021	2021-12-13_DiversyFund_Declaration of Alan Lewis in Support of Motion for the Submission of Additional Evidence.pdf	Other - Declaration of Alan Lewis in Support of DiversyFund's Motion for the Submission of Additional Evidence and Certificate of Service	Filing	No
N/A	12/13/2021	2021-12-13_DiversyFund_Motion for the Submission of Additional Evidence.pdf	Other - Motion for the Submission of Additional Evidence and Certificate of Service	Filing	No
N/A	12/13/2021	2021-12-13_DiversyFund_Petition for Review of Orders.pdf	Other - Petition for Review and Certificate of Service	Filing	No

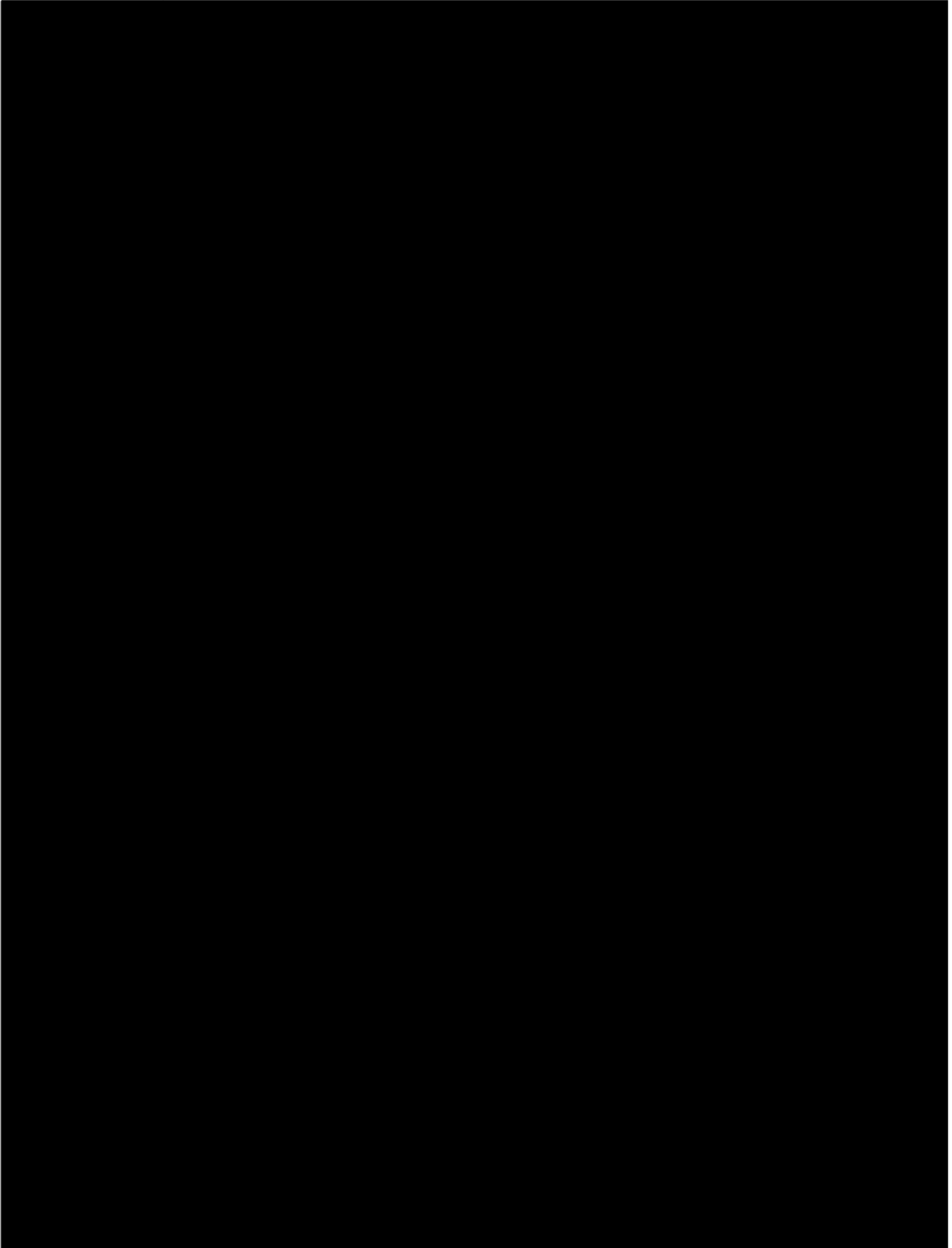
NOTICE REGARDING SERVICE: The filing of a document through the eFAP system does not constitute service of this filing on any other party. You are responsible for serving this filing in accordance with Rule 150 of the Commission's Rules of Practice.

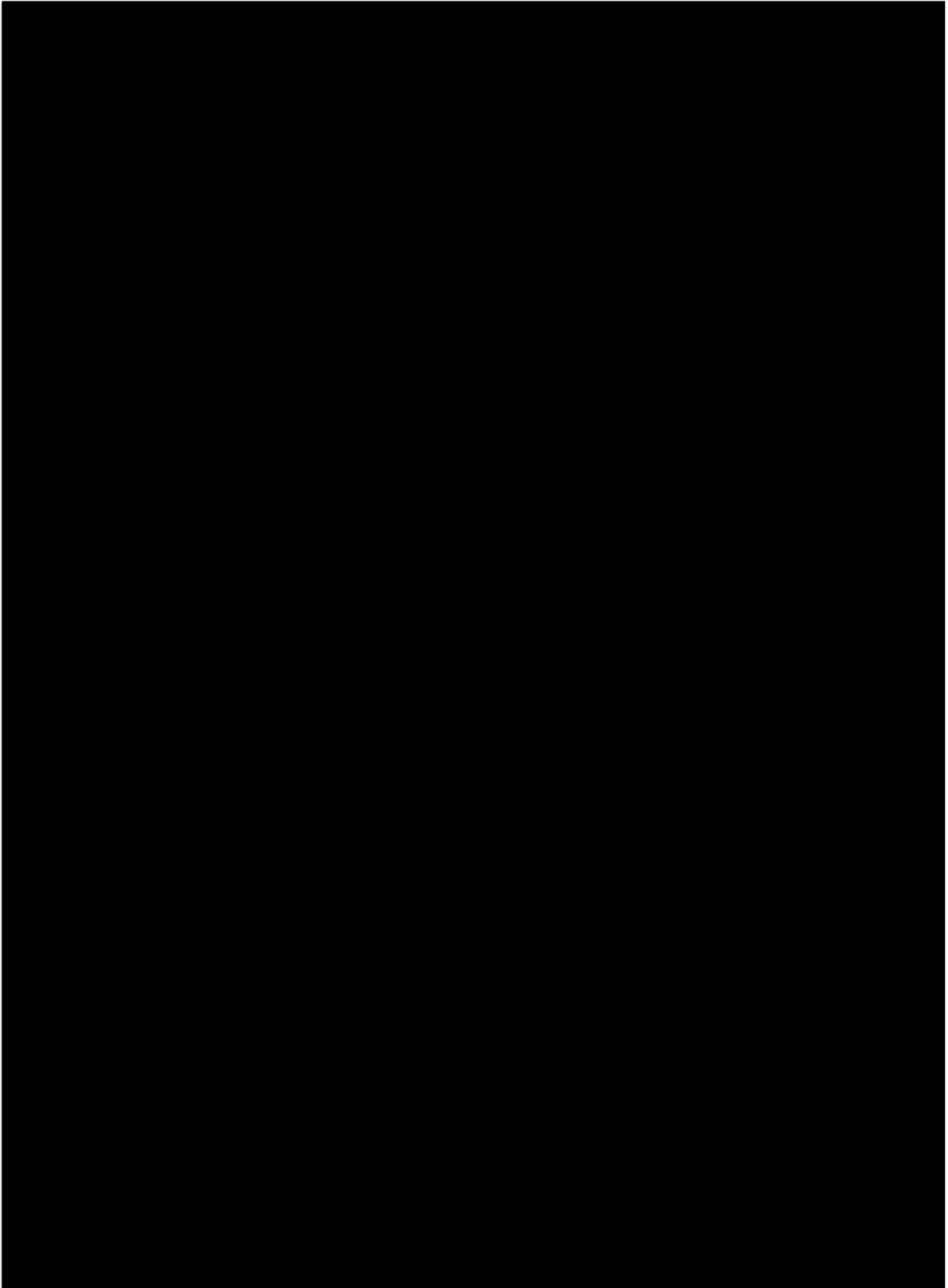
EXHIBIT 3

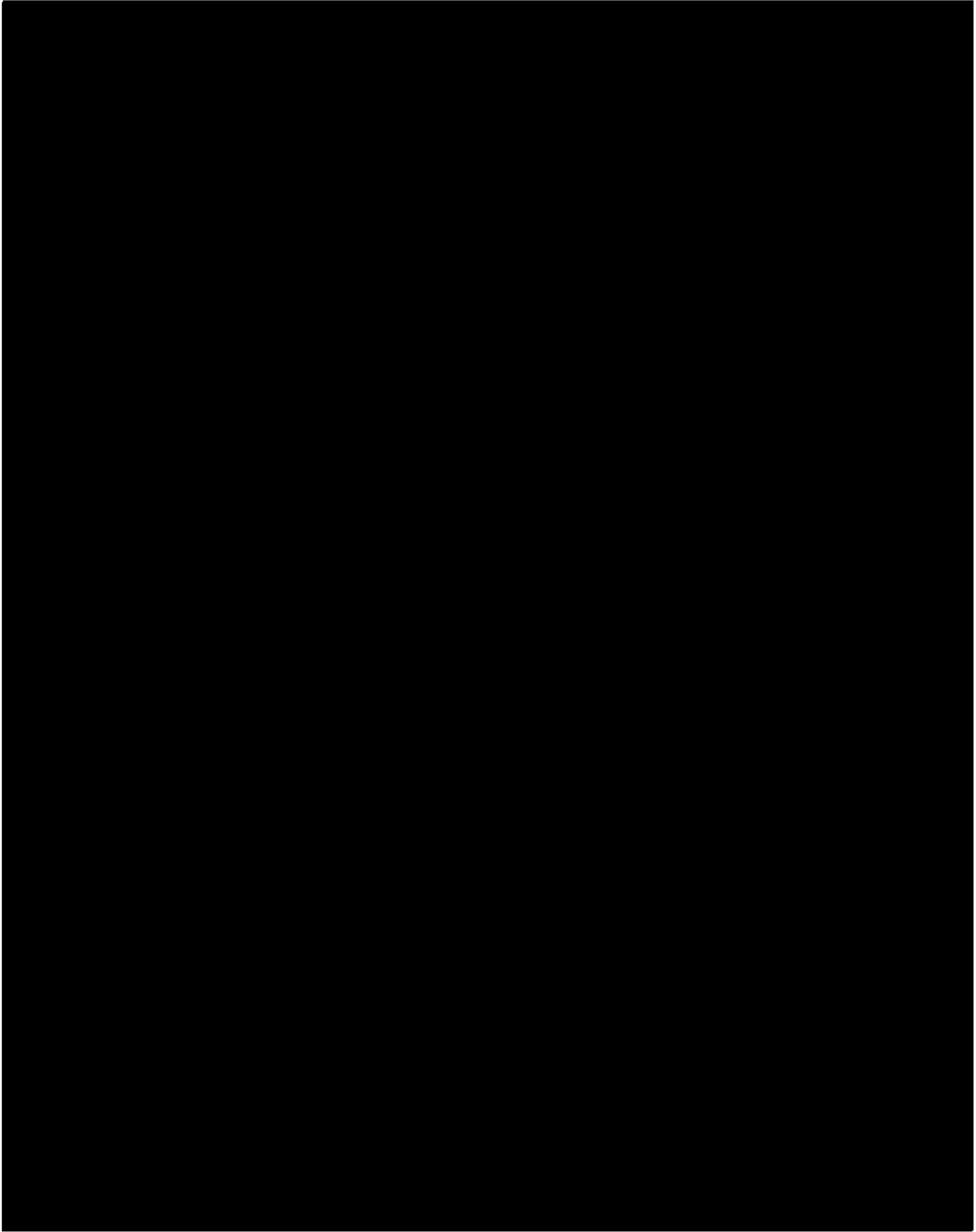


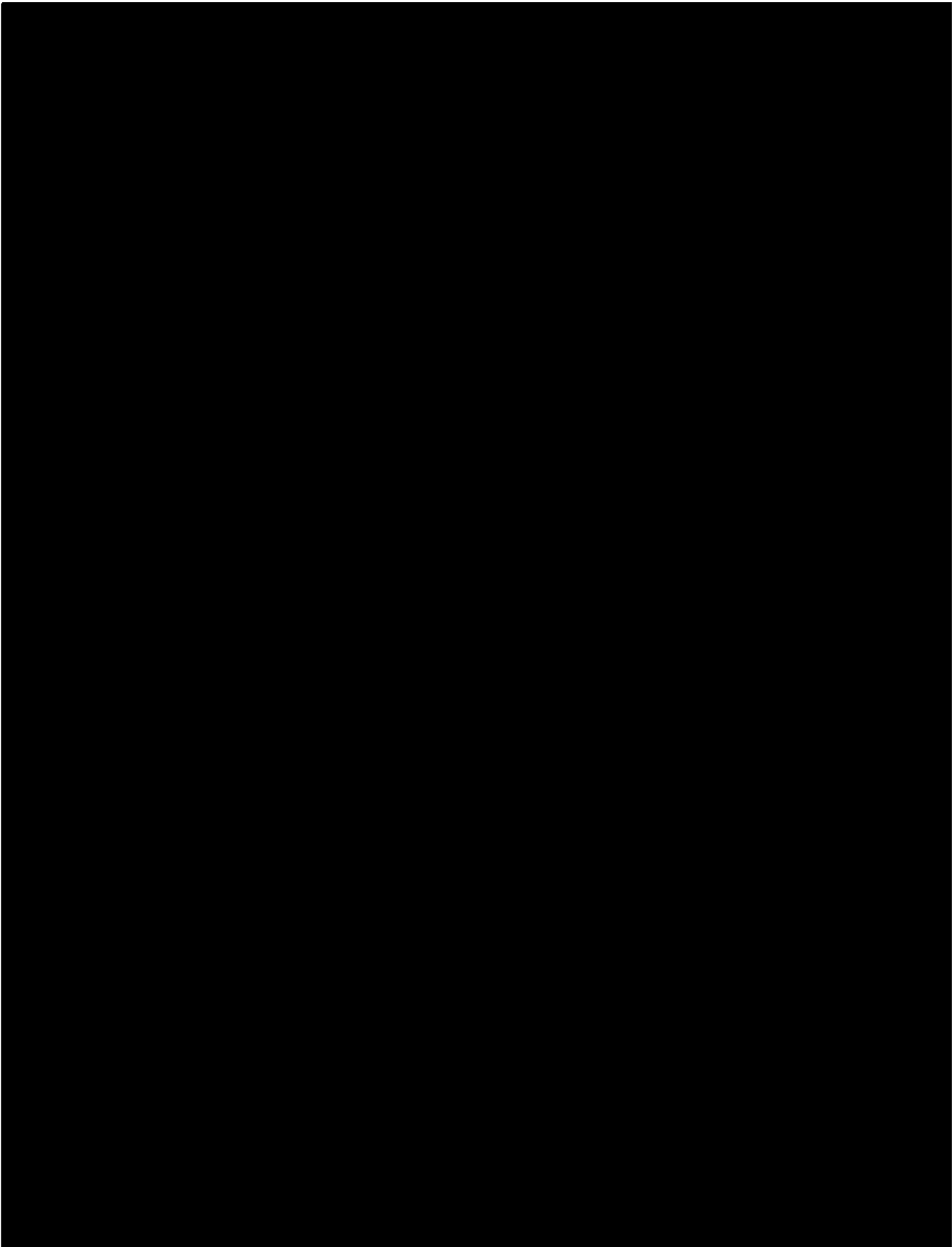


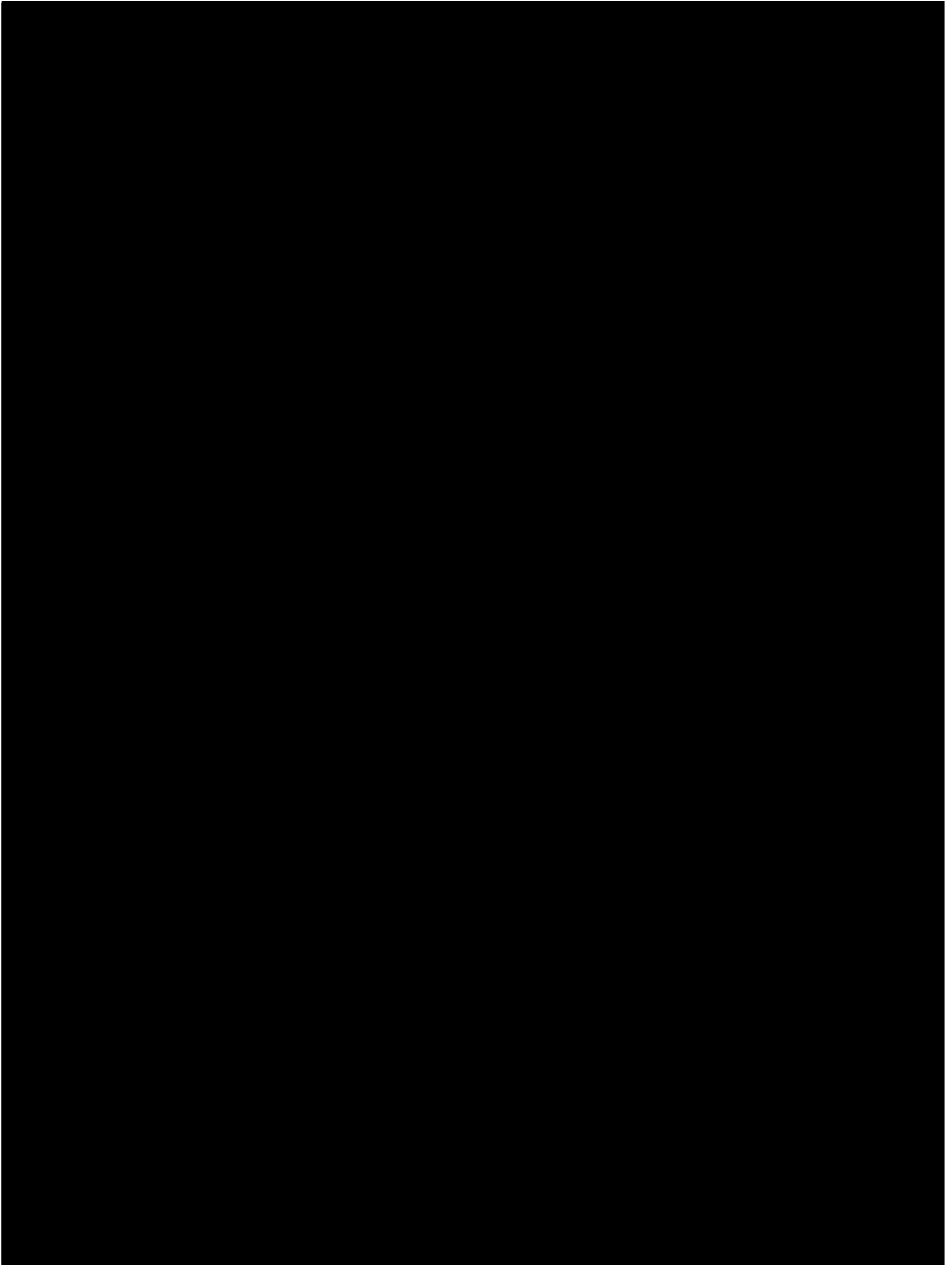


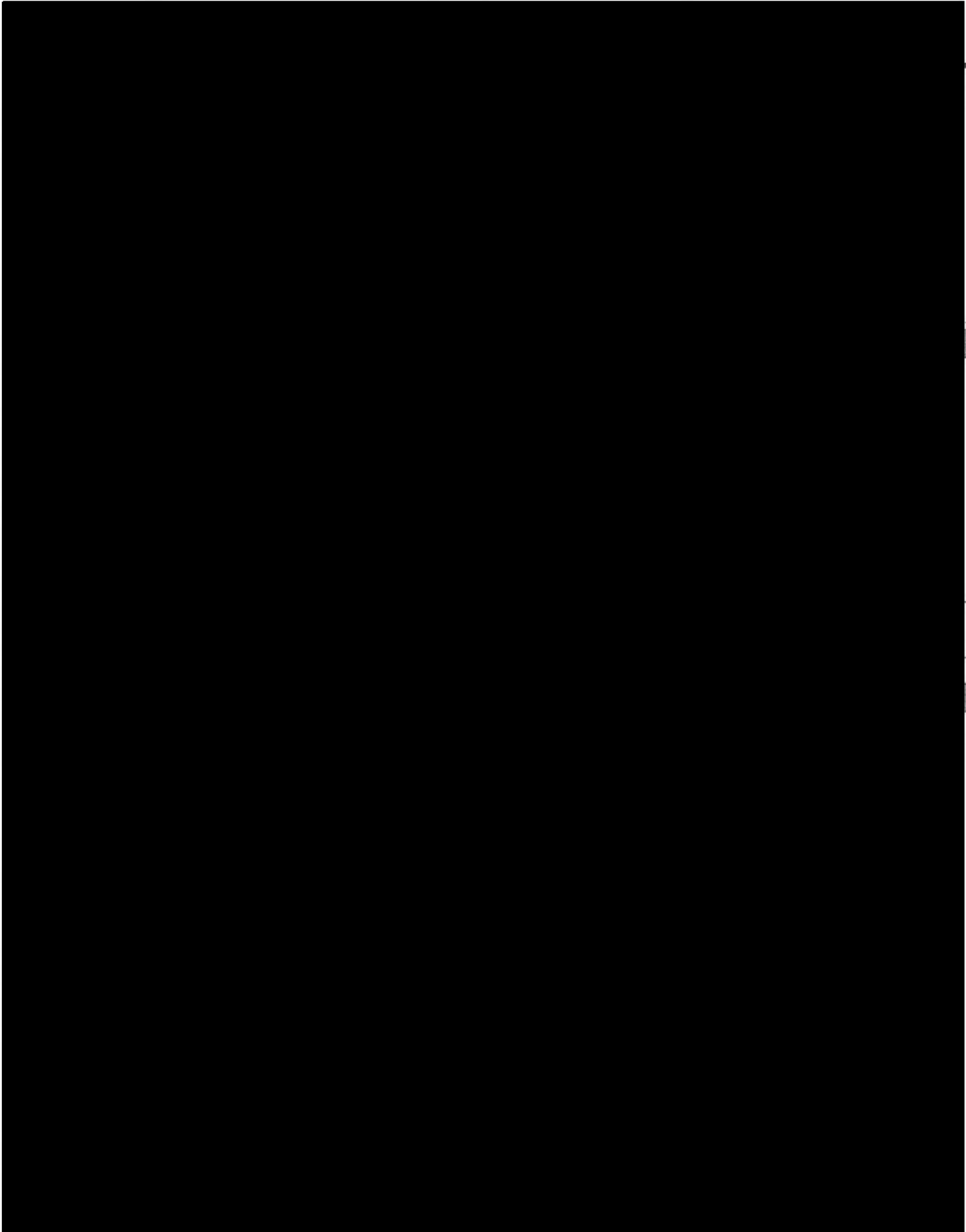




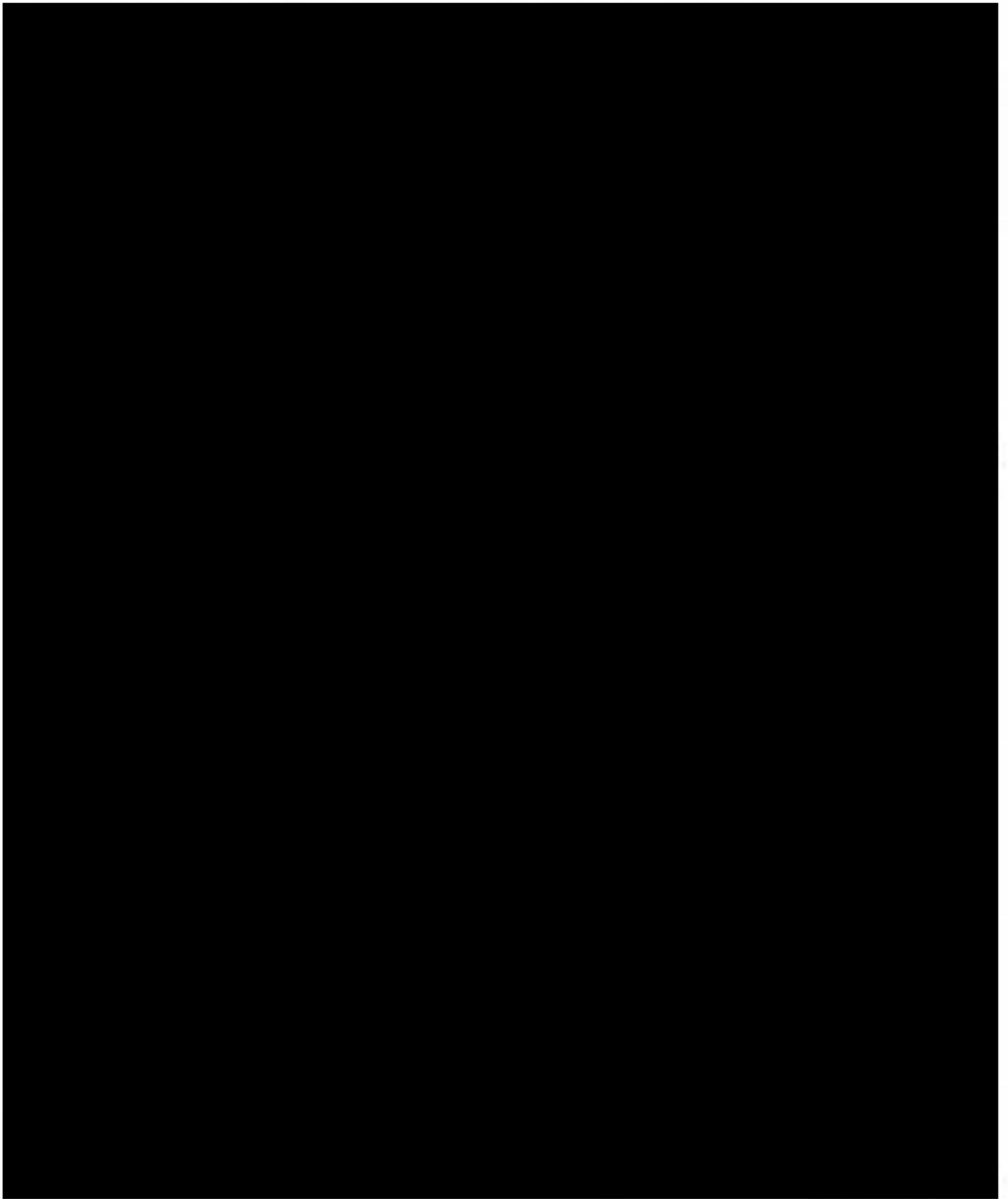




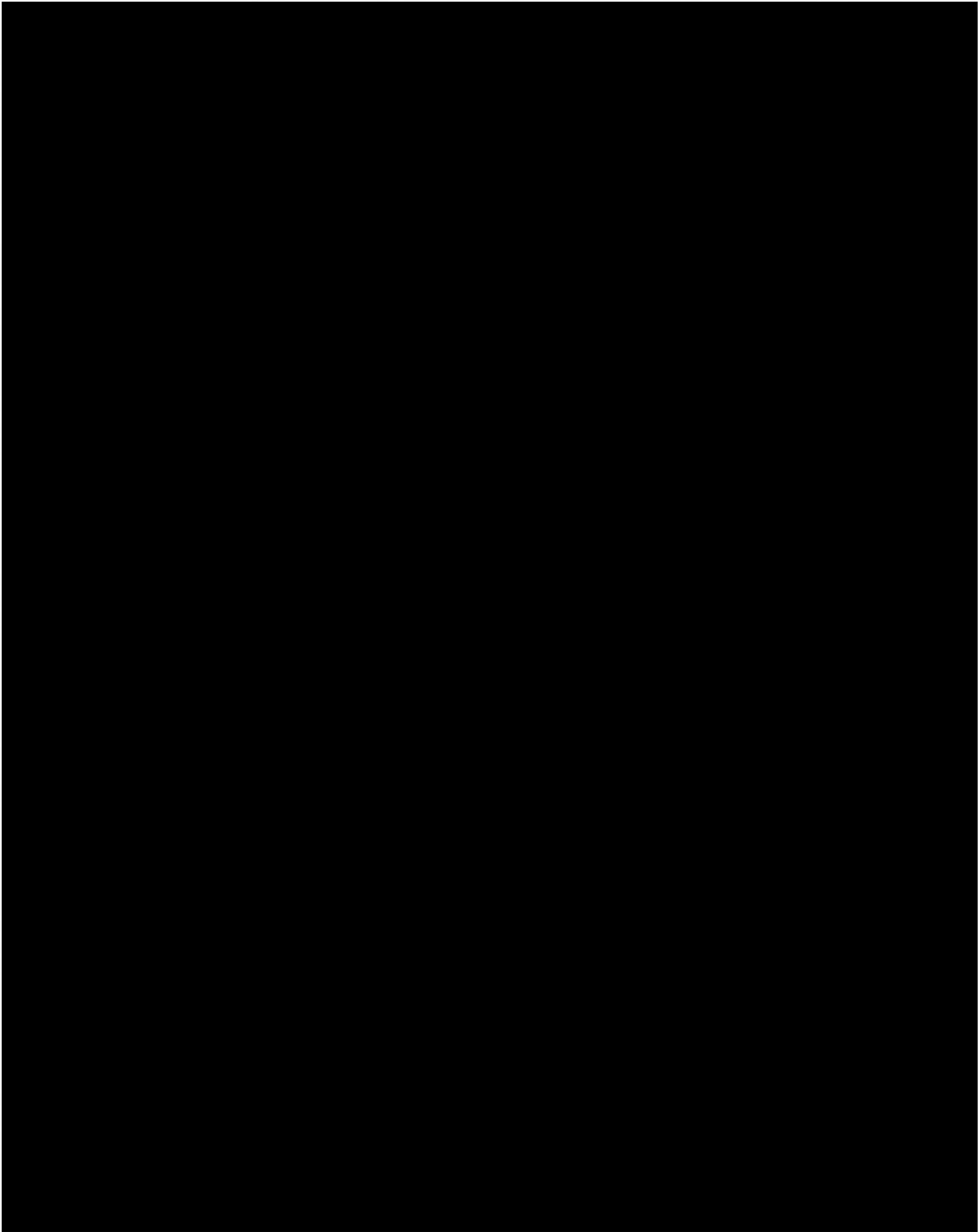




Confidential Treatment Requested by ¹DiversyFund
DF-CORR-000010



Confidential Treatment Requested by DiversyFund
DF-CORR-000011

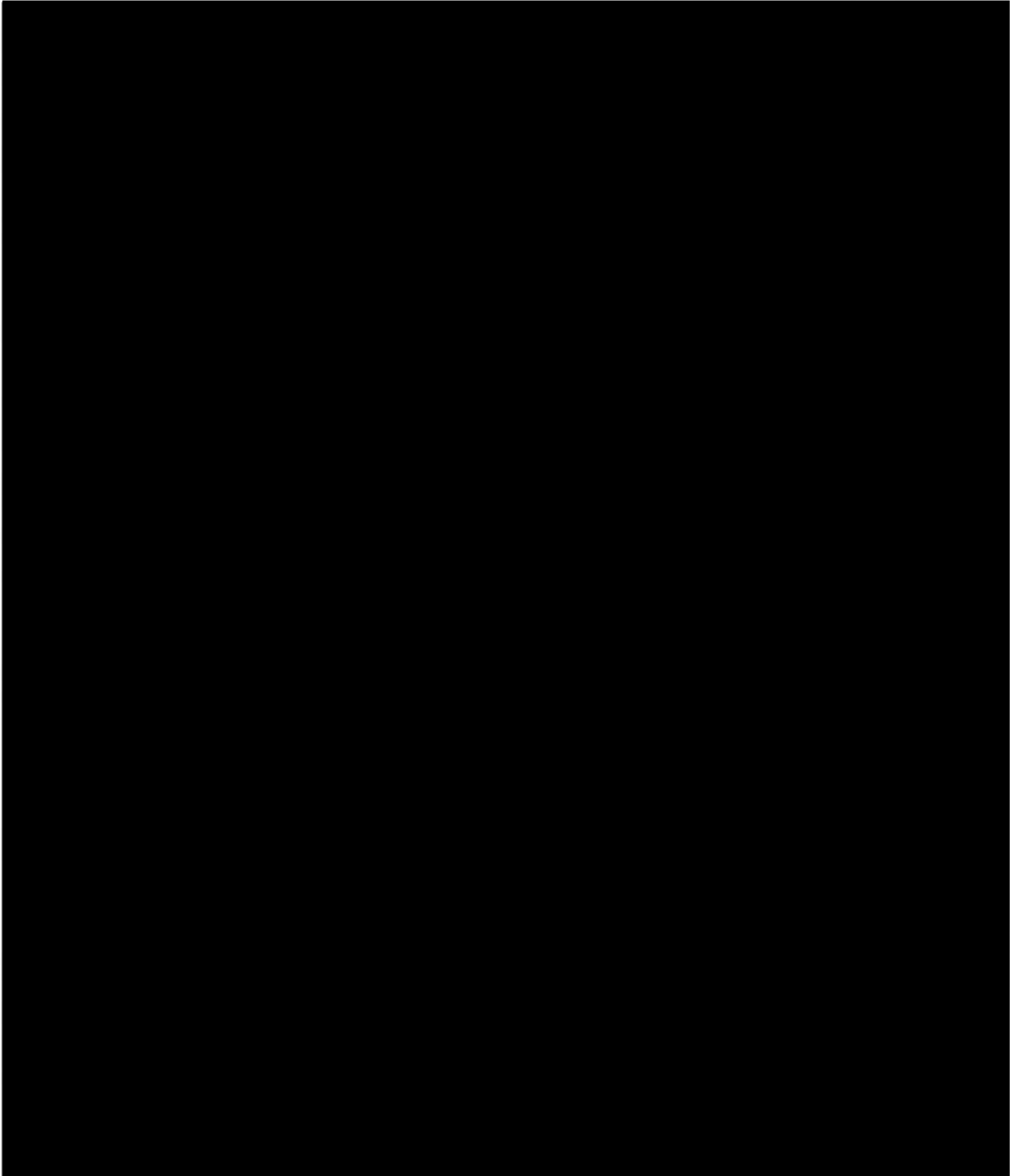


Confidential Treatment Requested by ₃DiversyFund
DF-CORR-000012

Victoria A. Levin
Assistant Regional Director, Enforcement
Securities and Exchange Commission
Los Angeles Regional Office
444 South Flower St., Suite 900
Los Angeles, CA 90071
Ph: (323) 965-3872 E-mail: levinv@sec.gov



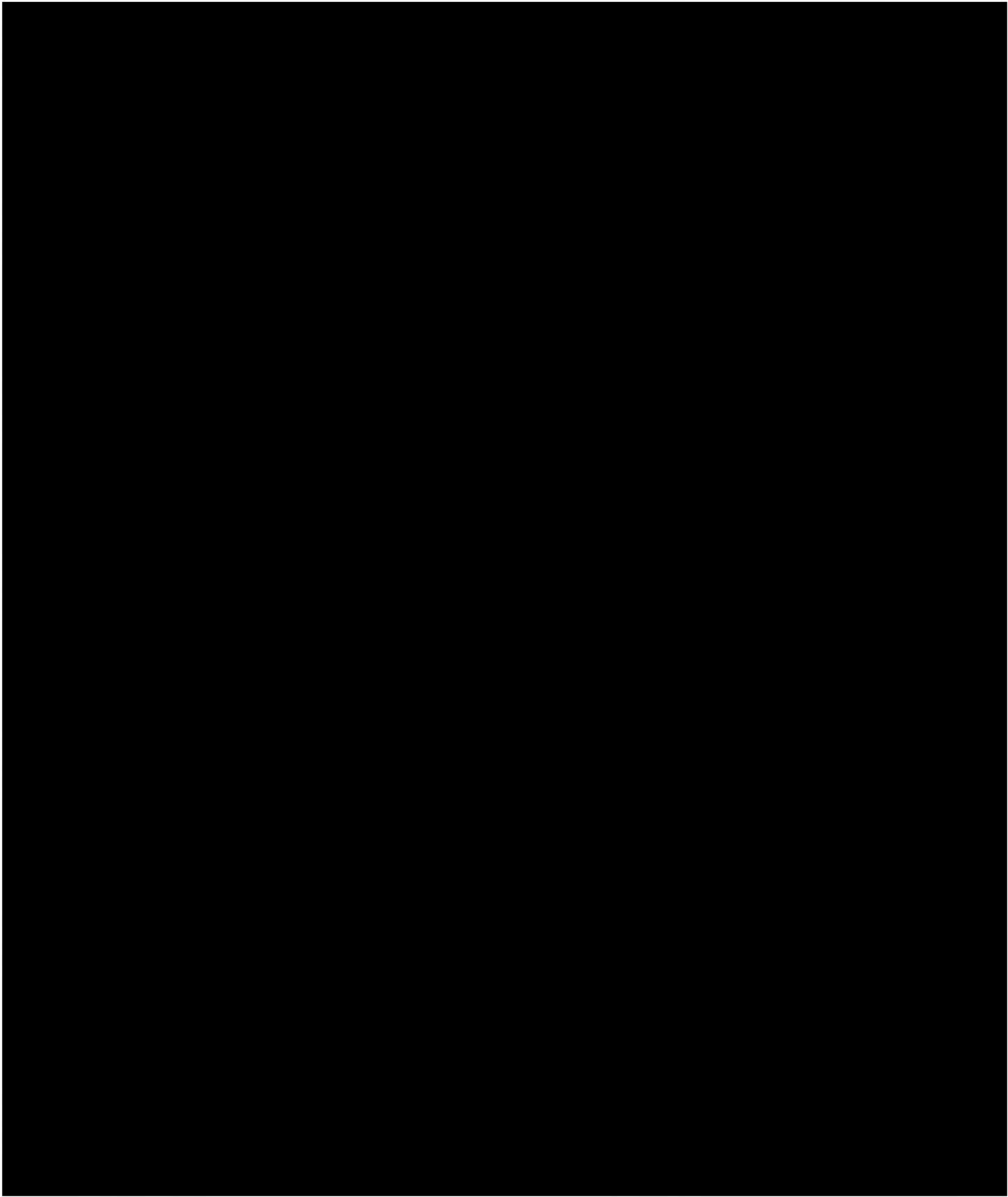
Confidential Treatment Requested by DiversyFund
DF-CORR-000013



Confidential Treatment Requested by 1DiversyFund
DF-CORR-000014



Confidential Treatment Requested by DiversyFund
DF-CORR-000015



Confidential Treatment Requested by DiversyFund
DF-CORR-000016

EXHIBIT 4

Buchalter

655 West Broadway, Suite 1600
San Diego, CA 92101
619.219.5335 Phone

December 6, 2021

619.219.5376 Direct
sbhandari@buchalter.com

VIA EFAP

Office of the Secretary
U.S. Securities and Exchange Commission
100 F Street, N.E.
Washington, DC 20549-3628

Re: In re DiversyFund, Inc. (LA-5266)

To Whom it May Concern:

As counsel for DiversyFund, Inc. and its affiliates and officers DF Growth REIT, LLC, DF Growth REIT II, LLC, DF Manager, LLC, Diversy Advisory Services, LLC and Craig Cecilio and Alan Lewis (collectively, "DiversyFund"), I submit this letter, pursuant to Rule 430(b)(1) of the SEC's Rules of Practice, as written notice of DiversyFund's intention to petition for review of: (1) the above referenced November 8, 2021 Order Directing Private Investigation And Designated Officers To Take Testimony (LA-5266), which I received via email on December 1, 2021; and (2) the Enforcement Staff's November 29, 2021 Order commanding DiversyFund to stop offering or selling securities previously offered pursuant to Regulation A exemptions, which order I received via email from an Assistant Regional Director of Enforcement for Los Angeles on November 29, 2021. Both actions were made, or purported to be made, pursuant to authority delegated by 17 C.F.R. § 200.30-4(a) and other applicable rules.

buchalter.com

Los Angeles
Napa Valley
Orange County
Portland
Sacramento
Salt Lake City
San Diego
San Francisco
Scottsdale
Seattle

Buchalter

Office of the Secretary
December 6, 2021
Page 2


DiversyFund intends to file separately a petition for review in accordance with SEC Rule 430(b)(2).

Pursuant to 17 C.F.R. § 201.431(e), the filing of this notice automatically stays both orders until the Commission orders otherwise.

This letter also constitutes my notice of appearance under Rule 102 of the SEC's Rules of Practice on behalf of DiversyFund. I may be contacted at the address, telephone number and email address listed on the first page of this letter. Please feel free to contact me with any questions.

Very truly yours,

BUCHALTER
A Professional Corporation




Sanjay Bhandari

cc: Will Rosenthal and Victoria Levin
Enforcement Division, Los Angeles Regional Office, SEC

CERTIFICATE OF SERVICE

I, Sanjay Bhandari, counsel for DiversyFund, Inc., DF Growth REIT, LLC and DF Growth REIT II, LLC, hereby certify that on December 6, 2021, I served copies of the attached Notice of Intention to Petition for Review, via the SEC's eFAP system on the Office of the Secretary, U.S. Securities and Exchange Commission, 100 F Street, N.E., Washington, DC 20549-3628, and via email to the following representatives of the Division of Enforcement: Will Rosenthal (Counsel) and Victoria Levin (Assistant Regional Director, Enforcement, Securities and Exchange Commission, Los Angeles Regional Office, 444 South Flower St., Suite 900, Los Angeles, CA 90071, Ph: (323) 965-3872, E-mail: rosenthalw@sec.gov; levinv@sec.gov).

DATED: December 6, 2021



Sanjay Bhandari

EXHIBIT 5

Exhibit 5 - January 13 Order
Filed Under Seal

EXHIBIT 6

Exhibit 6 - January 26 Order
Filed Under Seal

EXHIBIT 7

No. _____

**IN THE UNITED STATES COURT OF APPEALS
FOR THE NINTH CIRCUIT**

**DIVERSYFUND, INC., DF GROWTH REIT, LLC, DF
GROWTH REIT II, LLC, DF MANAGER, LLC, CRAIG
CECILIO, AND ALAN LEWIS,**

Petitioners,

v.

**UNITED STATES SECURITIES AND EXCHANGE
COMMISSION,**

Respondent.

On Appeal from the United States of America
Before the Securities and Exchange Commission
File No. LA-5266

**DECLARATION OF ALAN LEWIS IN SUPPORT OF
PETITIONERS' MOTION FOR STAY**

Sanjay Bhandari
Buchalter, APC
655 West Broadway
Suite 1600
San Diego, CA 92101
Telephone: 619-219-5335
sbhandari@buchalter.com

*Attorneys for Petitioners DiversyFund, Inc., DF Growth REIT,
LLC, DF Growth REIT II, LLC, DF Manager, LLC,
Craig Cecilio and Alan Lewis*

I, Alan Lewis, hereby declare as follows.

1. I am an officer of each of the Petitioning Entities (DiversyFund, Inc., DF Growth REIT, LLC, DF Growth REIT II, LLC, and DF Manager, LLC). I have personal knowledge of the matters discussed herein except where otherwise stated, and could testify competently to these matters if called as a witness.

2. This Declaration is submitted to update and clarify my December 13, 2021 declaration submitted in support of Petitioners' December 13, 2021 administrative petition to the U.S. Securities and Exchange Commission ("SEC"). I incorporate that declaration (referred to as "First Lewis Decl.," and filed herewith) by reference, and refer the reader to it for details that will not be restated herein.

3. The Petitioning entities and individuals have for years operated a capital-intensive real estate business in reliance on obtaining continued funding through securities offerings under registration exemptions such as Regulation A ("Reg A"). After the SEC's January 13, 2022 Amended Formal Order of Investigation, all Petitioners are disqualified under SEC Rule 262 from participating in

exempt offerings while the investigation is pending. The SEC has stated that its investigations take years to conclude. *See* SEC Division of Enforcement, 2019 Annual Report at 7 (available at <https://www.sec.gov/files/enforcement-annual-report-2019.pdf>) (average length of SEC investigations was 24 months generally and 37 months for financial fraud and disclosure). If Petitioners' disqualification were to last that long, all of the Petitioning Entities would be driven out of business, and all affected individuals (I, Craig Cecilio, the 30,000+ investors in the Petitioning Entities, and our employees) would suffer significant and irreparable losses. For many, these losses would be both financial and reputational.

4. These losses will start to be suffered within weeks if the disqualification is not removed. Petitioners continually face funding commitments (e.g., to close on real estate transactions) that would cause immediate injury (e.g., forfeiture of deposit, *see* First Lewis Decl. ¶ 16) if Petitioners defaulted. The \$1 million deposit for the Texas project I described in my earlier Declaration remains at risk of forfeiture until Petitioners can meet closing requirements, for which

they must raise additional capital that they will not be able to raise unless the disqualification is lifted no later than February 28, 2022. (The Texas project was also mentioned in my prior Declaration; it was delayed due to a lender extension issue, and funds raised in the interim were invested in competing time-sensitive projects.) A San Diego project for which Petitioners received an \$18 million construction financing commitment requires equity funding of \$3 million within 60 days, or that valuable financing will disappear (and likely not be available in the future). Petitioners' business involves complex, ongoing commitments that depend on operations continuing. If those are brought to a sudden stop, cascading harm will likely result.

5. Continued exempt offerings are the only viable means of continuing to meeting DF Growth REIT and REIT II's capital needs: seeking to register an offering would take too much time (months if not years) and capital to be a viable response to the SEC's actions. Because management of investments provides most or all of the revenues and operations of the other Petitioning entities, shutting down the REITs' ability to obtain capital would also shut down their affiliates. If

Petitioners were unable to obtain relief from disqualification, they would be forced to take drastic measures, including discharging employees, stoppages to other expenses needed to operate their business, and winding down operations, to attempt to limit investor losses. Petitioners will begin these drastic measures if relief is not obtained by February 28, 2022, implementing them as slowly as possible as long as hope remains that disqualification will be lifted.

Executed under penalty of perjury in San Diego, California on the date set forth below.

Dated: February 15, 2022



Alan Lewis

CERTIFICATE OF SERVICE

(FED. R. APP. P. 25; 9TH CIR. R. 25-5(f))

I certify that I electronically filed the foregoing document entitled DECLARATION OF ALAN LEWIS IN SUPPORT OF PETITIONERS' MOTION FOR STAY. All participants in the case are registered CM/ECF users who will be served by the appellate CM/ECF system and/or by electronic mail by agreement of the parties.

I declare under penalty of perjury under the laws of the United States of America I am a member of the Bar of this Court making service, and this certificate is executed on February 15, 2022, at San Diego, in the County of San Diego, State of California.

By: /s/ Sanjay Bhandari
SANJAY BHANDARI

EXHIBIT 8

Exhibit 8 - November 8 Order
Filed Under Seal

CERTIFICATE OF SERVICE

(FED. R. APP. P. 25; 9TH CIR. R. 25-5(f))

I certify that I electronically filed the foregoing document entitled PETITIONERS' EMERGENCY MOTION FOR STAY PURSUANT TO CIRCUIT RULE 27-3; RELIEF REQUESTED BY FEBRUARY 28, 2022. All participants in the case are registered CM/ECF users who will be served by the appellate CM/ECF system and/or by electronic mail by agreement of the parties.

I declare under penalty of perjury under the laws of the United States of America I am a member of the Bar of this Court making service, and this certificate is executed on February 15, 2022, at San Diego, in the County of San Diego, State of California.

By: /s/ Sanjay Bhandari
SANJAY BHANDARI

Division of Enforcement's Exhibit 8



UNITED STATES OF AMERICA
SECURITIES AND EXCHANGE COMMISSION

ATTESTATION

IT IS HEREBY ATTESTED THAT:

The attached Form 1-A/A was received in this Commission on 1/21/2021, under the name of DF Growth REIT II, LLC, File No. 024-11394, pursuant to the relevant Act(s) of the Commission.

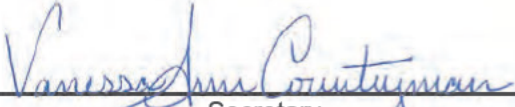
This certified document was produced from the files of this Commission on

5/2/2022

Date

It is hereby certified that the Secretary of the U.S. Securities and Exchange Commission, Washington, DC, which Commission was created by the Securities Exchange Act of 1934 (15 U.S.C. 78a et seq.) is official custodian of the records and files of said Commission and was such official custodian at the time of executing the above attestation.

For the Commission



Secretary

1-A: Filer Information

Issue CIK	<input type="text" value="0001824154"/>
Issue CCC	<input type="text" value="XXXXXXXX"/>
DOS F e Nu be	<input type="text"/>
Offe ng F e Nu be	<input type="text" value="024-11394"/>
Is hs a LIVE o TEST F ng?	<input checked="" type="radio"/> LIVE <input type="radio"/> TEST
Would you ke a Re u n Copy?	<input type="checkbox"/>
No fy va F ng Webs e ony?	<input type="checkbox"/>
S nce Las F ng?	<input type="checkbox"/>

Submission Contact Information

Name	<input type="text"/>
Phone	<input type="text"/>
E-Mail Address	<input type="text"/>

1-A: Item 1. Issuer Information

Issuer Information

Exact name of issuer as specified in the issuer's charter	<input type="text" value="DF Growth R T , C"/>
Jurisdiction of Incorporation/Organization	<input type="text" value="D AWAR"/>
Year of Incorporation	<input type="text" value="2020"/>
CIK	<input type="text" value="0001824154"/>
Primary Standard Industrial Classification Code	<input type="text" value="R A STAT"/>
IRS Employer Identification Number	<input type="text" value="83-2600369"/>
Total number of full-time employees	<input type="text" value="0"/>
Total number of part-time employees	<input type="text" value="0"/>

Contact Information

Address of Principal Executive Offices

Address 1	<input type="text" value="750 B Street"/>
Address 2	<input type="text" value="Suite 1930"/>
City	<input type="text" value="San Diego"/>
State/Country	<input type="text" value="CA FORN A"/>
Mailing Zip/Post Code	<input type="text" value="92101"/>
Phone	<input type="text" value="858-430-8528"/>

Provide the following information for the person the Securities and Exchange Commission's staff should call in connection with any pre-qualification review of the offering statement.

Name	<input type="text" value="Mark Roderick, sq"/>
Address 1	<input type="text"/>
Address 2	<input type="text"/>
City	<input type="text"/>

State/County	<input type="text"/>
Mailing Zip/Post Code	<input type="text"/>
Phone	<input type="text"/>

Provide up to two e-mail addresses to which the Securities and Exchange Commission's staff may send any comment letters relating to the offering statement. After qualification of the offering statement, such e-mail addresses are not required to remain active.

Financial Statements

Use the financial statements for the most recent period contained in this offering statement to provide the following information about the issuer. The following table does not include all of the line items from the financial statements. Long Term Debt would include notes payable, bonds, mortgages, and similar obligations. To determine "Total Revenues" for all companies selecting "Other" for their industry group, refer to Article 5-03(b)(1) of Regulation S-X. For companies selecting "Insurance", refer to Article 7-04 of Regulation S-X for calculation of "Total Revenues" and paragraphs 5 and 7 of Article 7-04 for "Costs and Expenses Applicable to Revenues".

Industry Group (select one) Banking Insurance Other

Balance Sheet Information

Cash and Cash Equivalents	<input type="text" value="\$ 0 00"/>
Investment Securities	<input type="text" value="\$ 0 00"/>
Trade Investments	<input type="text" value="\$"/>
Accounts and Notes Receivable	<input type="text" value="\$ 0 00"/>
Loans	<input type="text" value="\$"/>
Prepaid, Prepaid and Equipment (PP&E)	<input type="text" value="\$ 0 00"/>
Prepaid and Equipment	<input type="text" value="\$"/>
Trade Assets	<input type="text" value="\$ 14029 00"/>
Accounts Payable and Accrued Liabilities	<input type="text" value="\$ 14029 00"/>
Policy Liabilities and Accruals	<input type="text" value="\$"/>
Deposits	<input type="text" value="\$"/>
Long Term Debt	<input type="text" value="\$ 0 00"/>
Trade Liabilities	<input type="text" value="\$ 14029 00"/>
Trade Stockholders' Equity	<input type="text" value="\$ 0 00"/>
Trade Liabilities and Equity	<input type="text" value="\$ 14029 00"/>

Statement of Comprehensive Income Information

Trade Revenues	<input type="text" value="\$ 0 00"/>
Trade Interest Income	<input type="text" value="\$"/>
Costs and Expenses Applicable to Revenues	<input type="text" value="\$ -14029 00"/>
Trade Interest Expenses	<input type="text" value="\$"/>
Depreciation and Amortization	<input type="text" value="\$ 0 00"/>
Net Income	<input type="text" value="\$ -14029 00"/>
Earnings Per Share - Basic	<input type="text" value="\$ 0 00"/>
Earnings Per Share - Diluted	<input type="text" value="\$ 0 00"/>
Name of Auditor (if any)	<input type="text" value="N A"/>

Outstanding Securities

Common Equity

Name of Class (fany) Common Equity	Common Shares
Common Equity Units Outstanding	1000000
Common Equity CUSIP (fany)	000000000
Common Equity Units Name of Trading Center or Quotation Medium (fany)	None

Preferred Equity

Preferred Equity Name of Class (fany)	None
Preferred Equity Units Outstanding	000000000
Preferred Equity CUSIP (fany)	000000000
Preferred Equity Name of Trading Center or Quotation Medium (fany)	None

Debt Securities

Debt Securities Name of Class (fany)	None
Debt Securities Units Outstanding	000000000
Debt Securities CUSIP (fany)	000000000
Debt Securities Name of Trading Center or Quotation Medium (fany)	None

1-A: Item 2. Issuer Eligibility

Issuer Eligibility

Check this box to certify that all of the following statements are true for the issuer(s)

-
- Organized under the laws of the United States of Canada, or any State, Province, Territory or possession thereof, or the District of Columbia
 - Principal place of business is in the United States of Canada
 - No subject to section 13 or 15(d) of the Securities Exchange Act of 1934
 - No development stage company has the (a) has no specific business plan or purpose, or (b) has not established its business plan since registration with an underwriter or company copanet
 - No investment company registered or equated to be registered under the Investment Company Act of 1940
 - No issuing facility undivided net assets not gas, gas, or as a net asset
 - No issuing asset-backed securities as defined in Rule 1101 (c) of Regulation AB
 - No, and has not been, subject to any order of the Commission on the order pursuant to Section 12(j) of the Exchange Act (15 U.S.C. 78(j)) within five years before the filing of this offering statement
 - Has filed with the Commission the report was required to file, pursuant to Rule 257 during the two years immediately before the filing of the offering statement (or for such shorter period as the issue was required to file such reports)

1-A: Item 3. Application of Rule 262

Application Rule 262

Check this box to certify that, as of the time of this filing, each person described in Rule 262 of Regulation A is either not disqualified under that rule or is disqualified but has received a waiver of such disqualification.

-
- Check this box if "bad actor" disclosure under Rule 262(d) is provided in Part II of the offering statement.

1-A: Item 4. Summary Information Regarding the Offering and Other Current or Proposed Offerings

Summary Information

Check the appropriate box indicating whether you are conducting a Type 1 or Type 2 offering	<input type="radio"/> Type 1 <input checked="" type="radio"/> Type 2
Check the appropriate box indicating whether financial statements have been audited	<input type="radio"/> Unaudited <input checked="" type="radio"/> Audited
Types of Securities Offered in this Offering Statement (select all that apply)	
<input checked="" type="checkbox"/> Equity (common or preferred stock)	
Does the issuer intend to offer the securities on a delayed or continuous basis pursuant to Rule 251(d)(3)?	<input type="radio"/> Yes <input checked="" type="radio"/> No
Does the issuer intend to offer the securities as a one-time offering?	<input type="radio"/> Yes <input checked="" type="radio"/> No
Does the issuer intend to place the offering after qualification pursuant to Rule 253(b)?	<input type="radio"/> Yes <input checked="" type="radio"/> No
Will the issuer be conducting a best efforts offering?	<input type="radio"/> Yes <input checked="" type="radio"/> No
Has the issuer used social media or other communication with the proposed	<input type="radio"/> Yes <input checked="" type="radio"/> No

offering?
 Does the proposed offering involve the resale of securities by affiliates of the issuer? Yes No
 Number of securities offered
 Number of securities of hazardous and ng

The information called for by this item below may be omitted if undetermined at the time of filing or submission, except that if a price range has been included in the offering statement, the midpoint of that range must be used to respond. Please refer to Rule 251(a) for the definition of "aggregate offering price" or "aggregate sales" as used in this item. Please leave the field blank if undetermined at this time and include a zero if a particular item is not applicable to the offering.

Price per security
 The position of the aggregate offering price attributable to securities being offered on behalf of the issuer
 The position of the aggregate offering price attributable to securities being offered on behalf of selling syndicates
 The position of the aggregate offering price attributable to the securities of the issuer sold pursuant to a qualified offering since within the 12 months before the qualification of the offering since
 The estimated position of aggregate sales attributable to securities that may be sold pursuant to any of the qualified offerings since the conclusion of the securities being sold under the offering since
 To a (the sum of the aggregate offering price and aggregate sales in the foregoing paragraphs)

Anticipated fees in connection with this offering and names of service providers

Underwriters - Name of Service Provider	<input type="text"/>	Underwriters - Fees	<input type="text" value="\$"/>
Sales Commissions - Name of Service Provider	<input type="text"/>	Sales Commissions - Fee	<input type="text" value="\$"/>
Funders' Fees - Name of Service Provider	<input type="text"/>	Funders' Fees - Fees	<input type="text" value="\$"/>
Accounting Auditor - Name of Service Provider	Hayne & Company	Accounting Auditor - Fees	<input type="text" value="\$ 25000 00"/>
Legal - Name of Service Provider	Lex Nova Law C	Legal - Fees	<input type="text" value="\$ 40000 00"/>
Proxies - Name of Service Provider	<input type="text"/>	Proxies - Fees	<input type="text" value="\$"/>
Blue Sky Compliance - Name of Service Provider	Agie ega	Blue Sky Compliance - Fees	<input type="text" value="\$ 5000 00"/>
CRD Number of any broker dealer used	<input type="text"/>		
Estimated proceeds of the issue	<input type="text" value="\$"/>		
Calculation of responses (if necessary)	<input type="text"/>		

1-A: Item 5. Jurisdictions in Which Securities are to be Offered

Jurisdictions in Which Securities are to be Offered

Using the list below, select the jurisdictions in which the issuer intends to offer the securities

Selected States and Jurisdictions	<input type="checkbox"/> ALABAMA <input type="checkbox"/> ALASKA <input type="checkbox"/> ARIZONA <input type="checkbox"/> CALIFORNIA <input type="checkbox"/> COLORADO <input type="checkbox"/> CONNECTICUT <input type="checkbox"/> DELAWARE <input type="checkbox"/> FLORIDA <input type="checkbox"/> GEORGIA <input type="checkbox"/> HAWAII <input type="checkbox"/> IDAHO <input type="checkbox"/> ILLINOIS <input type="checkbox"/> INDIANA <input type="checkbox"/> IOWA <input type="checkbox"/> KANSAS <input type="checkbox"/> KENTUCKY <input type="checkbox"/> LOUISIANA <input type="checkbox"/> MASSACHUSETTS <input type="checkbox"/> MICHIGAN
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M NN SOTA
M SS SS PP
M SSOUR
MONTANA
N BRASKA
N VADA
N W HAMPSH R
N W J RS Y
N W M X CO
N W YORK
NORTH CARO NA
NORTH DAKOTA
OH O
OK AHOMA
OR GON
P NNSY VAN A
RHOD S AND
SOUTH CARO NA
SOUTH DAKOTA
T NN SS
T XAS
UTAH
V RMONT
V RG N A
WASH NGTON
W ST V RG N A
W SCONS N
WYOM NG
D STR CT OF CO UMB A
PU RTO R CO

Using the list below, select the jurisdictions in which the securities are to be offered by underwriters, dealers or sales persons or check the appropriate box

None

State as the jurisdiction in which the issuer intends to offer the securities

Selected States and Jurisdictions

1-A: Item 6. Unregistered Securities Issued or Sold Within One Year

Unregistered Securities Issued or Sold Within One Year

None

Unregistered Securities Issued

As to any unregistered securities issued by the issuer of any of the predecessor so affiliated issuer within one year before the filing of this Form 1-A, state

(a) Name of such issuer

(b)(1) Title of securities issued

(2) Total Amount of such securities issued

(3) Amount of such securities sold by or for the account of any person who at the time was a director, officer, principal or promoter of the issuer of such securities, or was an underwriter of any securities of such issuer

(c)(1) Aggregate consideration for which the securities were issued and basis for computing the amount thereof

(2) Aggregate consideration for which the securities sold in (b)(3) of this section (if any) were issued and the basis for computing the amount thereof (if different from the basis described in (c)(1))

Unregistered Securities Issued

As to any unregistered securities issued by the issuer of any of the predecessor so affiliated issuer within one year before the filing of this Form 1-A, state

(a) Name of such issuer

(b)(1) Title of securities issued

(2) Total Amount of such securities issued

(3) Amount of such securities sold by or for the account of any person who at the time was a director, officer, principal or promoter of the issuer of such securities, or was an underwriter of any securities of such issuer

was an underwriter of any securities of such issue

(c)(1) Aggregate consideration for which the securities were issued and basis for computing the amount thereof

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(2) Aggregate consideration for which the securities issued in (b)(3) of this section were issued and the basis for computing the amount thereof (defined in the basis described in (c)(1))

Unregistered Securities Act

(d) Indicate the section of the Securities Act of 1933 on which the registration is based upon for exemption from the registration requirements of such Act and state briefly the facts relied upon for such exemption

17 CFR 230.506(c)

AN OFFERING STATEMENT PURSUANT TO REGULATION A RELATING TO THESE SECURITIES HAS BEEN FILED WITH THE SECURITIES AND EXCHANGE COMMISSION. INFORMATION CONTAINED IN THIS PRELIMINARY OFFERING CIRCULAR IS SUBJECT TO COMPLETION OR AMENDMENT. THESE SECURITIES MAY NOT BE SOLD NOR MAY OFFERS TO BUY BE ACCEPTED BEFORE THE OFFERING STATEMENT FILED WITH THE COMMISSION IS QUALIFIED. THIS PRELIMINARY OFFERING CIRCULAR SHALL NOT CONSTITUTE AN OFFER TO SELL OR THE SOLICITATION OF AN OFFER TO BUY NOR MAY THERE BE ANY SALES OF THESE SECURITIES IN ANY STATE IN WHICH SUCH OFFER, SOLICITATION OR SALE WOULD BE UNLAWFUL BEFORE REGISTRATION OR QUALIFICATION UNDER THE LAWS OF ANY SUCH STATE. WE MAY ELECT TO SATISFY OUR OBLIGATION TO DELIVER A FINAL OFFERING CIRCULAR BY SENDING YOU A NOTICE WITHIN TWO BUSINESS DAYS AFTER THE COMPLETION OF OUR SALE TO YOU THAT CONTAINS THE URL WHERE THE FINAL OFFERING CIRCULAR OR THE OFFERING STATEMENT IN WHICH SUCH FINAL OFFERING CIRCULAR WAS FILED MAY BE OBTAINED.

FORM 1-A

Regulation A Offering Statement

Part II – Offering Circular

Amendment No. 1

DF GROWTH REIT II, LLC

750 B Street
Suite 1930
San Diego, CA 92101
(858) 430-8528
www.DiversyFund.com

January 19, 2021

This Offering Circular follows the Form S-11 disclosure format.

DF Growth REIT II, LLC, a limited liability company organized under the laws of Delaware (we refer to as the “Company,” “we,” “us” or “our”), was formed to acquire and operate real estate assets under the name of Diversy Fund REIT II, LLC, a “REIT,” for federal tax purposes.

The Company seeks to raise up to \$50,000,000 of capital by offering to the public limited liability company units (“Cass A Investment Shares,” which we refer to as the “Offering”) to carry out the purpose of these securities. “Securities Being Offered” We refer to dividend as a dividend in the case of Cass A Investment Shares as “Investments.”

The Offering will begin as soon as the offering is qualified by the SEC. The Offering will be made in (1) the amount of \$50,000,000 of Cass A Investment Shares (i.e., a certain amount of offering), (2) the date we may set for the offering, or (3) the date we decide to end.

The Offering is a public offering. Therefore, we will begin to deploy (spend) the money we are going away, or are now collecting, as we raise.

In any event, Cass A Investment Shares will be sold for \$10.00 each, with a minimum investment of 50 Cass A Investment Shares (i.e., \$500). We anticipate that you will owe a portion of the Cass A Investment Shares during the offering period. The offering is a public offering of the Company’s securities by general partnership or a limited liability company. See “Securities Being Offered” Part of Cass A Investment Shares.”

We are using the following website, www.DiversyFund.com. We are also going to be able to provide you with a copy of the offering circular.

Investing in our Class A Investor Shares is speculative and involves substantial risks, including the risk that you could lose all your money. Before investing, you should carefully review “Risks of Investing.”

THE UNITED STATES SECURITIES AND EXCHANGE COMMISSION DOES NOT PASS UPON THE MERITS OF OR GIVE ITS APPROVAL TO ANY SECURITIES OFFERED OR THE TERM OF THE OFFERING. NOR DOES IT PASS UPON THE ACCURACY OR COMPLETENESS OF ANY OFFERING CIRCULAR OR OTHER SELLING LITERATURE. THESE SECURITIES ARE OFFERED PURSUANT TO AN EXEMPTION FROM REGISTRATION WITH THE COMMISSION; HOWEVER, THE COMMISSION HAS NOT MADE AN INDEPENDENT DETERMINATION THAT THE SECURITIES OFFERED HEREUNDER ARE EXEMPT FROM REGISTRATION.

GENERALLY, NO SALE MAY BE MADE TO YOU IN THIS OFFERING IF THE AGGREGATE PURCHASE PRICE YOU PAY IS MORE THAN 10% OF THE GREATER OF YOUR ANNUAL INCOME OR NET WORTH. DIFFERENT RULES APPLY TO ACCREDITED INVESTORS AND NON-NATURAL PERSONS. BEFORE MAKING ANY REPRESENTATION THAT YOUR INVESTMENT DOES NOT EXCEED APPLICABLE THRESHOLDS, WE ENCOURAGE YOU TO REVIEW RULE 251(d)(2)(i)(C) OF REGULATION A. FOR GENERAL INFORMATION ON INVESTING, WE ENCOURAGE YOU TO REFER TO WWW.INVESTOR.GOV. FOR MORE INFORMATION, SEE “Limits on How Much Non-Accredited Investors Can Invest” STARTING ON PAGE 39.

NEITHER THE SECURITIES AND EXCHANGE COMMISSION NOR ANY STATE SECURITIES COMMISSION HAS APPROVED OR DISAPPROVED OF THESE SECURITIES OR PASSED UPON THE ADEQUACY OR ACCURACY OF THIS OFFERING CIRCULAR. ANY REPRESENTATION TO THE CONTRARY IS A CRIMINAL OFFENSE.

NORTH AMERICAN SECURITIES ADMINISTRATORS ASSOCIATION UNIFORM LEGEND:

YOU SHOULD MAKE YOUR OWN DECISION WHETHER THIS OFFERING MEETS YOUR INVESTMENT OBJECTIVES AND RISK TOLERANCE LEVEL. NO FEDERAL OR STATE SECURITIES COMMISSION HAS APPROVED, DISAPPROVED, ENDORSED, OR RECOMMENDED THIS OFFERING. NO INDEPENDENT PERSON HAS CONFIRMED THE ACCURACY OR TRUTHFULNESS OF THIS DISCLOSURE, NOR WHETHER IT IS COMPLETE. ANY REPRESENTATION TO THE CONTRARY IS ILLEGAL.

THESE SECURITIES ARE SUBJECT TO RESTRICTIONS ON TRANSFERABILITY AND RESALE AND MAY NOT BE TRANSFERRED OR RESOLD EXCEPT AS PERMITTED UNDER THE ACT AND APPLICABLE STATE SECURITIES LAWS, PURSUANT TO REGISTRATION OR EXEMPTION THEREFROM. YOU SHOULD BE AWARE THAT YOU WILL BE REQUIRED TO BEAR THE FINANCIAL RISKS OF THIS INVESTMENT FOR AN INDEFINITE PERIOD OF TIME.

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A WARNING ABOUT FORWARD-LOOKING STATEMENTS

The “forward-looking statements” set forth herein, including all projections, forecasts, estimates, and other financial information, are based on assumptions and are subject to various risks and uncertainties. The following are some of the risks and uncertainties that could cause actual results to differ materially from those anticipated in the forward-looking statements:

Because we are a small company, our financial resources may be limited, which could hinder our ability to execute our business plan. Additionally, our operating results may be volatile, and we may experience significant fluctuations in our earnings.

Forward-looking statements are by their nature, subject to various risks and uncertainties. We have identified the following as some of the risks and uncertainties that could cause actual results to differ materially from those anticipated in the forward-looking statements:

Our success is dependent on our ability to attract and retain qualified personnel. We may be unable to attract and retain the necessary personnel to execute our business plan. Additionally, we may be unable to secure sufficient financing to fund our operations. **GIVEN THE RISKS AND UNCERTAINTIES, PLEASE DO NOT PLACE UNDUE RELIANCE ON ANY FORWARD-LOOKING STATEMENTS.**

SUMMARY OF OUR BUSINESS AND THE OFFERING

Summary of Our Business

DF Gow REIT II, LLC, w c we efe o as e "Co pa y," was fo ed o ves ea es a e p ojec s a d asse s ac oss e U ed S a es T e Co pa y w foc s p a yo fa y va e-add p ope es b w a so ook fo oppo es ac oss o e co e ca ea es a e sec o s, c d g d s a, se f s o age, a d ed ca off ces

I ves e s, c d g ea es a e ves e s, a e of e c a ac e zed (ex ac y) as e e "g ow " o " co e," w "g ow " ves e s assoc a ed w g ea e s ks a d p o e a fo g e p of s a d e " co e" ves e s assoc a ed w owe s ks a d o e ode a e, a d poss b y o e p ed c ab e, p of po e a T e Co pa y's o e a o w be o wa d "g ow " ves e s ea es a e Fo ex a p e, we g ves a p ojec o acq e a d e o va e a -fa y p ope y (e.g., a apa e b d g) o a o e k d of co e ca p ope y

T e a age of e Co pa y, DF Ma age, LLC, a De aw a e ed ab y co pa y, w c we efe o as e "Ma age," s a aff a e of D ve sy F d, I c, a De aw a e co po a o a d a ea es a e spo so a d a age, w c we efe o as e "Spo so." T e Spo so a a s a webs e, www D ve sy F d co (e "S e") w e e seeks f d g fo s ea es a e p ojec s A eas a y, a of e p ojec s w c e Co pa y ves s w be p ojec s of e Spo so a a e s e d a e S e I e f e, s poss b e a e Co pa y wo d a so ves ea es a e p ojec s o e a ose a aged by e Spo so

Summary of the Offering

T e Co pa y s offe g o se p o \$50,000,000 of Cass A I ves o S a es o e p b c w a we efe o as e "Offe g." We efe o a yo e w o p c as es Cass A I ves o S a es a "I ves o."

T e ow e s p e e s s a De aw a e ed ab y co pa y a e efe ed o as " ed ab y co pa y e e s s" I e Co pa y, e ed ab y co pa y e e s s a e d v ded be wee "I ves o S a es" a d "Ma age S a es," a d e "I ves o S a es" ay be d v ded by e Ma age o sepa a e "Se es" T e Ma age as c ea ed e Cass A I ves o S a es fo s Offe g

A y cas fow a dp of s ge e a ed by e Co pa y w be d s b ed as fo ows

- Ds b o s of o d a y ope a g cas fow w be e fo ow g o de of p o y
- o S ep O e F s, I ves o s w e ce ve a e ope a g cas fow ey ave e ce ved a 7% c a ve, o -co po ded a a e o e ves ed cap a

- o Sep Two Seco d, a y e a g ope a g cas fow w beds b ed o eow es of eCo o S aes (a aff ae of eMa age) a a o a beas e sa epopo o o eds b o s adep s a o Sep O eas 35 beas o 65, i.e., app ox ae y 53 85%
- o Sep Tee T d, a y e a g ope a g cas fow w beds b ed 65% o eI ves o so a *pro rata* bas s, a d 35% o eow es of eCo o S aes
- Dis b o s of e e p oceeds fo cap a a sac o sw be ade efo ow g ode o p o y
- o Sep O e F s, I ves o sw eceve a e e p oceeds ey ave eceved a 7% c a ve, o -co po ded a a e o e ves ed cap a
- o Sep Two Seco d, a y e a g e p oceeds w beds b ed o eow es of eCo o S aes (a aff ae of eMa age) a a o a beas e sa epopo o o eds b o s adep s a o Sep O eas 35 beas o 65, i.e., app ox ae y 53 85%
- o Sep Tee T d, I ves o sw eceve a y e a g e p oceeds o e a a cabepo o of ecap a ey ves ed
- o Sep Fo Fo , a y e a g e p oceeds w beds b ed 65% o eI ves o s a d 35% I ves o s ave eceved a " e a ae of e " of 12%
- o Sep Fve Ff , a y e a g e p oceeds w beds b ed 50% o eI ves o so a *pro rata* bas s a d 50% o eow es of eCo o S aes

NOTE T e s o g a a y a eCo pa y w beabe o ake a y d s b o s, eve o e cap a o I ves o s

T eCo pa y c e y e ds ow d p sope a o s by Dece be 31, 2025 Howeve , ay exe d a da eby p o w yea s eMa age 's d sce o

**THAT WAS ONLY A SUMMARY
PLEASE READ THE OTHER SECTIONS OF THIS OFFERING CIRCULAR
CAREFULLY FOR MORE INFORMATION**

RISKS OF INVESTING

BUYING CLASS A INVESTOR SHARES IS SPECULATIVE AND INVOLVES SIGNIFICANT RISK, INCLUDING THE RISK THAT YOU COULD LOSE SOME OR ALL OF YOUR MONEY THIS SECTION DESCRIBES WHAT WE BELIEVE ARE THE MOST SIGNIFICANT RISK FACTORS AFFECTING THE FUND AND ITS INVESTORS THE ORDER IN WHICH THESE FACTORS ARE DISCUSSED IS NOT INTENDED TO SUGGEST THAT SOME FACTORS ARE MORE IMPORTANT THAN OTHERS

Risks from COVID-19 As of the date of this Offering Circular, the economic conditions have deteriorated significantly since the onset of the Great Recession, and possibly also by the impact of the COVID-19 pandemic. As a result, the value of the investments held by the Fund may decline, and the Fund may experience a decrease in the value of its investments. The economic conditions may also affect the ability of the Fund to raise additional capital, and the Fund may be unable to meet its obligations to investors. The Offering Circular also discusses the risks associated with the COVID-19 pandemic and the impact of the pandemic on the Fund's investments.

This Is A "Blind Pool" Offering As of the date of this Offering Circular, the Company has not yet identified any specific investments to be made by the Fund. The Company will invest the proceeds of the offering in a "blind pool" of investments. The Company will not disclose the identity of the investments until after the offering has closed. The Company will not disclose the identity of the investments until after the offering has closed.

Our Auditor Has Raised Questions About our Ability To Survive as a Going Concern The independent auditor of the Company has expressed substantial doubt about the Company's ability to continue as a going concern. The auditor's report states that the Company's financial statements do not provide sufficient information to allow the auditor to express an opinion on the Company's ability to continue as a going concern. The Company is currently reviewing the auditor's report and may take steps to address the auditor's concerns.

You Might Lose Your Money We rely on the deposits of our investors, and the Federal Deposit Insurance Corporation (FDIC) guarantees your money back by the Class A Investors. However, the Company may not be able to pay you back if the Company is unable to meet its obligations to investors. The Company may not be able to pay you back if the Company is unable to meet its obligations to investors.

The Company is a Startup Business A o g e p c pas of eCo pa y ave bee e gaged e ea es a e a d f a ce d s es fo yeas, eCo pa y s a b a d ew b s es s Lke a y ew b s es s, eCo pa y faces c a e ges o a be off o s, c d g a ac ga d e a g q a fede poyees, des g ga d pe e g ew b s es s sys e s, ec oogy sys e s, a ke ga d cap a fo a o If eCo pa y fa ed a y of ese o o e key a eas, ew o e b s es s co d fa a d I ves o s co d ose so eo a of e o ey

Our Track Record Does not Guaranty Future Performance T e sec o of s Offe g C c a cap o ed "Pas Pe fo a ce O Tack Reco d So Fa" s a es e pe fo a ce of ce a aff a es of eMa age Howeve, ees o g a a y a eCo pa y w do we as s aff a es ave do e Lke os sec o s of e a o a a d goba eco o y, e ea es a e a ke as bee ega vey pac ed by e sp ead of COVID-19 a d s es g eco o c fa o As a es, e e s s g fca a ke ce a y co d o s ay co e o evo ve a d we g o be a be o adap I a y case, eCo pa y s a ds o s ow

Speculative Nature of Real Estate Investing Rea es a e ca be sky a d p e d c ab e Fo exa pe, a y expe e ced, fo ed peo e os o ey w e e ea es a e a ke dec ed 2007-8 T e as s ow a e ea es a e a ke goes dow w o wa g, so e es es g s g fca osses So e of e s k s of ves g ea es a e c de c a g g aws, c d ge v o e a aws foods, f es, a do e Ac s of God, so e of w c ca be s ab e c a ges a o a o oca eco o c co d o s c a ges gove e p o ces, c d g c a ges e es a es es ab s ed by e Fede a Rese ve a d e a o a c ses Yo s o d ves ea es a e ge ea, a d eCo pa y pa c a, o y fy o ca affo d o ose yo ves e a d a ew g o ve w e ps a d dow s of e ea es a e d s y

Our Growth Focus Increases Risk T eCo pa y e ds o foc so ea es a e p ojec s o e "g ow " s de of e g ow / co e spec By def o, ese p ojec s w e d oca y ge e sk, a o gw e po e a fo g e p of s

Arbitrary Pricing T e a p ce of o Cass A I ves o S a es was de e ed a b a y by e Ma age, a d was o de e ed by a depe de app a sa of e Co pa y's va ea d be a s o e a o s p o ad o a eas es of va es c as EBITDA (ea gs befo e e es, axes, dep e ca o, a d a o za o), cas fow, eve e, o book va e

Property Values Could Decrease T e va e of e po pe y w c we ves co d dec e, pe aps s g fca y Fac o s a co d ca se e va e of po pe y o dec e c de, b a e o ed o

- C a ges e es a es
- Co pe o fo exs g po pe es a d ew co s c o
- C a ges a o a o oca eco o c co d o s

- C a g e s z o g
- E v o e a c o a a o o a b e s
- C a g e s o c a a k e c o d o s
- F e s, f o o d s, a d o e c a s a e s
- U s e d o s s e s
- U d s c o s e d d e f e c s p o p e y
- I c o p e e o a c c a e d e d g e c e

Illiquidity of Real Estate: Rea es a e s g e a y q d, e a g a s o y p c a y c a p a b e o f b e g e a d y s o d f o c a s a f a a k e v a e T s, e C o p a y g o b e a b e o s e a e a e s a e p o j e c a s q c k y o o e e s a w o d k e M o e o v e, e o v e a e c o o c c o d o s a g c a s e e C o p a y o w a o s e p o p e e s a e g e e a y e s a e a s o s e w c w o d b e o s d f f c o s e

Competition for Projects T o a c e v e s a s f a c o y e s f o o I v e s o s, e M a a g e s d e f y p o j e c s a s a s f y o v e s e s e e c o c e a a d a c a b e a c q u i r e d a e a s o a b e p c e s T e e s o g a a y a e M a a g e w b e a b e o d o s o T e e a e s a e d s y s g y c o p e v e a d f a g e e d T e M a a g e, d e c y o o g a f f a e s, w c o p e e w o e e a e s a e d e v e o p e s f o e o s p o s g p o j e c s, a d s o e o f o s e o e e a e s a e d e v e o p e s c o d a v e s b s a a y g e a e e s o c e s, a o w g e o o v e o e q c k y, p a y o e, o a v e g e a e a c c e s s o e b e s p o j e c s T e e s c o d b e a e C o p a y w d s p v e s g p o j e c s o f o w e q a y, o w e e e o w e o f e p o j e c (a f f a e o f e M a a g e) p a d o o c a s a e s o f e s e c o p e o

The Company will Invest Only in the Sponsor's Projects T e C o p a y w v e s o y p o j e c s s p o s o e d o c o - s p o s o e d b y e S p o s o o s a f f a e s T e s e p o j e c s w o e c c e s s a y b e e b e s p o j e c s a v a a b e

Entitlement Risks T e C o p a y g v e s p o j e c s b e f o e s o e o a o f e c c e s s a y z o g a p p o v a s a v e b e e o b a e d S e c g z o g a p p o v a c a a k e a o g e a d b e v e y e x p e s v e, a d e v e a f e a o g a d e x p e s v e p o c e s s e e s o g a a y a a p p o v a w b e g v e I f a p p o v a s c a o b e o b a e d e v a e o f e e a e s a e c o d g o d o w a d I v e s o s c o d o s e s o e o a o f e o e y

Governmental Regulation I add o o zo g app ova, a y deve op e p ojec w eq e e app ova of e o s gove e a o es eg a g s c a e s as de s y eve s, e s a a o of y se v ces s c as wa e a d was e d s pos a, a d e ded ca o of ac eage fo ope space, pa ks, sc oo s a d o e co y p poses Gove e a a o es ave posed pac fees as a ea s of def ay g e cos of p ovd g ce a gove e a se v ces o deve op g a eas a d e a o of ese fees as ce ased s g fca y d g e ce yea s Ma y s a e aw s eq e e se of spec f c co s c o a e a s w c ed ce e eed fo e e gy co s g ea g a d coo g sys e s Loca gove e s a so, a es, de ca e o a o s o e s s a ce of b d g pe s a d pose o e es c o s a eas w ee sewage ea e fac es a d o e p b c fac es do o eac s a da ds A of ese eg a o s w pose co s a d s k s o o P ojec s

Lack of Representations and Warranties from Sellers T e Co pa y g ves p ojec s w e e e se of e ea es a e ade ed o o ep ese a o s a d wa a es co ce g e co d o of e ea es a e, e s a s of eases, e p ese ce of aza do s a e a s o aza do s s b s a ces, e s a s of gove e a app ovas a d e e e s, a d o e po a a es If we fa o d s co ve defec s o g o ow d ed ge ce e ve w, b d s co ve e o y a fe e p ojec as be e acq e d a d e Co pa y as ade s ves e , we ay ave e o o eco se aga s e se es

Incomplete Due Diligence T e Ma age o a aff a e of e Ma age w pe fo “d e d ge ce” o eac p ojec , ea g we w e ve w a va abe fo a o abo e p ojec , s c e zo g, es o d g co y, a d o e fo a o we be eve s e e va As a p ac ca a e, oweve, s s p y poss be o e ve w a of e fo a o abo a g ve pe ce of ea es a e (o abo a y g) a d e e s o ass a ce a a of e fo a o we ave e ve w e d s acc a e Fo exa p e, so e es po a fo a o s d de o va abe, o a d pa y g ave a ce ve o co cea fo a o o pov de acc a e fo a o, o we g o kofa e e e va fo a o, o we g o be abe o ve fy a e fo a o we e ve w I s a so poss be a we w eac acc a e co c s o s abo e fo a o we ave e ve w e d D e d ge ce s a s c a a as s a s ce ce, a d e e s a sk a, espec a y w e be ef of ds g , o d e d ge ce w o o ave bee co p e e o adeq a e

Pricing of Assets T e s ccess of e Co pa y a d s ab y o ake d s b o s o I ves o s depe ds o e Ma age 's ab y o ga ge e va e of ea es a e asse s A o g e Ma age a d s p c pa s a e expe e ced ea es a e ves o s a d w e y o va o s obje v ce e a o se ec p ope es fo ves e , c d g, a o a o s a cases, d pa y app a s a s, a e y e va e of ese asse s s a s c a a as a s ce ce, a d e e s o g a a y a e Co pa y a d s adv so s w be s ccess f

Americans with Disabilities Act U de e A e ca s w D sab es Ac (e “ADA”), p b cacco oda o s s ee ce a fede a eq e e s e a ed o access a d se by d sab ed pe so s So e (a o g o a) of e p ojec s w c e Co pa y ves s w be “p b cacco oda o s;” a d co py g w e ADA a d o e s a aw s w ake ose p ojec s o e expe s ve o b d a d a a a ey wo d ave bee o ew se F e o e, s poss be a e ADA co d be exe ded by awo eg a o , eq g ex s g p ojec s o be e of e d a g ea expe se

Difficulty Attracting Buyers and Tenants Some of the projects with the Company have involved economic conditions, with the expectation that the projects will be sold to the company. Some of the projects with the Company have involved economic conditions, with the expectation that the projects will be sold to the company. Some of the projects with the Company have involved economic conditions, with the expectation that the projects will be sold to the company.

Construction Risks Most of the projects with the Company have involved construction risks, such as delays in the construction process, cost overruns, and other risks. Some of the projects with the Company have involved construction risks, such as delays in the construction process, cost overruns, and other risks.

Environmental Risks The management staff has worked to identify and mitigate environmental risks associated with the projects. Some of the projects with the Company have involved environmental risks, such as delays in the construction process, cost overruns, and other risks.

Lack of Diversification The Company's portfolio of projects is not diversified, which may increase the risk of loss. Some of the projects with the Company have involved environmental risks, such as delays in the construction process, cost overruns, and other risks.

Concentration of Assets in a Small Number of Projects The Company's assets are concentrated in a small number of projects, which may increase the risk of loss. Some of the projects with the Company have involved environmental risks, such as delays in the construction process, cost overruns, and other risks.

No Offering Minimum A offering of the Company's securities is expected to be made, with a minimum offering size of \$50,000,000. Some of the projects with the Company have involved environmental risks, such as delays in the construction process, cost overruns, and other risks.

Inability to Implement Liquidity Transactions We anticipate our liquidity needs will be met for the next five years. However, there is a risk that we may be unable to meet our liquidity needs for a period of time. This risk is primarily due to the fact that we have a significant amount of debt that is due in the next few years. If we are unable to raise the necessary capital to meet our debt obligations, we may be forced to liquidate our assets, which could result in a significant loss of value to our shareholders.

Need for Additional Capital There is a risk that we may need to raise additional capital in the future. This risk is primarily due to the fact that we have a significant amount of debt that is due in the next few years. If we are unable to raise the necessary capital to meet our debt obligations, we may be forced to liquidate our assets, which could result in a significant loss of value to our shareholders.

Risk of Dilution If we are able to raise additional capital, there is a risk that our existing shareholders may be diluted. This risk is primarily due to the fact that we have a significant amount of debt that is due in the next few years. If we are unable to raise the necessary capital to meet our debt obligations, we may be forced to liquidate our assets, which could result in a significant loss of value to our shareholders.

Future Securities Could Have Superior Rights There is a risk that we may issue securities in the future that have superior rights to our existing securities. This risk is primarily due to the fact that we have a significant amount of debt that is due in the next few years. If we are unable to raise the necessary capital to meet our debt obligations, we may be forced to liquidate our assets, which could result in a significant loss of value to our shareholders.

Risks Associated with Leverage We are currently using a significant amount of leverage to fund our operations. This leverage increases our risk of default and may result in a loss of value to our shareholders. If we are unable to raise the necessary capital to meet our debt obligations, we may be forced to liquidate our assets, which could result in a significant loss of value to our shareholders.

Uninsured Losses There is a risk that we may incur significant uninsured losses in the future. This risk is primarily due to the fact that we have a significant amount of debt that is due in the next few years. If we are unable to raise the necessary capital to meet our debt obligations, we may be forced to liquidate our assets, which could result in a significant loss of value to our shareholders.

Broad Investment Strategy The Manager has broad discretion to invest in any and all securities, including, but not limited to, common and preferred stocks, bonds, convertible securities, derivatives, and other securities, and to invest in any and all of the foregoing in any and all of the foregoing in any and all of the foregoing.

Loss of Uninsured Bank Deposits Any cash or deposits held by the Company in any bank, including any bank that is not a member of the FDIC, may be subject to loss in the event of the failure of such bank, and the Company's assets may not be insured by the FDIC.

Potential Liability to Return Distributions Under the terms of the Company's charter, the Company may be required to return distributions to the extent of the Company's assets if the Company is unable to pay its obligations to its creditors.

Limited Liability of Manager Under the Company's Limited Liability Company Agreement, the Manager shall not be liable for any damages, including reasonable attorneys' fees, incurred by the Company as a result of the Manager's actions or inactions, except to the extent that the Manager's actions or inactions constitute a breach of the Company's Limited Liability Company Agreement.

Limited Participation in Management The Manager shall have the right to participate in the management of the Company, but shall not have the right to vote on any matter that is not in the best interests of the Company.

Reliance on Management The Company's investors shall be deemed to have agreed to rely on the Manager's judgment and expertise in the management of the Company, and the Company's investors shall not have any right to interfere with the Manager's management of the Company.

Conflicts of Interest The Manager shall disclose any potential conflicts of interest to the Company's investors, and the Company's investors shall be deemed to have agreed to waive any right to object to the Manager's management of the Company.

- The Manager shall be deemed to have agreed to waive any right to object to the Manager's management of the Company.
- Any agreement between the Manager and the Company's investors, including any agreement that provides for the Manager's management of the Company, shall be deemed to be in the best interests of the Company.
- The Manager shall have the right to participate in the management of the Company, but shall not have the right to vote on any matter that is not in the best interests of the Company.
- The Manager shall be deemed to have agreed to waive any right to object to the Manager's management of the Company.

- DF Gow REIT LLC ("Gow REIT") was formed by the Sponsor on November 13, 2018 pursuant to the terms of the Amended and Restated Certificate of Incorporation and the Amended and Restated Articles of Incorporation of DF Gow REIT LLC ("Gow REIT LLC").
- The undersigned hereby certifies that the undersigned is a duly qualified person under the laws of the State of California.

Waiver of Right to Jury Trial The undersigned hereby certifies that the undersigned is a duly qualified person under the laws of the State of California and that the undersigned is a duly qualified person under the laws of the State of California.

Forum Selection Provision The undersigned hereby certifies that the undersigned is a duly qualified person under the laws of the State of California and that the undersigned is a duly qualified person under the laws of the State of California.

Section 27 of the Exchange Act provides that the undersigned is a duly qualified person under the laws of the State of California and that the undersigned is a duly qualified person under the laws of the State of California.

Limitation on Rights in LLC Agreement The Company's Limited Liability Company Agreement sets forth the following provisions, including:

- The LLC Agreement shall govern the operation and management of the Company.
- The LLC Agreement shall govern the books and records of the Company.
- The LLC Agreement shall govern the duties and responsibilities of the members.
- The LLC Agreement shall govern the powers and authority of the members.
- The LLC Agreement shall govern the rights and obligations of the members.
- The LLC Agreement shall govern the rights and obligations of the Company.
- The LLC Agreement shall govern the rights and obligations of the Company.

Limitations on Rights in Investment Agreement To purchase the Company's shares, the investor shall agree to the following terms and conditions:

- The investor shall agree to the terms and conditions of the Investment Agreement.
- The investor shall agree to the terms and conditions of the Investment Agreement.
- The investor shall agree to the terms and conditions of the Investment Agreement.
- The investor shall agree to the terms and conditions of the Investment Agreement.

Limits on Transferability The following observations are made regarding the transferability of the Class A Shares:

- The new holder must be a qualified institutional buyer.
- Under the Limited Liability Company Agreement, the Class A Shares may not be transferred to certain persons.
- If you want to sell your Class A Shares, you must first offer them to the Manager.
- Under the Limited Liability Company Agreement, the Class A Shares may not be transferred to the Manager, the Manager's affiliates, or the Manager's family members.
- To qualify as a REIT, the Limited Liability Company Agreement requires that the Company must not have more than 100 owners.

Therefore, you should pay attention to the transferability of the Class A Shares defined by:

Risk of Failure to Comply with Securities Laws Affiliates of the Company have previously sold securities in the past under Rule 506(c) of Regulation D issued by the Securities and Exchange Commission, and the offering by the Company is also an exemption under Regulation A-I. In certain cases, we have received advice from legal counsel that we may be able to rely on the exemption. If we do not qualify, we could be unable to operate as proposed by the Federal and State securities laws, as we are not aware of any other exemptions.

Reduced Disclosure Requirements Under the JOBS Act: The Class A Shares are being offered pursuant to Item 2 of Regulation A issued by the SEC, as amended pursuant to the Jumpstart Our Business Startups Act of 2012 (known as the "JOBS Act"). Regulation A does not require us to provide you with a full disclosure of the risks of investing in the securities. As a Regulation A issuer, we are also subject to the same level of disclosure requirements as a public company, including the filing of periodic reports with the SEC under the Securities Exchange Act of 1934.

We Are an "Emerging Growth Company" Under the JOBS Act Today, the Company qualifies as a "emerging growth company" under the JOBS Act. If the Company were to become a public company (e.g., following an IPO) and conduct an offering of securities, it would be able to take advantage of certain exemptions from the requirements of the Securities Exchange Act of 1934 and the Securities Exchange Act of 2002. However, these exemptions do not apply to the Company as a "emerging growth company" if its price will be evaluated as a public company, which we do not plan to do.

We Are Not Subject to the Corporate Governance Requirements that Apply to Companies Listed on a National Exchange: The Company is not subject to the corporate governance requirements that apply to companies listed on a national exchange (for example, the New York Stock Exchange) and is not subject to the requirements of the Securities Exchange Act of 1934 and the Securities Exchange Act of 2002. The Company is not subject to the requirements of the Securities Exchange Act of 1934 and the Securities Exchange Act of 2002. The Company is not subject to the requirements of the Securities Exchange Act of 1934 and the Securities Exchange Act of 2002.

Regulation As An Investment Company: If the Company were treated as an "investment company" under the Investment Company Act of 1940, we would be required to comply with a number of special requirements. In addition, we would be required to register as an investment company with the SEC. As described in "Investment Company Act of 1940" in our prospectus, we do not believe we are an investment company. However, we will be subject to the requirements of the Investment Company Act of 1940 if we are determined to be an investment company.

Failure to Satisfy Conditions of REIT; Taxes on REITs: We intend to be treated as a real estate investment trust, or "REIT," under Sections 856 through 860 of the Internal Revenue Code (the "Code") for purposes of federal income tax. To qualify as a REIT, the Company must satisfy a number of conditions, both of which are set forth in the Code. The Company may fail to satisfy any of these conditions, even inadvertently, and could become subject to the tax consequences of a REIT. If the Company fails to satisfy any of these conditions, the Company could be subject to various taxes and penalties. We intend to seek guidance from the IRS regarding the application of the Code to the Company's operations as a REIT.

We Have Limited Experience Operating a REIT The management has limited experience operating a REIT, which could negatively affect the ability of the Company to execute its business plan, qualify as a REIT, and attract investors.

REIT Requirements Could Restrict Actions REITs are subject to a 100% tax on the "prohibited transactions," which are defined in the Code. If the Company fails to comply with these requirements, it could be subject to a 100% tax on the prohibited transactions. The Company will be required to file a Form 990-BT with the IRS, and the IRS will have the authority to audit the Company's tax returns.

Required Distributions: As a REIT, we are required to distribute at least 90% of our taxable income to our shareholders. If we fail to do so, we will be subject to a 100% tax on the undistributed income. The Company's ability to pay dividends will depend on its operating performance and the amount of income it generates. The Company may not be able to pay dividends if it is unable to generate sufficient income to cover its operating expenses and the required distributions.

Federal and State Income Taxes as a REIT: Even if the Company qualifies as a REIT, it will be subject to federal and state income taxes. The Company will be required to file a Form 990-BT with the IRS, and the IRS will have the authority to audit the Company's tax returns. The Company will also be subject to state income taxes. The Company's ability to pay dividends will depend on its operating performance and the amount of income it generates. The Company may not be able to pay dividends if it is unable to generate sufficient income to cover its operating expenses and the required distributions.

FIRPTA Tax on Non-U.S. Sellers: A non-U.S. investor who sells a share of the Company's common stock to a U.S. investor will be subject to a 10% withholding tax on the sale proceeds. The Company will be required to withhold the tax on the sale proceeds. The Company's ability to pay dividends will depend on its operating performance and the amount of income it generates. The Company may not be able to pay dividends if it is unable to generate sufficient income to cover its operating expenses and the required distributions.

Lawsuits Against Principals The principal officers and directors of the Company may be subject to lawsuits. The Company's ability to pay dividends will depend on its operating performance and the amount of income it generates. The Company may not be able to pay dividends if it is unable to generate sufficient income to cover its operating expenses and the required distributions.

Breaches of Security It is possible that the Company's information systems could be breached, which could result in the loss of sensitive information. The Company's ability to pay dividends will depend on its operating performance and the amount of income it generates. The Company may not be able to pay dividends if it is unable to generate sufficient income to cover its operating expenses and the required distributions.

**The Foregoing Are Not Necessarily The Only Risks Of Investing
Please Consult With Your Professional Advisors**

OUR COMPANY AND BUSINESS

Overview

The Company was formed to invest in and manage projects in the United States. The Company will focus primarily on the following areas: (i) real estate development projects, (ii) infrastructure projects, (iii) energy projects, (iv) technology projects, (v) healthcare projects, (vi) education projects, (vii) financial services projects, (viii) media and entertainment projects, (ix) other projects. The Company is currently seeking qualified investors to become limited partners in the Company's investment fund.

Investments Through Other Entities

The Company may invest in and manage projects through other entities. For example, the Company may invest in and manage projects through a special purpose vehicle ("SPV") formed for the purpose of investing in and managing a specific project. The Company may also invest in and manage projects through a partnership, joint venture, or other arrangement. However, the Company does not intend to invest in and manage projects through a general partnership, limited liability partnership, or other entity that is not a SPV.

LLC Agreement

The Company is governed by a Limited Liability Company Agreement dated August 20, 2020, which we refer to as the "LLC Agreement." A copy of the LLC Agreement is attached as Exhibit 1A-2B.

Management

The Company is managed by the Manager. The LLC Agreement grants the Manager exclusive control over all aspects of the Company's business. The Manager is a qualified individual who has extensive experience in the investment industry.

The only exception to the Manager's authority is that the Manager may not take any action that would result in the Company's failure to comply with applicable laws and regulations. For more information, see "Statement of LLC Agreement and Authorization of Manager."

Investment Strategy

The Company seeks to invest in a diversified portfolio of private equity investments through the United States

Specifically, we intend to invest in a diversified portfolio of private equity investments through the United States. We expect to invest in a diversified portfolio of private equity investments through the United States. We expect to invest in a diversified portfolio of private equity investments through the United States.

We expect to invest in a diversified portfolio of private equity investments through the United States.

The Company's investment strategy is to invest in a diversified portfolio of private equity investments through the United States.

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COVID-19 & The Multi-Family Market

Historically, the multi-family market has been a stable and predictable source of returns. However, the COVID-19 pandemic has significantly impacted the multi-family market, leading to a sharp decline in demand and a corresponding increase in vacancy rates.

However, the recovery of the multi-family market is expected to be gradual and uneven. The recovery is expected to be gradual and uneven. The recovery is expected to be gradual and uneven.

First, we believe a large number of new economic opportunities are being created. According to the National Association of Home Builders ("NAHB") Monthly Product Index ("MPI"), production of new factory ships as decreased significantly since the onset of COVID-19.¹ But since the beginning of the year, factory ships are up 10% from the same time last year.² And NAHB's Monthly Manufacturing Vacancies Index (the "MVI") shows a significant increase in the number of vacant positions in the factory population.³ Collectively, we believe these indicators are key to proving that the economy is growing again despite COVID-19, and that the production of new factory ships is a sign of a strong recovery.

Second, we believe the economic impact of COVID-19 is being mitigated. As a result of the economic downturn, the unemployment rate has risen to 10.2% in February of 2020, a 40 percentage point increase from 6.2% in February of 2020.⁴ Many of these jobs were key low-wage jobs that are essential to the economy.⁵ The average hourly wage for all workers has increased by 17.1% and 39.3% in April of 2020, respectively.⁵

As a result, the number of COVID-19 cases across the country has decreased significantly. The number of new cases has fallen to 86% of the average number of cases as of the first week of June 2020, with a significant decline in the number of cases by the end of 2020.⁶ So the overall picture is that the economy is recovering and that the impact of COVID-19 is being mitigated. The number of cases is down 20-30% of the average number of cases,⁷ and the number of people seeking factory jobs is significantly lower, as a result of the economic downturn.

¹ "Monthly Product Index - Q1 2020 (Seasonally Adjusted)," by the National Association of Home Builders, accessed on June 30, 2020 and available at <https://www.nahb.org/-/media/NAHB/ews-and-economics/docs/05-g-economics/2020-q1-1-q1-2020-pdf.pdf>

² *Id.*

³ "Monthly Vacancies Index - Q1 2020 (Seasonally Adjusted)," by the National Association of Home Builders, accessed on June 30, 2020 and available at <https://www.nahb.org/-/media/NAHB/ews-and-economics/docs/05-g-economics/2020-q1-1-q1-2020-pdf.pdf>

⁴ "Economic Update by Fed Chair Jerome H. Powell," by the Peterson Institute for International Economics, accessed on July 9, 2020 and available at <https://www.peterson-economics.com/pda-e-fed-chair-jerome-h-powell/>

⁵ "Re-Opening America: Low-Wage Workers Have Suffered Badly From COVID-19 So Policy Makers Should Focus on Equity," by Molly K. De la Motte and Maureen Ross of the Brookings Institution, accessed on July 9, 2020 and available at <https://www.brookings.edu/essay/re-opening-america-low-wage-workers-ave-suffered-badly-from-covid-19-so-policy-makers-should-focus-on-equity/>

⁶ "Forecasters: The U.S. Economy is on Track for a Strong Recovery, Fed Says," by Katherine Howey, Heritage Foundation, accessed on July 8, 2020 and available at <https://www.heritage.org/economics/foresight/us-economy-as-covid-19-says-fed-says/>

⁷ *Id.*

The projected decrease in mortgage foreclosures is expected to be a record low for the year. According to the Mortgage Bankers Association's Mortgage Credit Availability Index, the availability of mortgage credit has declined as a result of a wave of COVID-19 cases. In March 2020, the availability of mortgage credit was at a low level, similar to May 2014.⁸ The sharp decline in mortgage foreclosures is a result of the government's moratorium on evictions and the suspension of foreclosure proceedings.⁹ As a result of these factors, the number of foreclosures is expected to be significantly lower than in previous years.

Furthermore, the economic impact of the COVID-19 crisis has led to a sharp decline in housing starts, which has also contributed to a decline in the number of new mortgage loans. The Federal Reserve's policy response to the crisis, including the purchase of mortgage-backed securities, has helped to stabilize the mortgage market. However, the economic recovery is still uncertain, and the impact of the crisis on the housing market is still being felt.

The Commercial Real Estate Market

The commercial real estate market is expected to be a key area of focus for investors. The market is currently experiencing a period of uncertainty, with many commercial real estate assets facing challenges. The impact of the COVID-19 crisis on the commercial real estate market is still being felt, and the market is expected to remain volatile in the near future.

The Distressed Real Estate Market

Consequently, we are beginning to see signs of distressed assets in the market, which could lead to a period of opportunity for investors. We plan to continue to monitor the market closely and identify potential investment opportunities.

⁸ "Mortgage Credit Availability Index" by the Mortgage Bankers Association, accessed on July 8, 2020 at <https://www.mba.org/news-press/press-releases/2020/mortgage-credit-availability-index#text=ABOUT%20THE%20MORTGAGE%20CREDIT%20AVAILABILITY,video%20a%20c%20e>

⁹ "JPMorgan Chase Raises Mortgage Borrowing Standards as Economic Outlook Dims," by Reuters, accessed on July 9, 2020 at <https://www.bbc.com/news/business-55411111/jpmorgan-chase-raises-mortgage-borrowing-standards-as-economic-outlook-dims>

Due Diligence

We e Co pa y de fes a oca o o a po e a p ope y, w yp ca y s g a co ac a d p ace a esc ow depos o be e d w e des g a ed esc ow age T e Co pa y w e co d c exe s ve d e d ge ce, c d g p y s ca s e spec o s, e v o e a s d es, a ev ew of app cab e zo g a d a d se es c o s, e epo s, a ev ew of a eases (fa y), a ev ew of e eve es a d xpe ses fo e p ope y, a d a s dy of e oca a ke a d oca co d o s

Based o s d e d ge ce, e Co pa y w de e ew e e o ove fo wa d w e p ope y

Evaluating Alternatives

D g e a 12-36 o s of ow g a d a ag g e p ope y, e Co pa y w a a yze a ke co d o s a d dec de w e e e p ope y s o d be a a ed, ef a ced, es c ed (i.e., co do co ve so), o so d

Real Estate Investment Life Cycle

T e fe cyc e of a ea es a e p ojec va es o a d v d a p ope y bas s, b ge e a y a p ojec s expe e ce pe ods of deve op e , s ab za o , a d dec e A ajo co po e of s ccessf ea es a e ves g s g e cyc e effec , b y g ow, se g g T e Co pa y w pay cose a e o o e o go g a ke cyc es a effo o ax æ e s o ves o s, b g ve c e a ke co d o s, we be eve we w be we -pos o ed o cap a æ o e a a ebbs a d fows of e ea es a e ves e fe cyc e T s s beca se a y of o p ope es w be bo g ow d g e e g of e COVID-19 c s s a d so d g we a ke s e o s o ca o s e yea s a fe e COVID-19 c s s a s s bs ded

Use of Leverage

We expec o se eve age o os of e ea es a e p ope es we ves , ea g we w se deb of a ce a po o of e p c ase p ce I ge e a, fo fa y va e-add p ojec s we w a ge a oa -o cos a o of 65% -- 75%, a o g a a a o co d be g e o owe fo spec f c p ope es I ce a cases, depe d go e p ope ya d s de w g, we g a so se ezza e deb o p e fe ed eq y

Competitive Landscape

T e US ea es a e a ke as a w o e as s o ca y expe e ced eavy de a d a d ed s pp y, w a y deve ope s, ves o s, a d o e pa es co pe g fo p ope y Howeve , e c e pa de c as ega ve y pac ed v a y eve y sec o of e US a d goba eco o y, c d g ea es a e Wages fo a y o se ods a e dow (so es g fca y), e p oye s app oac g ope d eve s, a d ba ks a d o e e de s a e p e pa g fo a expec ed de ge of fo ec os es

As a result, we believe that the new business expansion strategy is appropriate for the case of the effective A... e... e, absence of...
... e... o... o... c... e... d... a... k... e... s... by... e... F... e... d... e... R... e... s... e... v... e... ,... e... e... x... p... e... c... t... e... g... e... g... o... f... c... e... d... a... k... e... s... a... y... d... e... c... e... a... s... e... o... f... c... a... p... a... o... f... a... c... e... s... c... o... p... e... s...

Accordingly, we believe that the new business expansion strategy is appropriate for the case of the effective A... e... e, absence of...
... e... o... o... c... e... d... a... k... e... s... by... e... F... e... d... e... R... e... s... e... v... e... ,... e... e... x... p... e... c... t... e... g... e... g... o... f... c... e... d... a... k... e... s... a... y... d... e... c... e... a... s... e... o... f... c... a... p... a... o... f... a... c... e... s... c... o... p... e... s...
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... T... h... e... s... ,... t... h... e... C... o... m... p... a... n... y... w... i... l... l... o... o... k... f... o... r... a... n... e... o... d...-... z... e... d... p... o... p... e... s... ,... a... n... d... k... e... e... a... y... p... r... o... v... e... s... d... i... v... i... d... e... d... a... d... s... a... e... s... o... a... b... y... e... s... a... e... a... g... e... s... o... s...
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... o... p... p... o... s... i... t... i... o... n... s...

Allocation of Projects between the Company and DF Growth REIT I

Growth REIT I is focused on the real estate industry in the United States, primarily in the residential and commercial sectors. The scope of the Company's board, but the board will have the final say on the allocation of projects between the Company and Growth REIT I. In a case where we evaluate a project, we will consider the following factors:

We will keep the portfolio diversified in several ways:

- *Geographic Balance* We will keep the portfolio diversified geographically. If a project is located in a non-core area of Growth REIT I, we will evaluate the project on a case-by-case basis. We will consider the following factors: the project's location, the project's size, the project's type, and the project's risk profile.
- *Risk Balance* Each project carries a risk/return profile. If a project's risk/return profile is not in line with the Company's portfolio strategy, we will evaluate the project on a case-by-case basis. We will consider the following factors: the project's location, the project's size, the project's type, and the project's risk profile.
- *Balance in Property Rating* Most projects are rated A, B, and C, depending on the quality. We will also evaluate the average rating of the portfolio.

We will also evaluate the portfolio in several ways as well:

If needed, a project may be acquired by the Company or Growth REIT I, as is possible in a portfolio of investments.

Term of the Company

We will begin deployment of capital as soon as the offering is underway. We will operate as the Company for approximately five years, with the option of providing additional one-year extensions as needed for the Manager.

To wind down the Company, the Manager will seek to liquidate the portfolio of investments as soon as practicable. The Manager will evaluate the portfolio of investments by the end of the offering period. The Manager will consider the following factors: the project's location, the project's size, the project's type, and the project's risk profile. The Manager will also evaluate the portfolio in several ways as well:

PAST PERFORMANCE: OUR TRACK RECORD SO FAR

Narrative Summary

The Sponsor of the Company is Dve syF d, Llc T e p cpa ows of e Spo so ae Aa Lews a d C ag Cec o

The Sponsor was formed August 2016 Over the past few years, the Sponsor has raised (including the offering of the M Lewis o M Cec o was a p c pa) have acted as the sponsor of several other investment opportunities offered to investors of SEC Reg a o D, w c we efe o as a "Reg a o DPog a s" I e aggega e, e Reg a o DPog a s ave a sed \$15,037,872 fo 190 ves o s a d p c ased o b fve d v d a p ope es, a oca ed Ca fo a Of ese, o e p ope y as bee so d A e Reg a o DPog a s vo ved ew co s c o of s ge-fa y o es a d -fa y p ope es, a d a we e o e o e ed owa d "g ow " a " co e" objec ves

No e of e Reg a o DPog a s () as bee eg s e ed de e Sec es Ac of 1933 () as bee eq ed o e po de sec o 15(d) of e Sec es Exc a ge Ac of 1934 () as ad a c ass of eq y sec es eg s e ed de sec o 12(g) of e Sec es Exc a ge Ac of 1934 o (v) as, o as ad, 300 o e sec y o de s

In addition to the Reg a o DPog a s, Gow REIT I as a sed app ox a ey \$18,992,587 fo ves o s as of e da e of s Offe g C c a a d ves ed seve fa y ea es a e p ojec s oca ed o g o e U ed S a es, w a aggega e p c ase p ce of \$43,395,000, a a aged a d co o ed by e Spo so No e of e se p ope es as bee so d T ese p ojec s, oo, a e o e o e ed owa d "g ow " a " co e"

Gow REIT I p e pa es a d f es e p b c e po s eq ed by Reg a o A, c d ga a a d se -a a e po s A of e p b c f gs of Gow REIT I a eava abe o EDGAR, e SEC's eec o c po a, a d w be p oved o p ospec ve ves o s po eq es a d fee of c a ge

All the Reg a o DPog a s a d Gow REIT I ave ves e objec ves s a o ose of e Co pa y

The above mentioned adverse business developments so cond os expected by Gow REIT I o a y of e Reg a o DPog a s a wo d be a e a o p c ase s of e Cass A I ves o S a es, o e a e COVID-19 pa de c affec g ea es a e ge e a y

The following properties have been acquired during the year by Gow REIT I o a Reg a o DPog a

Entity	Property Type	Location	Financing
Dve syF d Ga o LLC	Single Family Residence	Los Angeles, CA	Debt
Dve syF d Pa k Bvd LLC	59 Units Multifamily	Sandiego, CA	Equity
Dve syF d Mo e ey LLC	Single Family Residence	Modesto, CA	Debt
The Sand a Go p l c	8 Units Student Housing	Sandiego, CA	Equity
DFS e y LLC	200 Units Multifamily	Killeen, TX	Equity
McA LGLLC	121 Units Multifamily	Fayetteville, NC	Equity
Bvd Wes LLC	242 Units Multifamily	Greenville, NC	Equity
Woods de Hg a d UT, LLC	54 Units Multifamily	Hg a d, UT	Equity

For more details for the above mentioned acquisitions see Table VI of the report for the above

Prior Performance Tables

For more details for the above mentioned properties, please refer to Exhibits 1A-152 Results of Properties, below the report presented Exhibits 1A-152 presented as of December 31, 2019

WHAT IS A REIT, ANYWAY?

The Company is deemed as a Real Estate Investment, or "REIT"

A REIT is a company established as a corporation for Federal income tax purposes and is a type of equity security under section 856 of the Internal Revenue Code.

- Types of assets
- Types of companies
- Warrants
- How costs are shown

A REIT is a type of security that is a REIT, and REITs are "public" by offering securities offered under the Securities Act of 1933, while other REITs are private. Some "public" REITs are registered with the SEC, and some are not. REITs are also subject to the same rules as other securities, and REITs are subject to the same rules as other securities. REITs are also subject to the same rules as other securities.

Why is it a type of security? Is it a REIT?

- If the Company were a general partnership, or a REIT, the company would be considered a REIT for tax purposes.
- Conversely, if the Company were a corporation, it would be subject to corporate income tax, and would not be a REIT.
- As a REIT, the Company would be subject to the same rules as other REITs.

If you are interested, you can read more about the company's REIT status.

The Company is a general partnership, and is deemed as a corporation for Federal income tax purposes. The company is a REIT.

OUR ORGANIZATIONAL STRUCTURE

We are a subsidiary of Cass Associates, a Delaware limited liability company, which is a Delaware limited liability company. We are a Delaware limited liability company.

As a subsidiary, the company is a Delaware limited liability company, which is a Delaware limited liability company.

DF Management, LLC, a Delaware limited liability company, which is a Delaware limited liability company. DF Management, LLC is a Delaware limited liability company.

Of course, the company is a Delaware limited liability company.

The following is a list of the company's assets and liabilities.

OUR MANAGEMENT TEAM

Names, Ages, Etc.

<i>Name</i>	<i>Position</i>	<i>Age</i>	<i>Term of Office</i>	<i>Approximate Hours Per Week If Not Full Time</i>
Craig Cecilio	Chief Executive Officer	47	Indefinite	20 Hours
Aaron Lewis	Chief Financial Officer	43	Indefinite	20 Hours
Tom Powe	Secretary/Treasurer/Manager	36	A-W	Full Time
Vaughan Vogt	Executive Vice President of Real Estate	59	A-W	Full Time
Andrew Wolkow	Vice President Acquisitions	47	A-W	Full Time
George Janak	Vice President Acquisitions	36	A-W	Full Time
George Vye	Secretary/Manager	47	A-W	Full Time

NOTE: All these individuals are employed by Diversified, Inc., the Sponsor, or by the Company directly. The Sponsor is a subsidiary of Diversified Management, LLC, which is the Manager of the Company.

Business Experience

Craig Cecilio

Mr. Cecilio is Chief Executive Officer and Co-Founder of the Sponsor, Diversified, Inc. Mr. Cecilio has worked in the real estate industry for over 20 years. Over the course of his career, Mr. Cecilio has participated in the development of over 1,000 single-family residences. Mr. Cecilio has also worked in the real estate industry for over 20 years. Mr. Cecilio worked in the real estate industry for over 20 years. Mr. Cecilio worked in the real estate industry for over 20 years.

Additionally, Mr. Cecilio founded a real estate debt fund in 2013, which raises a portfolio of real estate-backed bonds. Mr. Cecilio has also worked in the real estate industry for over 20 years. Mr. Cecilio worked in the real estate industry for over 20 years. Mr. Cecilio worked in the real estate industry for over 20 years.

Alan R. Lewis

M. Lewis is the Chief Executive Officer and Co-Founder of the Special Dividend, a Public Company of the Management, was the head of the investment advisory division of the investment firm based in New York City, where he oversaw capital raising, deal structuring and development work for various projects and as a partner in the investment firm. M. Lewis worked for several years at the Securities and Exchange Commission, as well as a Managing Director of the investment firm. M. Lewis provided financial advisory and capital raising services for various companies and governments.

From 2010, M. Lewis acted as a co-lead advisor to Davita Inc. and its subsidiaries, a Telehealth Services Provider (CareS USA) in its public offering, and as a director of the company. M. Lewis also acted as a director of the company and as a director of the company. M. Lewis also acted as a director of the company and as a director of the company. M. Lewis also acted as a director of the company and as a director of the company.

Van Vogel

M. Vogel is the Executive Vice President of Real Estate for the Special Dividend, a Public Company of the Management, was the CEO of the company and as a director of the company. M. Vogel also acted as a director of the company and as a director of the company. M. Vogel also acted as a director of the company and as a director of the company.

From 2010, M. Vogel acted as a director of the company and as a director of the company. M. Vogel also acted as a director of the company and as a director of the company. M. Vogel also acted as a director of the company and as a director of the company.

M. Vogel also acted as a director of the company and as a director of the company.

Andrew Witkowski

M. Witkowski is the Managing Director of the Special Dividend, a Public Company of the Management, was the Director of the company and as a director of the company. M. Witkowski also acted as a director of the company and as a director of the company. M. Witkowski also acted as a director of the company and as a director of the company.

An accord was reached with the Acquisitor's office whereby the company's debt would be repaid over a period of 30 years. The company's debt was \$2.5 billion. The company's debt was \$2.5 billion. The company's debt was \$2.5 billion.

George Jalil

Mr. Jalil is the Acquisitor's Director. He is the US representative of Capital Markets and Finance. He is based in Dallas, Texas. He is the Acquisitor's Director. He is the US representative of Capital Markets and Finance.

Mr. Jalil's duties include the coordination of the company's financial affairs. He is responsible for the company's financial reporting. He is responsible for the company's financial reporting.

Tom Powell

Mr. Powell is the Secretary of the Board of Directors. He is responsible for the company's financial reporting. He is responsible for the company's financial reporting.

Mr. Powell is the Secretary of the Board of Directors. He is responsible for the company's financial reporting. He is responsible for the company's financial reporting.

M Cec o a d M Lews ave asse ed co e ca s a g a s e e de A o g o e gs, e y a e g e a e g e e a c o a c o e d a e s s e c e o f e e d e w a s e s p o s b e f o e f a e o f e p o j e c b y c a s g s g f c a d e a y s a d b d g e o v e s, a d a e e d e a d e c o a c o s o d b e v e w e d a s j o - v e e s

I e s a e p o j e c, a d v d a o a e d o e y o e b o o w e e y, s e c e d b y a s e c o d e a d p e s o a g a a e s b y M C e c o a d M L e w s W e e p o j e c a o f a c a d f f c y w a s d s c o v e d a e s e c o d e a d o b e e p o p e y e c o d e d, e s g a s g f c a o s s o e e d e T e e d e s e d e a w y e f o e g a a p a c c e a d e a w y e a s a d e a c o s s - c a a g a s M C e c o a d M L e w s e a g o e p e s o a g a a y T e a o o f e c o s s - c a s a p p o x a e y \$ 1 0

A e q y v e s o e s a e p o j e c a s f e d a a w s a e g g a e S p o s o, M C e c o, a d M L e w s f a e d o p o v d e a d e q a e d s c o s e, w e p o f e s s o a y e g g e, a d b e a c e d e f d c a y d y o s e v e a p o j e c s, a f d e d b e f o e e S p o s o o e C o p a y w e f o e d T e v e s o s c a g d a a g e s o f a p p o x a e y \$ 7 7 4, 0 0 0 e a g g e g a e O a s e p a a e p o j e c, e s a e v e s o s s g o a p e s o a g a a y o f a p p o x a e y \$ 5 5, 0 0 0

M C e c o a d M L e w s a e v g o o s y d e f e d g a o f e s e a w s s a d e x p e c e o b e s e e d w o p a c o e C o p a y I f a o f e a w s s e s e d j d g e s a g a s M C e c o a d M L e w s f o e f a o c a e d, o w e v e, c o d a f f e c e C o p a y a d v e s e y s e v e a w a y s

- I w o d p a e c e d o f M C e c o a d M L e w s p e s o a y, w c c o d d e c y p a e c e d o f e C o p a y, e s e s e a a e d e a w o d o e w s e a c c e p e g a a y o f M C e c o a d M L e w s f o a o a o e C o p a y w o d o o g e b e w g o d o s o s c e d e w o d e q e e s s f a v o a b e e s o a o a s c a s a g e e e s a e a c o d a d v e s e y a f f e c e o v e a e s o f e C o p a y
- T e o w e s o f p o p e e s e C o p a y w o d k e o b y g b e s s c e d o d e a w e C o p a y
- D e p e d g o e s z e o f e j d g e, M C e c o a d o M L e w s c o d b e f o c e d o b a k p c y
- M C e c o a d M L e w s c o o e C o p a y d e c y I a w o s - c a s e s c e a o, a a g e j d g e c o d e s a o s s o d o o f e c o o

COMPENSATION OF MANAGEMENT

Overview

The people who the Company takes on to help the Company (or you) do things

- They receive fees
- They receive a percentage of the sales made by the company
- They receive a Pooled Incentive

A list of the compensation is provided below

The Company does not have any employees. For example, Mr. Lewis and Mr. Ceco, the owners of the Spots, do not receive a salary, bonus, or other compensation for the Company. Instead, a list of compensation is provided for the fees paid to the Management for Pooled Incentives

Fees

Type of Fee	Description and Amount
<i>Reimbursement</i>	<p>The Company will reimburse the Spots for expenses the Spots incur in connection with the offering, before the offering is "qualified" by the SEC (after the offering is qualified, the expenses will be by the Company itself, December). However, the Spots will be reimbursed for the base fee the Company has agreed to pay of \$1,000,000 for the sale of Class A Incentives. The Company will pay a maximum of \$100,000 for the sale of Class A Incentives. The Spots' base fee will be reduced to a maximum of \$100,000 for the Spots will be reimbursed of the base fee the Company has agreed \$3,000,000 for the sale of Class A Incentives and (v) for the Company has agreed \$1,000,000 less a \$3,000,000 for the sale of Class A Incentives, the base fee excess of \$100,000 will be <i>pro rated</i></p> <p><i>Estimate</i> The Spots' commission is a sales expense for the offering, before the offering is qualified, will be approximately \$75,000</p>

Asset Management Fee

The Sponsor shall pay each Project the asset management fee equal to 2% of the gross operating costs (including gross operating expenses) of the asset project owned by the Project.

Estimate The amount of the asset management fee will depend on the gross operating costs of the asset. We cannot make an exact estimate at this time.

Sponsor Fee

The Sponsor shall pay each Project the fee (to be paid by the Sponsor) for the services of the Sponsor's fee of between 6% and 8% of the total project costs, including both "hard" costs (e.g., the cost of property) and "soft" costs (e.g., professional fees).

Estimate If the Sponsor's fee is \$50,000,000 and the asset's average operating cost (including) of 55%, the sponsor fee would range between \$6,666,666 and \$8,888,888.

Property Disposition Fee

When the Sponsor proposes to dispose of a Project, the Sponsor will receive a property disposition fee equal to 1% of the net sales price of each property.

When proposed by the Sponsor, the asset management fee shall be paid to the Sponsor's general ledger as a disposition fee. The asset management fee shall be paid to the Sponsor's general ledger as a disposition fee. However, the Sponsor's fee shall not exceed 1% of the net sales price of the asset.

Estimate The amount of the disposition fee will depend on the net sales price of the asset. In the case of joint ventures, the Sponsor's fee shall be paid to the Sponsor's general ledger as a disposition fee.

Financing Fee

When the Sponsor proposes to dispose of a Project, the Sponsor will receive a financing fee equal to 10% of the net sales price of each property, whether the net sales price is based on the net sales price of the property or the net sales price of the property plus the net sales price of the property.

When proposed by the Sponsor, the asset management fee shall be paid to the Sponsor's general ledger as a financing fee. The asset management fee shall be paid to the Sponsor's general ledger as a financing fee. However, the Sponsor's fee shall not exceed 1% of the net sales price of the asset.

Estimate The amount of the financing fee will depend on the net sales price of the asset. In the case of joint ventures, the Sponsor's fee shall be paid to the Sponsor's general ledger as a financing fee.

Construction Management Fee

The Sponsor provides construction management services. If so, the Sponsor be entitled to a construction management fee equal to 7.5% of actual construction costs.

Estimate The amount of construction management fee will depend on the actual costs of construction services. Management provides We cannot make an estimate at this time.

Guaranty Fee

If the Sponsor or affiliates are indebted to the Company or Project Entity, including guarantees of a so-called "bad boy" covenants, the amount will be agreed upon by fee equal to 0.5% of the amount.

The amount of guaranty fee will depend on the amount of outstanding guarantees. We cannot make an estimate at this time.

Other Fees

The Company or Project Entity is engaged by the Sponsor or affiliates to provide services. The compensation paid to the Sponsor or affiliates in each case shall be () for the Company and Project Entity, () compensation to the world be paid on a paid basis, and () disclosed to Investors.

Estimate We cannot make an estimate of the fees at this time.

Co-Investment

The Sponsor and affiliates purchase Class A Investors Shares. If so, they will be entitled to the same distribution as the Investors.

Promoted Interest

As described in "Section 6.01 of the Distributions" starting on page 35, the Sponsor shall receive a distribution as a "Promoted Interest." The Promoted Interest shall be paid to the Investors after the Investors have received a 7% preferred return on their investment. The Promoted Interest shall be approximately 53.85% of the preferred return paid to the Investors and the Investors have received the preferred return. The Sponsor shall receive 35% of the amount of the Promoted Interest.

How c o ey eSpo so a ey ece ves as a P o o ed I e es e efo e depe ds o a be of fac o s, c d g

- How c cap a s a sed e Offe g
- T e ves e e s eCo pa y s a b e o ac eve
- W e ose e s a e ac eved(eCo pa y g o ac eve e s a e e eve y yea)
- W e eCo pa y d s b e s o ey o I ves o s a d
- T e a o of expe ses eCo pa y c s

Report to Investors

No ess a o ce pe yea , eCo pa y w p ov de I ves o s w a de a ed s a e e s ow g

- T e fees pa d o e Spo so a d s aff a es a d
- A y a sac o s be wee eCo pa y a d e Spo so o s aff a es

I eac case, e de a ed s a e e w desc be e se v ces pe fo ed a d e a o of co pe sa o pa d

Clawback

If, po e q da o of eCo pa y, e ow es of e Cass A I ves o S a es o e a e Ma age, e Spo so, a d e aff a es ave o ece ved ds b o s s ffce o e e cap a co b o s p s a 7% c a ve, o -co po ded a a e , eMa age, e Spo so, a d e aff a es w be eq ed o e a y ds b o s ey ave ece ved fo eCo pa y(o fees), ove a d above e ac a co b ed cap a, a a o s c a eCo pa y ca d s b e es o fa o e ow es of e Cass A I ves o S a es, o e a e Ma age, e Spo so, a d e aff a es

Method of Accounting

T e co pe sa o desc bed s sec o was ca c a ed s g e acc a e od ofacco g

Stages of Development

The stages of the Company's organization, development, adoption, and decommissioning are paid by the Company on a monthly basis. Each stage, as follows:

<i>Stage</i>	<i>Compensation</i>
Organization	None
Acquisition	<ul style="list-style-type: none"> • Asset Management Fee • Sponsor Fee • Factoring Fee
Operation	<ul style="list-style-type: none"> • Asset Management Fee • Gateway Fee • Factoring Fee • Referral Co-Investor • Pooled Investors • Disposition Fee
Liquidation	<ul style="list-style-type: none"> • Referral Co-Investor • Pooled Investors • Disposition Fee

SECURITY OWNERSHIP OF MANAGEMENT

The attached copy represents the Company authorized by 20,000,000 "Shares," consisting of 1,000,000 "Common Shares" and 19,000,000 "Investor Shares." The Management as a body divided the 19,000,000 Investor Shares into two "classes," by adopting the attached organizational chart. The Management adopted the Authorized Resolutions of the 7,500,000 Class A Investor Shares.

As of the date of this filing, the attached copy represents the Company authorized as follows:

Common Shares

<i>Beneficial Owner</i>	<i>Number of Shares</i>	<i>Percent of Class</i>
Dve syF d, I c *	1,000,000	100%
750 BS ee S e 1930 Sa Dego, CA 92101		
DF Ma age, LLC	0	0%
750 BS ee S e 1930 Sa Dego, CA 92101		
A a Lews	0	0%
750 BS ee S e 1930 Sa Dego, CA 92101		
C a g Cec o	0	0%
750 BS ee S e 1930 Sa Dego, CA 92101		

Class A Investor Shares

<i>Beneficial Owner</i>	<i>Number of Shares</i>	<i>Percent of Class</i>
None	0	0%

* Dve syF d, I c, e Spo so, s co o ed by M Lews a d M Cec o

VOTING RIGHTS OF OWNERS

Under the LLC Agreement, the Management as a body over a period of time shall be authorized to vote on any and all matters that the Company or the Company, except as otherwise provided in the Class A Investor Shares, may, so as to, over the Management for the purpose of the "Statement of the LLC Agreement and Authorized Resolutions of Management."

The Management is authorized by the Sponsor, which is controlled by M Lews a d M Cec o, except as provided above, they have no power to vote on the Company.

CERTAIN RELATIONSHIPS AND RELATED TRANSACTIONS

The Company entered into a Management Agreement with the Management, pursuant to which the Management provides additional services as described in "Summary of LLC Agreement and Amended Resolutions of the Management" Under the Management Agreement, the Company will pay the Sponsor certain fees as described in "Compensation of Management" The Management shall have the right to receive a portion of the fees and other income of the Management Agreement which shall be paid to the Management as follows:

The Sponsor, the Management, McCulloch, Lewis, and Partners and its affiliates are the Company's principal Class A Investors, and together with the other Class A Investors

SECURITIES BEING OFFERED

Description of Securities

We are offering to sell up to \$50,000,000 of our Class A Investor Shares, which represent the Company's outstanding Class A Investor Shares as of the date of this offering.

- The LLC Agreement, which is attached as Exhibit 1A-2B to this offering.
- The Amended Resolutions, which is attached as Exhibit 1A-2C to this offering.

Price of Class A Investor Shares

In any event, we will offer our Class A Investor Shares at a price of \$10 per Class A Investor Share. In the event of a decrease in the price of our Class A Investor Shares, we will adjust the price of our Class A Investor Shares to reflect the value of our assets and liabilities, which will be determined by the Management in its sole discretion.

To determine the price of our Class A Investor Shares, the Management will:

- Determine the fair value of the Company's assets, including all tangible and intangible assets as the Management may determine, including goodwill;
- Determine the value of the Company's liabilities;
- Determine the value of the Company's net assets and the value of the Company's net assets as of the date of the offering, and the proceeds will be distributed to the Class A Investors.

Changes in the price of our Class A Investor Shares will be effected as provided in the offering memorandum. The SEC Act requires the Management to disclose any material changes in the value of our assets and liabilities, which will be determined by the Management in its sole discretion, and the proceeds will be distributed to the Class A Investors.

Voting Rights

Owners of our Class A Investor Shares shall have one vote per share. In the event of a change in the ownership of the Company, the Company shall be governed by the Management. However, the Class A Investors shall have the right to elect the Management for "cause."

Distributions

We do make distributions as provided. The order of distributions will be governed by the Company's LLC Agreement and by the following Resolutions.

With respect to distributions:

- Distributions of ordinary cash flow (for example, net operating income, after expenses) and
- Distributions of net proceeds from "capital assets" (net sales of real property ("net proceeds" means gross proceeds of capital assets, reduced by expenses of the asset, including payment of debt))

Distributions of ordinary cash flow will be as follows:

- September 15, Investors will receive a distribution of ordinary cash flow. They have received a 7% cumulative, non-compounded annual return on their capital. We refer to this as the "Preferred Return" of Investors.
- September 15, the next ordinary cash flow will be distributed to the Company's members (the Spouse) after a 35% distribution to the Preferred Return. As of 6/30/2021, approximately 53.85% of the Preferred Return has been paid to date as of 6/30/2021. We refer to this as the "Cash Return".
- September 15, the next ordinary cash flow will be distributed 65% to Investors on a *pro rata* basis, and 35% to the Company's members.

Distributions of net proceeds from capital assets will be as follows:

- September 15, Investors will receive a distribution of net proceeds. They have received the net Preferred Return.
- September 15, the next net proceeds will be distributed to the Company's members after a 35% distribution to the Cash Return.

- Sep T ee T d, I ves o s w eceve a ye a g e p oceeds o e a a ocabe po o of e cap a ey ves ed*
- Sep Fo Fo , a ye a g e p oceeds w beds b ed 65% o e I ves o s a d 35% I ves o s ave eceved a “ e a ae of e ” of 12%**
- Sep Fve Ff , a ye a g e p oceeds w beds b ed 50% o e I ves o s o a pro rata bas s a d 50% o e ow e of e Co o S aes

We expec o ake ds b o s of o d a yo pe a g cas fow a eas a a a bas s, i.e., o ce pe yea Ds b o s of e e p oceeds fo cap a a sac o s w be ade, fa a , po e occ e ce of a cap a a sac o

* We we say a a ds b o s of e e p oceeds fo cap a a sac o s w f s beds b ed o I ves o s ey ave eceved a “a ocabe po o” of e cap a ey ves ed, we ea a a we e Co pa ye es o a cap a a sac o ke a sa e o ef a c g, a d dec des o ds b e so e o a of e p oceeds (as opposed o e ves g e p oceeds o e p ope es), e Ma age w a oca e a of e cap a co b ed by I ves o s (ess a y pe v o s ds b o s of cap a) a o g a of e p ope es ow ed by e Co pa y, based o a es a e of e fa a ke va e of eac p ope y (ess deb e c be g eac p ope y) T s w a ow e Ma age o de e e ow c cap a s a ocabe o e p ope y vo ved e cap a a sac o

** “I e a ae of e ” s a f a c a co cep a eas es e ove a e fo a ves e , ak g oacco a e o ey yo p as we as a e o ey yo ook o , as we as e g of eac co b o a d ds b o So ey by way of exa pe, yo wo d ave a e a ae of e f yo co b ed \$100 o a ves e a d

- Lq da ed e ves e o e yea fo \$116 o
- Receved o ds b o s fo fve yea s, a da e e d of eff yea q da ed e ves e fo \$21003 o
- Receved a pay e of \$16 a e e d of yea , a d eceved yo \$100 back a e e d of eff yea

We cac ae e e a ae of e s g e XIRR f c o M c o s of Exce, e sp eads ee p o g a

NOTE CONCERNING CALCULATION OF RETURNS I ge ea, we w cac ae e e s of I ves o s beg g o e as day of e o w c a I ves o p c ases s, e, o s Cass A I ves o S aes

Clawback

If, po e q da o of e Co pa y, e ow es of e Cass A I ves o S aes o e a e Ma age, e Spo so, a d e aff aes (c d g M Cec o a d M Lews) ave o eceved ds b o s s ff ce o e e cap a co b o s p s a 7% c a ve, o -co po ded a a e , e Ma age, e Spo so, a d e aff aes w be eq ed o e a y ds b o s ey ave eceved fo e Co pa y, ove a d above e ac a co b ed cap a, a a o s c a e Co pa y ca ds b e es o fa o e ow es of e Cass A I ves o S aes, o e a e Ma age, e Spo so, a d e s aff aes

How We Decide How Much To Distribute

To decide how much to distribute, we saw how much we can pay out of our assets, including the cost of interest, taxes, and other expenses. We also consider the needs of our investors and the goals of the trust. For example, if we have \$100 million in assets and \$10 million in liabilities, we can distribute up to \$90 million to our investors.

Withholding

In some cases, we may be required to withhold taxes on distributions to investors. For example, if we distribute \$100 million to investors, we may be required to withhold \$10 million in taxes, leaving \$90 million for the investors.

No Guaranty

We cannot guarantee that investors will receive their distributions on time or in full.

Transfers

Investors may transfer their shares in the trust to another person. However, the trust agreement may restrict the ability to transfer shares. For example, the trust agreement may require that the transferee be a resident of the same state as the transferor.

Mandatory Redemptions

The trust agreement may require the trust to redeem shares under certain circumstances.

- If the trust is unable to pay the expenses of the trust, the trust agreement may require the trust to redeem shares.
- If the trust agreement provides for a redemption, the trust may be required to redeem shares.

- If the Manager elects a () special dividend to be paid to the Company () the dividend proceeds are to be paid to the Company on a pro rata basis to all holders of the Company's common stock. If the Company is not a corporation, the dividend proceeds are to be paid to the Company on a pro rata basis to all holders of the Company's common stock. If the Company is a corporation, the dividend proceeds are to be paid to the Company on a pro rata basis to all holders of the Company's common stock.

If the Company's Board of Directors determines that it is in the best interests of the Company to pay a dividend, the Company may, at its discretion, pay a dividend to the holders of the Company's common stock.

- If a dividend is declared on or after December 31, 2020, the dividend will be paid to the holders of the Company's common stock on the record date for the dividend.
- Otherwise, 90% of the dividend will be paid to the holders of the Company's common stock on the record date for the dividend, and the remaining 10% will be paid to the holders of the Company's common stock on the payment date for the dividend.

The dividend will be paid by wire transfer to the account specified by the holder of the Company's common stock.

No Right Of Redemption

The Company does not have a right of redemption for its common stock.

Rights of Common Shares

The following are the rights of the holders of the Company's common stock:

- *Distributions* As a holder of the Company's common stock, the holder will be entitled to receive dividends as declared by the Board of Directors.
- *Voting Rights* The holders of the Company's common stock will have one vote per share. However, the Manager, in its capacity as the agent of the Company, will control the Company.
- *Obligation to Contribute Capital* The holders of the Company's common stock will have no obligation to contribute capital to the Company.
- *Redemptions* The holders of the Company's common stock will have no right to redeem their shares.

LIMIT ON AMOUNT A NON-ACCREDITED INVESTOR CAN INVEST

As o g as yo 'ea eas 18yea s o d,yo ca ves s Offe g B fyo 'e o a "acc ed ed" ves o , ea o yo ca ves s ed by aw

U de 17 CFR §230.501, a eg a o ss ed by eSec es a dExc a geCo ss o , e e "acc ed ed ves o" ea s

- A a a pe so w o as d v d a e wo , o jo e wo w e pe so 's spo se, a exceeds \$1 o a e e of e p c ase, exc d g e va e of e p a y es de ce of s c pe so
- A a a pe so w co e exceed g \$200,000 eac of e wo os ece yea s o jo co e w a spo se exceed g \$300,000 fo ose yea s a d a easo ab e expec a o of esa e co e eve e c e yea
- A s w asse s excess of \$5 o , o fo ed fo e spec f c p pose of acq g e sec es offe ed, w ose p c ase s d ec ed by a sop s ca ed pe so
- A b s ess w c a e eq yow es a e acc ed ed ves o s
- A e p oyee be ef pa , w e ea g of e E p oyee Re e e I co e Sec y Ac , f a ba k , s a ce co pa y, o eg s e ed ves e adv se akes e ves e dec so s, o f e pa as o a asse s excess of \$5 o
- A ba k , s a ce co pa y, eg s e ed ves e co pa y, b s ess deve op e co pa y, o s a b s ess ves e co pa y
- A c a abe o ga za o , co po a o , o pa es p, o fo ed fo e spec f c p pose of acq g e sec es offe ed, w o a asse s exceed g \$5 o a d
- A d ec o , ex ec ve off ce, o ge e a pa e of e co pa y se g e sec es, o a y d ec o , ex ec ve off ce, o ge e a pa e of a ge e a pa e of a ss e

If yo fa w a y of ose ca ego es, e yo ca ves as c as yo wa If yo do ' fa w a y of ose ca ego es, e e os yo ca ves s Offe g s e gea e of

- 10% of yo a a co e o
- 10% of yo e wo

T ese s a e posed by aw, o by s

W e yo go o o webs e, www D ve syF d co , we w ask w e e yo 'ea acc ed ed ves o If yo a e ' , e we' ask abo yo a a co e a d e wo

PLAN OF DISTRIBUTION

Size of Offering

We are offering up to \$50,000,000 of our Class A Limited Sublicense Offering. We will begin deploying the proceeds of the Offering (as well as we begin to receive additional proceeds) as soon as we begin raising capital, with a goal of raising a total of \$50,000,000.

Who is Selling Shares

Only the Company's selling securities in the Offering. No securities are being sold by or on behalf of any existing or future Company.

Who Can Buy Shares

Any individual or entity that is a U.S. resident, as determined by the SEC, is eligible to purchase the Offering. If you are not a "qualified investor" as defined in Rule 501(c)(1) of Regulation D, you may not purchase the Offering. See the "Limitations on Accredited Investors" section of the Offering Circular for more information.

Term of Offering

The Offering will begin as soon as the offering is qualified by the SEC. The Offering will end upon the sale of \$50,000,000 of Class A Limited Sublicense (i.e., all securities we are offering), (2) the date we cease offering, or (3) the date we decide to end the offering.

Minimum Initial Investment

The minimum investment is 50 Class A Limited Sublicense, or \$500.

Manner of Distribution

The Class A Limited Sublicense will be offered by the Company itself on www.Dve.syfy.com, which we refer to as the "Site". Purchases of Class A Limited Sublicense are made on the Site through the back-end of the Site's payment processing system.

How To Invest

To buy Class A Limited Sublicense, visit the Site and follow the steps below. We will ask for the following information:

- Your email address
- Your social security number (for tax reporting purposes)
- Whether you are a "qualified investor"
- If you are not a qualified investor, your contact information

We w a s o a s k y o u t o s i g n t h e A g r e e m e n t , a c o p y o f w h i c h i s a t t a c h e d a s E x h i b i t 1 A - 6 A .

Y o u w i l l p a y f o r t h e C a s s A I V e s o S a e s s e r v i c e s o f t h e o p e r a t i o n s d e s c r i b e d i n t h e S e r v i c e A g r e e m e n t .

T h e f o l l o w i n g t e r m s a n d c o n d i t i o n s a p p l y t o t h e C a s s A I V e s o S a e s s e r v i c e s . W e w a n t t o m a k e s u r e t h a t y o u a n d w e a r e b o t h a g r e e i n g t o t h e s e t e r m s a n d c o n d i t i o n s . W e w a n t t o m a k e s u r e t h a t y o u a n d w e a r e b o t h a g r e e i n g t o t h e s e t e r m s a n d c o n d i t i o n s .

O n c e w e a v e a c c e p t e d y o u r s e r v i c e o r d e r , w e w i l l p r o c e s s i t a s s o o n a s p o s s i b l e . W e w a n t t o m a k e s u r e t h a t y o u a n d w e a r e b o t h a g r e e i n g t o t h e s e t e r m s a n d c o n d i t i o n s . W e w a n t t o m a k e s u r e t h a t y o u a n d w e a r e b o t h a g r e e i n g t o t h e s e t e r m s a n d c o n d i t i o n s .

Y o u a g r e e t o p a y f o r t h e C a s s A I V e s o S a e s s e r v i c e s i n a d v a n c e . W e w a n t t o m a k e s u r e t h a t y o u a n d w e a r e b o t h a g r e e i n g t o t h e s e t e r m s a n d c o n d i t i o n s .

Escrow

W e w a n t t o m a k e s u r e t h a t y o u a n d w e a r e b o t h a g r e e i n g t o t h e s e t e r m s a n d c o n d i t i o n s . W e w a n t t o m a k e s u r e t h a t y o u a n d w e a r e b o t h a g r e e i n g t o t h e s e t e r m s a n d c o n d i t i o n s .

Advertising the Offering

A f t e r t h e O f f e r i n g h a s b e e n " q u a l i f i e d " b y t h e S E C , w e w i l l a d v e r t i s e t h e O f f e r i n g i n s e v e r a l p l a c e s . W e w a n t t o m a k e s u r e t h a t y o u a n d w e a r e b o t h a g r e e i n g t o t h e s e t e r m s a n d c o n d i t i o n s . W e w a n t t o m a k e s u r e t h a t y o u a n d w e a r e b o t h a g r e e i n g t o t h e s e t e r m s a n d c o n d i t i o n s .

Supplements and Amendments to Offering Circular

For the foregoing purposes, the Offering Circular is hereby amended to add the following information presented, as required by SEC rules.

As of the date of this offering, we have not received any feedback from investors, and we do not intend to make any changes to the Offering Circular. As of the date of this offering, we have not received any feedback from investors, and we do not intend to make any changes to the Offering Circular.

As of the date of this offering, we have not received any feedback from investors, and we do not intend to make any changes to the Offering Circular. As of the date of this offering, we have not received any feedback from investors, and we do not intend to make any changes to the Offering Circular.

We have not received any feedback from investors, and we do not intend to make any changes to the Offering Circular. As of the date of this offering, we have not received any feedback from investors, and we do not intend to make any changes to the Offering Circular.

USE OF PROCEEDS

We expect to use the proceeds of the offering for general corporate purposes, including working capital, capital expenditures, and the acquisition of additional assets. We expect to use the proceeds of the offering for general corporate purposes, including working capital, capital expenditures, and the acquisition of additional assets.

After payment of the offering expenses, we expect to use the proceeds of the offering for general corporate purposes, including working capital, capital expenditures, and the acquisition of additional assets.

We are not paying commissions on the offering, and we do not intend to pay any commissions on the offering. We are not paying commissions on the offering, and we do not intend to pay any commissions on the offering.

INVESTMENT COMPANY ACT LIMITATIONS

A company is treated as a "ves e co pa y" de eI ves e Co pa yAc of 1940 (e"1940 Ac") s s bjec o s ge a d o e o s eg a o , ke a a f d Be g a ves e co pa y s ' ega , b s ve y expe s ve If e Co pa y we e ea ed as a ves e co pa y wo d be ve y bad fo o b s es a d o I ves o s

U de sec o 3(a) of e 1940 Ac , e e " ves e co pa y" ea s a y co pa y a

- Is o ods se fo as be ge gaged p a y, o p oposes o e gage p a y, e b s ess of ves g, e ves g, o ad g sec es
- Is e gaged o p oposes o e gage e b s ess of ss g face-a o ce fcaes of e s a e ype, o as bee e gaged s c b s ess a d as a y s c ce fca e o s a d g o
- Is e gaged o p oposes o e gage e b s ess of ves g, e ves g, ow g, o d g, o ad g sec es, a d o w s o p oposes o acq e ves e sec es av g a va e exceed g 40% of e va e of e co pa y's o a asse s (exc s ve of Gove e sec es a d cas e s) o a co so da ed bas

Rea es a e se f s o a "sec y" fo p p oposes of e 1940 Ac T s, fa of e Co pa y's asse s co s s ed of d ec e es s ea es a e d ec ow e s p of a d a d b d gs e Co pa y co d o be a ves e co pa y

Howe e , e Co pa y w ow os asse s o g o e co pa es Fo exa p e , e Co pa y g ow a e es a ea es a e deve ope e o g a ed ab y co pa y Beca se a e es a ed ab y co pa y s ge e a y ea ed as a "sec y" w e ea g of e 1940 Ac , e poss b y e a s a e Co pa y co d be ea ed as a ves e co pa y o o k go y a sec o 3(a)(1) of e s a e

Howe e , sec o 3(b)(1) of e 1940 Ac p o v des a "A y co pa y] p a y e gaged, d ec y o o g a w o y-ow ed s bs d a y o s bs d a es, a b s ess o b s es es o e a a of ves g, e ves g, ow g, o d g, o ad g sec es" w *not* be ea ed as a " ves e co pa y" F e , 17 CFR §270 3a-1, a eg a o s s ed by e SEC p s a o sec o 3(b)(1), p o v des a a co pa y w o be ea ed as a ves e co pa y fo o e a 45% of e va e of s asse s (exc s ve of gove e sec es a d cas e s) co s s of, a d o o e a 45% of s afe - ax co e s de ved fo , sec es *other than*

- Gove e sec es
- Sec es s s ed by e p o yees' sec es co pa es
- Sec es s s ed by ajo y-ow ed s bs d a es w c a e o e se ves ves e co pa es a d

- Section 551(b)(1) of the Code

o The estate tax credit for tax on foreign income

o The estate tax credit for tax on foreign income

o The estate tax credit for tax on foreign income

For example:

- A shareholder who receives a dividend of 50% of the value of the stock
- A shareholder who receives a dividend of 50% of the value of the stock
- A shareholder who receives a dividend of 50% of the value of the stock

In all of the cases where the shareholder receives a dividend, the shareholder is entitled to a credit for the tax on the dividend. The shareholder is entitled to a credit for the tax on the dividend if the dividend is a dividend for purposes of the Code. The shareholder is entitled to a credit for the tax on the dividend if the dividend is a dividend for purposes of the Code.

The general rule is that the shareholder is entitled to a credit for the tax on the dividend if the dividend is a dividend for purposes of the Code. The shareholder is entitled to a credit for the tax on the dividend if the dividend is a dividend for purposes of the Code.

Section 57 of the LLC Agreement requires the Manager to set aside a portion of the LLC's assets to pay the tax on the dividend. The Manager is required to set aside a portion of the LLC's assets to pay the tax on the dividend.

SUMMARY OF OUR LLC AGREEMENT AND AUTHORIZING RESOLUTION

The Company was governed by an agreement captioned "Limited Liability Company Agreement" dated August 20, 2020. We refer to such as the "LLC Agreement".

The Class A Shares being offered by the Offeror were created under the Management adopted as proposed in Section 3.2 of the LLC Agreement. We refer to such as the "Authorizing Resolution".

The following are the key provisions of the LLC Agreement and the Authorizing Resolution that are set forth in the LLC Agreement and the Authorizing Resolution, respectively, as set forth in Exhibits 1A-2B and 1A-2C.

Formation and Ownership

The Company was formed under the Delaware Act of August 20, 2020 pursuant to the Delaware Limited Liability Company Act.

Under the LLC Agreement, ownership of the Company is evidenced by "Shares," which are evidenced by "Members."

Immediately before the offering, the ownership of the Company was held by Class A Shares. The offering will become ownership of the Company upon the offering of the Shares.

Shares and Ownership

There are 20,000,000 "Shares," consisting of 1,000,000 "Class A Shares" and 19,000,000 "Class B Shares." The Management may further divide the 19,000,000 Class B Shares into one or more classes, by adopting one or more authorizing resolutions. The Class B Shares are referred to as "Class B Shares" in the LLC Agreement.

The Management adopted the Authorizing Resolution to create the Class A Shares. The Class A Shares are referred to as "Class A Shares" in the LLC Agreement.

All of the Class A Shares of the Company are owned by Dvesy Fund, L.P., a affiliate of the Management, which we refer to as the "Spouse." The Class A Shares were owned by the Spouse, as the subject of the offering. By adopting the Authorizing Resolution, the Management hereby offers, and sets one or more classes of Class A Shares for the offering, which would be the subject of the Class A Shares.

Management

The Manager shall cooperate over a period of 30 days with the Company to provide the following information: (a) a list of all assets owned or controlled by the Company; (b) a list of all liabilities of the Company; (c) a list of all contracts entered into by the Company; (d) a list of all employees of the Company; (e) a list of all vendors of the Company; (f) a list of all customers of the Company; (g) a list of all contracts entered into by the Company; (h) a list of all contracts entered into by the Company; (i) a list of all contracts entered into by the Company; (j) a list of all contracts entered into by the Company; (k) a list of all contracts entered into by the Company; (l) a list of all contracts entered into by the Company; (m) a list of all contracts entered into by the Company; (n) a list of all contracts entered into by the Company; (o) a list of all contracts entered into by the Company; (p) a list of all contracts entered into by the Company; (q) a list of all contracts entered into by the Company; (r) a list of all contracts entered into by the Company; (s) a list of all contracts entered into by the Company; (t) a list of all contracts entered into by the Company; (u) a list of all contracts entered into by the Company; (v) a list of all contracts entered into by the Company; (w) a list of all contracts entered into by the Company; (x) a list of all contracts entered into by the Company; (y) a list of all contracts entered into by the Company; (z) a list of all contracts entered into by the Company.

The Board of Directors shall have the authority to appoint, remove, and designate the Manager.

The Manager shall be provided by the Manager, as well as the compensation to be paid to the Manager by the Company, as set forth in the Manager's Services Agreement between the Company and the Manager dated August 20, 2020, which we refer to as the "Manager Agreement." The provisions of the Manager Agreement are attached as "Schedule A" of the Manager Agreement, which is attached as Exhibit A-6B.

The Manager shall be provided for "cause" as defined in Section 5.6 of the Manager Agreement.

The "cause" includes:

- A breach of the Manager Agreement by the Manager;
- The bankruptcy of the Manager;
- The conviction of the Manager of a crime involving moral turpitude.

A vote of the Board of Directors shall be approved by the Board of Directors, with at least 75% of the Board of Directors voting in favor of the "cause" as defined in Section 5.6 of the Manager Agreement.

Exculpation and Indemnification of Manager

The Manager shall be provided by the Manager, as well as the compensation to be paid to the Manager by the Company, as set forth in the Manager's Services Agreement between the Company and the Manager dated August 20, 2020, which we refer to as the "Manager Agreement." The provisions of the Manager Agreement are attached as "Schedule A" of the Manager Agreement, which is attached as Exhibit A-6B.

The LLC Agreement sets forth the rights and obligations of the members of the Company and the duties of the officers and directors of the Company. The Company is a limited liability company, and the members are not personally liable for the debts and obligations of the Company. The Company is a Delaware limited liability company, and the members are not personally liable for the debts and obligations of the Company. The Company is a Delaware limited liability company, and the members are not personally liable for the debts and obligations of the Company. The Company is a Delaware limited liability company, and the members are not personally liable for the debts and obligations of the Company.

No member shall be liable for the debts and obligations of the Company, except to the extent of the member's investment in the Company. The Company is a Delaware limited liability company, and the members are not personally liable for the debts and obligations of the Company.

The duties of the members of the Company are set forth in Section 6 of the LLC Agreement.

Obligation to Contribute Capital

Each member shall contribute to the Company the amount of capital specified in the Certificate of Incorporation. However, if a member is unable to contribute the full amount of capital, the member shall be liable for the amount of capital contributed by the other members.

Personal Liability

No member shall be personally liable for the debts and obligations of the Company.

Distributions

The assets of the Company shall be distributed to the members in accordance with the following provisions: "Section 8 of the Certificate of Incorporation."

Transfers and First Right of Refusal

If a member transfers all or part of its interest in the Company to a third party, the member shall first offer the interest to the other members of the Company. If the other members do not purchase the interest, the member may transfer the interest to the third party.

If a member transfers all or part of its interest in the Company to a third party, the member shall first offer the interest to the other members of the Company.

Death, Disability, Etc.

If a Investor who shall be g (as opposed to a Investor as a separate) should become incapacitated, the Investor's, or its successor's, or the Investor's estate shall have the right to appoint a successor.

Fees to Manager and Affiliates

The Company shall pay the fees and expenses of the Manager, as set forth in the "Compensation of Manager"

Mandatory Redemption

The Manager may cause the Company to redeem (purchase) the Shares owned by a Investor who is a "Qualified Investor" (effective date of the deed) as described in the "Section 8(b) Mandatory Redemption"

"Drag-Along" Right

If the Manager shall so elect by the Company, it may affect the sale of the assets owned by the Company as a sale of the entire Company. In the event of a sale of the Company, the Investor shall be required to sell the Shares as directed by the Manager, even if the Investor would otherwise have elected to sell the Shares as a sale of assets.

No Redemption Right

The Investor shall have no right to redeem (buy back) the Shares.

Electronic Delivery

All documents, including amended documents, shall be signed by the Company or its authorized officer.

Amendment

The Manager may amend the LLC Agreement (as, with or without effect on the future) for any of the purposes set forth below:

- Change the name of the LLC Agreement
- Add or remove any provisions
- Change the name of the Company
- Enter into the Company (including the Company) any other agreements, including amendments
- Enter into the Company to be treated as a REIT

As a condition of the purchase of the Shares, the Investor shall be deemed to have accepted the terms and conditions of the Management Agreement and the Investor shall be deemed to have accepted the terms and conditions of the Investor's Subscription Agreement.

As a condition of the purchase of the Shares, the Investor shall be deemed to have accepted the terms and conditions of the Investor's Subscription Agreement.

Information Rights

Within 120 days after the end of each fiscal year of the Company, we will provide the Investor with (i) a statement of the company's financial condition, (ii) a statement of the company's assets and liabilities, (iii) a statement of the company's income and expenses, and (iv) a description of the company's business.

In addition, each year the Company will provide the Investor with a detailed statement of the company's financial condition.

- The fees paid to the Management Agreement shall be as follows:
- Any amount shall be the Company's responsibility.

In each case, the detailed statement will describe the services performed and the cost of such services.

Within 60 days after the end of each fiscal year, we will also provide the Investor with a copy of the company's financial statements, including a copy of the company's balance sheet, income statement, and cash flow statement.

As a "Level 2" issuer under Regulation A, the Company may also be required to provide the Investor with additional information regarding the company's financial condition, including a copy of the company's financial statements, including a copy of the company's balance sheet, income statement, and cash flow statement.

The Investor's agreement to purchase the Shares shall constitute the entire agreement between the Investor and the Company.

Summary of Management Agreement

DF Management, LLC, a Delaware limited liability company, is designated as the "manager" of the Company under the LLC Agreement. Under Section 5.2 of the LLC Agreement, the Manager shall:

Exercise all powers and discretion to manage the business, affairs and operations of the Company, to make decisions and to execute any contracts or other instruments on behalf of the Company, and to perform any and all other acts necessary to carry out the business of the Company's business.

The Company and the Manager entered into a contract dated August 20, 2020, which we refer to as the "Management Agreement." The Management Agreement describes the general duties of the Manager, and also describes the Manager's compensation. However, the terms of the Management Agreement are set forth in the separate Schedule of Fees of the LLC Agreement, the Manager's compensation is set forth in the Management Agreement.

The Management Agreement is set forth in Exhibit 1A-6B.

The duties of the Manager include the following, as governed by, according to and subject to the provisions, and the agreements or other documents of the Company:

- Conduct the business of the Company
- Establish the policies and procedures of the Company
- Oversee the general management of the Company
- Arrange for the financing of the Company
- Review the performance of the Company
- Keep the books and records of the Company
- Manage the Company's personnel
- Manage the Company's real estate
- Conduct the general business of the Company
- Determine the policies to be adopted by the Company
- Manage the Company's technology
- Make the general and specific investments of the Company as a REIT and as a company for other purposes
- Comply with SEC regulations
- Manage the Company's investments
- Handle the property of the Company
- Engage the professional services, accountants, auditors and other professionals
- Enter into contracts on behalf of the Company

The compensation of the Manager is described in the "Compensation of Manager" section.

The Management Agreement will be effective as of the date of the Management Agreement of the Company under the LLC Agreement.

FEDERAL INCOME TAX CONSEQUENCES

The following analyses of the Federal income tax consequences of the Company's Dividends Trust are based on the Internal Revenue Code (the "Code"), Regulations thereunder, the Service ("Regulations"), and applicable case law, as they exist today. There are, of course, Federal income tax consequences of acquiring Class A Shares, including the effect of

This analysis may, applicable to the Company's Trust. We encourage you to consult with your own advisor before vesting.

Federal Income Taxation of the Company

We intend to be taxed as a "real estate investment trust," or "REIT," beginning with the year

Assuming that we qualify as a REIT, the Company will be subject to Federal income tax on the company's taxable income. The Company will, however, be subject to Federal income tax on

- We will be taxed as a company on any dividends paid to REIT shareholders, including dividends paid to capital gain
- A REIT may be subject to a "taxable" tax
- If we are (i) a company or (ii) a trust of "foreign entities" with respect to any foreign source of income, we will be subject to a tax on the company's or trust's foreign source of income, including dividends, interest, and other income, at a rate of 100% of the company's or trust's foreign source of income
- If we are a company or a trust that is a REIT, despite the fact that we are 75% or 95% controlled (as defined below), we will be subject to a 100% tax on the company's or trust's (a) gross income before the effect of the company's or trust's 75% or 95% of controlled income, plus (b) a specified amount
- If we are a company or a trust that is a REIT, despite the fact that we are REIT assets (as defined below), we will have to pay a tax on the company's or trust's gross income before the effect of the company's or trust's 75% or 95% of controlled income, plus (b) a specified amount

- A REIT will be subject to a 40% excise tax if it fails to make certain distributions each calendar year.
- A 35% tax will be imposed on the excess of the total cash available for distribution over the REIT's
- If a REIT acquires an asset for a Corporation (i.e., generally a corporation subject to corporate-level tax) that is a REIT's controlled entity, the REIT's basis in the asset will be reduced by the REIT's share of the asset's depreciation (the REIT's share of the asset's depreciation will be reduced by the REIT's share of the asset's depreciation). The REIT's adjusted basis in the asset will be the asset's adjusted basis less the REIT's share of the asset's depreciation.
- A REIT will be subject to a tax equal to 100% of the excess of the REIT's adjusted basis in the asset over the REIT's share of the asset's depreciation.
- A REIT will be subject to the same tax as a corporation if it fails to pay dividends to its shareholders.

If we failed to satisfy one or more of the conditions described above, we might nevertheless be treated as a REIT under the "effective" provisions. Otherwise, we would be subject to the same tax as a corporation, and would be subject to the same tax as a corporation.

Requirements for Qualifying as a REIT

To qualify as a REIT, we must be organized as a REIT and meet the requirements of the Code, including the requirements of the Code.

Organizational Requirements

The Code defines a REIT as a corporation, trust, or association

- Managed by one or more shareholders
- The beneficiaries of the trust or association are, or the beneficiaries of the trust or association are

- W c (b fo sec o s 856 o g 859 of e Code) wo d be axabe as a do es c co po a o
- W c s e e a f a c a s o o a s a ce co pa y w e ea g of e app cab e p o v s o s of e Code
- T e b e f c a o w e s p o f w c s e d b y a e a s 100 p e s o s
- D g e a s a f o f e a c a x a b e y e a , s o c o s e y e d , i . e . , o o e a 50% o f e v a e o f s o s a d g s o c k s o w e d , d e c y o d e c y , b y o f o f v e o f e w e “ d v d a s , ” a s d e f e d e Code o c d e c e a e e s
- F e s a e e c o o c o e s s c e e c o o b e a x e d a s a R E I T o s e f o e a c a x a b e y e a
- U s e s e c a e d a y e a s s a x a b e y e a a d
- M e e s o e e s d e s c b e d b e o w , c d g w e s p e c o e a e o f s a s s e s a d c o e a d e a o o f s d s b o s

Income Test Requirements

To a a q a f c a o a s a R E I T , o a a a b a s w e s s e e f o o w g w o g o s s c o e e q e e s

- A e a s 75% o f o g o s s c o e f o e a x a b e y e a s b e d e v e d f o , a o g o e g s , e s f o e a p o p e y (w s o e e x c e p o s) , e e s o o b g a o s s e c e d b y o g a g e s , a d c e a g a s o e s a e s o f p o p e y
- I a d d o o d e v g 75% o f o g o s s c o e f o , a o g o e g s , e s o c e s s e d a b o v e , a e a s 95% o f e R E I T ' s g o s s c o e f o e a x a b e y e a s b e d e v e d f o e a b o v e - d e s c b e d q a f y g c o e , o f o d v d e d s , e e s o g a s f o e s a e o d s p o o f s o c k o o e s e c e s a a e o d e a e p o p e y

To s a s f y e g o s s c o e e q e e s a y “ e s f o e a p o p e y ” e c e v e d s e e f o o w g c o d o s

- T e a o o f e s o b e b a s e d w o e o p a o e c o e o p o f s o f a y p e s o , b c a b e b a s e d o a f x e d p e c e a g e o f e c e p s o s a e s
- T e e c a o b e f o a e a o f w c w e a d o a f f a e s o w 10% o o e o f () e o a c o b e d v o g p o w e o f a c a s s e s o f v o g s o c k , o o a v a e o f s a e s o f a c a s s e s o f s o c k , f a c o p o a e e a , o () e e e s e a s s e s o e p o f s o f a e y , f o a c o p o a e e a

- The e ca o be a b abe o pe so a p ope y ess s eased co ec o w ea p ope ya d e e a b abe o s c pe so a p ope y s ess a o eq a o 15% of e o a e ece ved fo e axab e yea a b abe o bo e ea a d pe so a p ope y eased de s c ease a d
- The e ca o be a b abe o se vces f s ed o e de ed co ec o w e e a of ea p ope y, ess s c se vces a e c s o a y p oved co ec o w e e a of ea p ope y, w e e o o s c c a ges a e se pa a e y s a ed

We do o a c pa e d v g e a b abe o pe so a p ope y eased co ec o w ea p ope y a exceeds 15% of e o a e a b abe o s c ease

We ay p oved ce a se vces w espec o o p ope es We be eve a ese se vces w o y be of e ype a a e s a y o c s o a y e de ed co ec o w e e a of space fo occ pa cy a d a a e o o ew se e de ed o e e a s T e e fo e, we be eve a e p ovs o of s c c s o a y se vces w o ca se e s ece ved w espec o o p ope es o fa o q a fy as “e s fo ea p ope y” No -c s o a y se vces a d se vces e de ed p a y fo e e a s'co ve e ce w be p oved by a de pe de co ac o o a axab e REIT s bs da y o avo d jeopa d z g e q a fca o of e as “e s fo ea p ope y”

Excep fo a o s ece ved w espec o ce a ves e s of cas ese ves, we a c pa e a s bs a a ya o fo goss co ew be de ved fo so ces a w a ow s o s a sfy e co e es s desc bed above oweve, we ca ake o ass a ce s ega d

Asset Test Requirements

A e cose of eac q a e of e axab e yea, we s a so s a sfy e fo ow g fo es s e a ed o e a e a d d v e s fca o of o asse s

- A eas 75% of e va e of o o a asse s s be ep ese ed by ea e a e asse s, cas a d cas e s (c d g ece vabes) a d gove e sec es
- No o e a 25% of e va e of o o a asse s ca be ep ese ed by sec es (o e a ose sec es c d be e 75% asse es)
- No o e a 20% of e va e of o o a asse s ca be ep ese ed by sec es of o e o e axab e REIT s bs da es a d
- W e excep o of axab e REIT s bs da es a d ose sec es c d be de e 75% asse es, we ay o ow
 - o Sec es of a y o e s s e w ose va e exceeds 5% of e va e of o o a asse s
 - o Mo e a 10% of a y o e s s e's o s a d g vo g sec es a d
 - o Mo e a 10% of e va e of e o s a d g sec es of a y o e s s e

Annual Distribution Requirements

To qualify as a REIT, we must meet the following requirements:

- We must distribute (i.e., pay) at least 90% of our REIT taxable income (computed without regard to dividends paid to us by our subsidiaries), and (ii) 90% of the excess of our ordinary income over our expenses, to our investors.
- We must distribute at least 85% of our ordinary income and 95% of our capital gain income to our investors.
- We may not dispose of any assets in a taxable sale to a related party.

We expect that our REIT taxable income will be less than our cash flow due to the effect of depreciation and other non-cash charges. Accordingly, we anticipate that we may have a cash flow deficit in some years. If we have a cash flow deficit, we may have to borrow money to pay our investors, or we may have to reduce our distributions to our investors.

Taxation Of Investors

How Income is Reported To Investors

Each investor will receive a Form 1099 from the Company each year, and a statement of the amount of income, expenses, and other items reported to the investor on the Form 1099 from the Company.

Taxation of Distributions

Distributions to investors are a "capital dividend" will be treated as taxable dividends to the extent of the Company's current and accumulated earnings. To the extent that we have a cash flow deficit, distributions will be treated as a tax-free return of capital, and investors' basis will be reduced. If we have a cash flow deficit, we may have to borrow money to pay our investors, or we may have to reduce our distributions to our investors.

Dividends are declared October, November, or December of a year payable on the first day of the month following the date of declaration. Dividends are paid by check or wire transfer to the registered owner of the shares as of record on the date of payment.

Dividends for the Company *not* be treated as "qualified dividends," which are eligible for lower tax rates (generally the same rates that apply to ordinary income).

"Qualified dividends" will be reported as gross income to the investor (and may also be subject to additional taxes for the investor), which will be reported on the investor's Form 1099-DIV.

Taxation of Losses

Because the Company is taxed as a corporation, and as a pass-through entity, the investor's share of the company's losses will be reported on the investor's Form 1099-DIV.

Additional Medicare Tax

High-income taxpayers are subject to an additional 3.8% tax on the "net investment income" of the investor. The investor's share of the company's net investment income will be reported on the investor's Form 1099-DIV.

Tax on Sale of Class A Investor Shares

An investor who sells Class A Investor Shares generally will realize a capital gain or loss equal to the difference between the sale price and the investor's adjusted basis in the Class A Investor Shares. If the investor has owned the Class A Investor Shares for a year, a long-term capital gain will be realized on the sale.

Passive Activity Losses

Taxable distributions for the Company will be treated as "passive activity income" under Code section 469 and may be offset against losses from passive activities.

Withholding Taxes

We will be required to withhold federal income taxes from distributions to investors as required by law. We will provide a Form 1099-DIV to each investor.

Eac I ves o s e e epo Co pa y e so s ax e co sse w e ea e o e fo a o e of eCo pa yo fe a s a e e w s ax e de fy g a d exp a g e co sse cy O ewse e IRS ay ea s c co sse cy as a co p a o a e o a d e-co p e a d assess e ax w o e s a p oced a p oced o s app cab e o fede a co e ax def e c y p oced gs

T eMa age w se veas e“ax a espa e”of eCo pa ya dw ge e a y co o a p oced gs w e IRS

T eCode poses ees a d a va e y of po e a pe a es o de pay e s of ax

Other Tax Consequences

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LEGAL PROCEEDINGS

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Ne e eCo pa y sef, eMa age, eSpo so, o a y of e espec ve e p oyees, off ce s, d ec o s, a age s, o e bes s, o e k ow edge of eCo pa y, c e y es bjec of a y ves ga o o p oced gs by a y gove e a a o es

TESTING THE WATERS MATERIALS

Befo e e Offe g s q a fed by e SEC, we g e gage w a s co o y e fe ed o as “es g e wa es” de 17 CFR §230.255 Fo exa p e, we g ask fo exp ess o s of ees va e S e

I acco da ce w e SEC’s es, a of o co ca o s w po e a ves o s w

- S a e a o o ey o o e co s de a o s be g so c ed, a d f se espo se, w o be accep ed
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- S a e a a pe so ’s dca o of ees vo ves o ob ga o o co e of a y k d a d
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 - o S a e fo w o a copy of e os ece ve s o of e Pe ay Offe g C c a ay be ob a ed, c d g a p o e be a d add ess of s c pe so
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MANAGEMENT DISCUSSION

Operating Results

The Company was created on August 20, 2020. The Company is a corporation organized under the laws of the State of California.

Liquidity and Capital Resources

The Company is seeking to raise up to \$50,000,000 of capital through the sale of common stock.

The Company does not currently have any capital resources. We expect to deploy a portion of the capital we raise through the offering to acquire additional assets, as described in the "Use of Proceeds" section on page 42. Should we need to raise additional capital in the future, we could raise additional capital through the sale of common stock. In selling common stock, we will be subject to the provisions of the Securities Act. For example, we are obligated to register the sale of \$50,000,000 of securities under the Securities Act.

Plan of Operation

Having raised capital through the offering, the Company will operate as a general partnership, as described in the "Organizational Structure" section.

When we raise \$50,000,000 through the offering, we will be able to proceed with the offering of our securities. If we raise less than \$50,000,000, we will likely have fewer assets to offer and we will have to decide how to raise the remaining capital, which may be more difficult to do.

DF GROWTH REIT, LLC

Delaware Limited Liability Company

F a c a S a e e s a d I d e p e d e A d o ' s R e p o

A g s 6, 2020 (c e p o)

DF Growth REIT II, LLC

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INDEPENDENT AUDITOR'S REPORT

To the Management
of DF Growth REIT II, LLC

We have audited the accompanying balance sheet of DF Growth REIT II, LLC (a Delaware limited liability company), which comprises the balance sheet as of August 6, 2020 (captioned) and related notes to the financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, including the design, implementation, and maintenance of internal control over financial reporting that is deemed necessary by management to allow the preparation and fair presentation of the financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on the financial statements based on our audit. We conducted our audit in accordance with the standards of the American Institute of Certified Public Accountants (AICPA) and the standards of the Public Company Accounting Oversight Board (PCAOB) that apply to audits of financial statements of public companies. We are not a member firm of the PCAOB.

As a result of our audit, we have concluded that the financial statements of DF Growth REIT II, LLC are presented fairly in all material aspects in accordance with accounting principles generally accepted in the United States of America. We have issued this report as a result of our audit. We have not audited the financial statements of any of the entities included in the consolidated financial statements of DF Growth REIT II, LLC.

We have also audited the internal control over financial reporting of DF Growth REIT II, LLC as of August 6, 2020, and have issued a separate report on that audit.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material aspects, the financial position of DF Growth REIT II, LLC as of August 6, 2020 (captioned), and the results of its operations and its cash flows for the period then ended, in accordance with accounting principles generally accepted in the United States of America.

Substantial Doubt about the Company's Ability to Continue as a Going Concern

The accompanying financial statements of DF Growth REIT II, LLC were prepared on the basis of the assumptions and estimates inherent in the financial statements. The financial statements do not include any adjustments that might be necessary to the carrying amounts of assets and liabilities or the recognition, measurement, and classification of assets and liabilities to reflect the results of operations and cash flows that would be realized if the Company were to liquidate its assets and discharge its liabilities.

/s/ Haynie & Company

Haynie & Company
Salt Lake City, UT
September 23, 2020



DF Growth REIT II, LLC
 Balance Sheet
 As of August 6, 2020 (inception)

	<u>As of August 6, 2020</u>
ASSETS	
Deferred Offering Costs	\$ 14,029
TOTAL ASSETS	\$ 14,029
LIABILITIES AND EQUITY	
LIABILITIES	
Accounts Payable	\$ 14,029
TOTAL LIABILITIES	\$ 14,029
TOTAL LIABILITIES AND EQUITY	\$ 14,029

The accompanying notes are an integral part of these financial statements.

DF Growth REIT II, LLC
Notes to the Financial Statements
August 6, 2020 (inception)

Note 1 – Nature of Operations

DF Growth REIT II, LLC (the "Company") was established by the Company on August 6, 2020. The Company was formed for the purpose of investing in and operating real estate properties.

As of August 6, 2020 (inception), the Company has completed the acquisition of the Company's assets and liabilities. The Company's activities consist of the acquisition, development, and operation of real estate properties. The Company's operations are dependent upon the successful development and operation of its properties.

The Company is managed by DF Management, LLC, ("Management"), which is a subsidiary of the Company's sponsor, Diversified, LLC ("Sponsor").

Management does not have any financial interest, but it is effective, according to the management agreement, in the operation of the Company. Management is compensated for its services.

Note 2 – Summary of Significant Accounting Policies

Basis of Presentation

The accompanying financial statements of the Company are prepared in accordance with the United States of America (GAAP).

The Company adopted the calendar year as its basis of accounting.

Use of Estimates

The preparation of the financial statements in accordance with GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities.

Cash Equivalents and Concentration of Cash Balance

The Company's cash and cash equivalents are held in a bank account. The Company's cash and cash equivalents are subject to credit risk.

Deferred Offering Costs

The Company's deferred offering costs are recorded in accordance with FASB ASC 340-10-S99-1. The Company's deferred offering costs are \$14,029 as of August 6, 2020 (inception).

Fair Value of Financial Instruments

F a c a A c c o u n t i n g S a d a d s B o a d ("FASB") g d a c e s p e c i f e s a e a c y o f v a o e c q u e s b a s e d o w e e e p s o o s e v a a o e c q u e s a e o b s e v a b e o b s e v a b e O b s e v a b e p s e f e c a k e d a a o b a e d f o d e p d e s o c e s, w e o b s e v a b e p s e f e c a k e a s s p o s T e e a c y g v e s e g e s p o y o a d j s e d q o e d p c e s a c v e a k e s f o d e c a a s s e s o a b e s (L e v e 1 e a s e e) a d e o w e s p o y o o b s e v a b e p s (L e v e 3 e a s e e) T e e e v e s o f e f a v a e e a c y a e a s f o o w s

L e v e 1 - U a d j s e d q o e d p c e s a c v e a k e s f o d e c a a s s e s o a b e s a e e p o g e y a s e a b y o a c c e s s a e e a s e e d a e L e v e 1 p a y c o s s s o f f a c a s e s w o s e v a e s b a s e d o q o e d a k e p c e s c a s e x c a g e - a d e d s e s a d s e d e q u e s

L e v e 2 - I p s o e a q o e d p c e s c d e d w L e v e 1 a a e o b s e v a b e f o e a s s e o a b y, e e d e c y o d e c y (e g, q o e d p c e s o f s a a s s e s o a b e s a c v e a k e s, o q o e d p c e s f o d e c a o s a a s s e s o a b e s a k e s a a e o a c v e)

L e v e 3 - U o b s e v a b e p s f o e a s s e o a b y F a c a s e s a e c o s d e e d L e v e 3 w e e f a v a e s a e d e e d s g p c g o d e s, d s c o e d c a s f o w s o s a e c q u e s a d a e a s o e s g f c a o d e a s s p o o p s o b s e v a b e

Revenue Recognition

T e C o p a y e c o g z e s e v e e w e (1) p e s a s v e e v d e c e x s s o f a a a g e e w e c s o e e f e c g e e s a d c o d o s d e w c p o d c s o s e v c e s w b e p o v d e d (2) d e v e y a s o c c e d o s e v c e s a v e b e e p o v d e d (3) e f e e s f x e d o d e e a b e a d (4) c o e c o s e a s o a b y a s s e d N o e v e e a s b e e e a e d o e c o g z e d a s o f A g s 6, 2020 (c e p o)

Organizational Costs

I a c c o d a c e w F a c a A c c o u n t i n g S a d a d s B o a d (FASB) A c c o u n t i n g S a d a d s C o d f c a o (ASC) 720, o g a z a o a c o s s, c d g a c c o u n t i n g f e e s, e g a f e e s, a d c o s s o f c o p o a o, a e x p e s e d a s c e d T e C o p a y a s o c e d a y o g a z a o a c o s s a s o f A g s 6, 2020 (c e p o)

Income Taxes

T e C o p a y s a e d a b y c o p a y A c c o d g y, d e e I e a R e v e e C o d e, a a x a b e c o e o s s f o w s o g o s e b e s T e e f o e, o p o v s o f o c o e a x a s b e e e c o d e d e s a e e s I c o e f o e C o p a y s e p o e d a d a x e d o e e b e s o e d v d a a x e s

T e C o p a y c o p e s w F A S B A S C 740 f o a c c o u n t i n g f o c e a y c o e a x e s e c o g z e d a c o p a y ' s f a c a s a e e s, w c p e s c b e s a e c o g o e s o d a d e a s e e p o c e s s f o f a c a s a e e e c o g o a d e a s e e o f a a x p o s o a k e o e x p e c e d o b e a k e a a x e F o o s e b e e f s o b e e c o g z e d, a a x p o s o s b e o e - k e y - a - o o b e s s a e d p o e x a a o b y a x g a o e s F A S B A S C 740 a s o p o v d e s g d a c e o d e e c o g o, c a s s f c a o, e e s a d p e a e s, a c c o u n t i n g e p e o d s, d s c o s e a d a s o B a s e d o e C o p a y ' s e v a a o, a s b e e c o c d e d a e e a e o s g f c a o c e a a x p o s o s e q g e c o g o e C o p a y ' s f a c a s a e e s T e C o p a y b e e v e s a s c o e a x p o s o s w o d b e s s a e d o a d a d d o e s o a c p a e a y a d j s e s a w o d e s a a e a c a g e o s f a c a p o s o

T e C o p a y a y e f e b e c o e s b j e c o f e d e a, s a e a d o c a c o e a x a o o g a s o b e e s c e s c e p o T e C o p a y s o p e s e y s b j e c o a y c o e a x a d a y a x g j s d c o

Net Earnings or Loss per Unit

Net earnings or loss per unit is computed by dividing net income or loss by the weighted-average number of shares outstanding, excluding shares held by the company and its subsidiaries. Net earnings or loss per unit is calculated on a diluted basis, assuming the exercise of all convertible securities and the conversion of all convertible preferred stock.

Note 3 – Going Concern

The accompanying balance sheet as of December 31, 2020, and the related financial statements, are prepared on a going concern basis, which contemplates the realization of assets and the satisfaction of liabilities in the normal course of business. The Company's ability to continue as a going concern is dependent upon the Company's ability to obtain additional financing and to successfully execute its business plan.

Note 4 – Member's Equity / (Deficit)

Members' equity consists of the amount of capital contributed to the Company as of December 31, 2020.

The debt obligations of the Company, including the debt obligations of the Company's subsidiaries, are recorded on the balance sheet as liabilities.

Note 5 – Subsequent Events

Management has evaluated subsequent events through September 23, 2020, and has determined that there are no subsequent events that require adjustment to the financial statements.

Note 6 – Miscellaneous Items

On January 30, 2020, the World Health Organization declared the outbreak of COVID-19 a "Public Health Emergency of International Concern." As of March 10, 2020, the outbreak has spread to all states and territories of the United States. The outbreak of COVID-19 has caused a global economic downturn and has resulted in the closure of many businesses. The Company's operations are also affected by the outbreak of COVID-19. The Company's management is actively monitoring the situation and is taking steps to minimize the impact of the outbreak on the Company's operations.

GLOSSARY OF DEFINED TERMS

<i>1940 Act</i>	T e I v e s e C o p a y A c o f 1940
<i>ADA</i>	A e c a s w D s a b e s A c o f 1990
<i>Class A Investor Shares</i>	T e e d a b y c o p a y e e s s e C o p a y a a e b e g o f f e d o e p b c e O f f e g
<i>Common Shares</i>	T e e d a b y c o a y e e s s e C o a y o w e d b y e S o s o
<i>Code</i>	T e I e a R e v e e C o d e o f 1986, a s a e d e d (i.e., e F e d e a a x c o d e)
<i>Company</i>	D F G o w R E I T I I L L C, a e d a b y c o p a y f o e d d e e a w s o f D e a w a e
<i>Growth REIT I</i>	D F G o w R E I T L L C, a a f f a e o f e S o s o a a s o f f e d a d s o d s e c e s d e R e g a o A
<i>Investor</i>	A y o e w o c a s e s C a s s A I v e s o S a e s e O f f e g
<i>Management Agreement</i>	T e a g e e e c a p o e d "M a g e e S e v c e s A g e e e " d a e d A g s 20, 2020 b y a d b e w e e e C o p a y a d e M a g e
<i>Manager</i>	D F M a g e , L L C
<i>Members</i>	T e o w e s o f e C o p a y U d e e D e a w a e L e d L a b y C o p a y A c , e o w e s o f a e d a b y c o p a y a e e f e d o a s " e b e s "
<i>Offering</i>	T e o f f e g o f C a s s A I v e s o S a e s o e p b c p s a o s O f f e g C c a
<i>Offering Circular</i>	T e O f f e g C c a y o a e e a d g g o w , w c c d e s f o a o a b o e C o p a y , e C o p a y , a d e O f f e g
<i>LLC Agreement</i>	T e a g e e e b y a d a o g e C o p a y a d a o f s e b e s c a p o e d "L e d L a b y C o p a y A g e e e " a d d a e d A g s 20, 2020
<i>Project Entity</i>	A e d p a e s p , e d a b y c o p a y , o o e e g a e y f o e d o o w a e a e s a e p o j e c
<i>Promoted Interest Regulations</i>	T e e c o c g o f e S p o s o s a e e p o f s o f e C o p a y , o v e a d a b o v e s g s a s a I v e s o R e g a o s s e d d e e C o d e b y e I e a R e v e e S e v c e
<i>Regulation D Program</i>	A o f f e g c o d c e d b y e S p o s o o o e o f s a f f a e s a v o v e d a s g o e y f o v e s o s d e R e g a o D (17 C F R § 230.500 e t s e q) a d v e s g e a e s a e
<i>REIT</i>	R e a E s a e I v e s e T s , a s d e f e d s e c o 856 o f e C o d e
<i>Shares</i>	T e e d a b y c o p a y e e s s e C o p a y , w c a e d v d e d o w o c a s s e s C o o S a e s a d I v e s o S a e s
<i>Site</i>	T e I e e s e o c a e d a w w w D v e s y F d c o
<i>Sponsor</i>	D v e s y F d , I c

FORM 1-A

Regulation A Offering Statement

Part III – Exhibits

DF GROWTH REIT, LLC

750 B Street
Suite 1930
San Diego, CA. 92101
(858) 430-8528
www.DiversyFund.com

January 19, 2021

The following Exhibits are filed as part of the Offering Statement

<i>Exhibit 1A-2A</i>	Certificate of Incorporation
<i>Exhibit 1A-2B</i>	LLC Agreement The agreement entered into by and on behalf of the Company and of the subscribers to the Limited Liability Company Agreement dated August 20, 2020
<i>Exhibit 1A-2C</i>	Authorizing Resolution The resolution adopted by the Management Committee of the Company dated August 20, 2020
<i>Exhibit 1A-6A</i>	Investment Agreement The agreement entered into by each Investor to acquire a Class A Investment Shares
<i>Exhibit 1A-6B</i>	Management Agreement The agreement entered into by and between the Company and the Management dated August 20, 2020
<i>Exhibit 1A-11</i>	Consent of Independent Auditor
<i>Exhibit 1A-12</i>	Legal Opinion of LexNova Law LLC
<i>Exhibit 1A-15</i>	Organizational Chart of the Company
<i>Exhibit 1A-15.1</i>	Offering Circular dated October 30, 2020 filed pursuant to Rule 252(d)
<i>Exhibit 1A-15.2</i>	Resolutions of the Company
<i>Exhibit 1A-15.3</i>	Letter to SEC dated November 24, 2020
<i>Exhibit 1A-15.4</i>	Letter to SEC dated January 8, 2021

SIGNATURES

Part of the proceeds of Reg A+ offering as set forth in the offering circular, as amended, of the Company, dated January 19, 2021.

DF Growth REIT II, LLC

By: DF Manager, LLC, as Manager

By: Diversified, Inc., as Manager

By: /s/ Craig Ceco
Craig Ceco, Chief Executive Officer

This offering is being sold by the following persons in capacities as described below:

/s/ Aa Lewis
Aa Lewis
Director of Investment Office of Diversified, Inc.
(Accounting and Finance Officer and
Principal Accounting Officer)
January 19, 2021

/s/ Craig Ceco
Craig Ceco
Director of Executive Office of Diversified, Inc.
January 19, 2021

DF GROWTH REIT II, LLC

AUTHORIZING RESOLUTION

Class A Investor Shares

The undersigned, being the Manager of DF Growth REIT II, LLC, a Delaware limited liability company (the "Company"), hereby adopts the following as an "Authorizing Resolution" pursuant to section 3.2 of the Limited Liability Company Agreement dated August 6, 2020 (the "LLC Agreement")

1 Definitions Capitalized terms that are not otherwise defined in this Authorizing Resolution shall have the meanings given to them in the LLC Agreement

2 Authorization of Class The Company shall have the authority to issue up to Seven Million Five Hundred Thousand (7,500,000) Investor Shares designated as "Class A Investor Shares," having no par value, with the rights, preferences, powers, privileges and restrictions, qualifications, and matters set forth in this Authorizing Resolution

3 Distributions

3.1 Definitions The following definitions shall apply for purposes of this section 3

3.1.1 "Affiliated Person" means the Manager, the Sponsor, Alan Lewis, Craig Ceco, and any person who would be treated as related to any of such persons under section 267(b) or section 707(b) of the Internal Revenue Code of 1986

3.1.2 "Allocated Capital" means, for any Holder, an amount equal to the Unlevered Investment of such Holder multiplied by a fraction, the numerator of which is the Net Value of the Property that was the subject of the Capital Transaction (or the sum of Net Values, if more than one Property was the subject of the Capital Transaction) and the denominator of which is the aggregate of the Net Values of all the Company's Properties

3.1.3 "Capital Contribution" means (i) for a Holder who acquired his, her, or its Class A Investor Shares directly from the Company, the amount paid for such Class A Investor Shares; and (ii) for a Holder who acquired his, her, or its Class A Investor Shares from another person, the amount paid by the person who originally purchased such Class A Investor Shares from the Company

3.1.4 "Capital Transaction" means any sale, financing, or other transaction involving one or more Properties that is customarily considered as capital

3.1.5 "Catchup Return" means, as of the date of any distribution, an amount that bears the same proportion to the aggregate Investor Preferred Return paid (not accrued) through such date as thirty-five (35) bears to sixty-five (65), i.e., approximately 53.85%

3.1.6 “Excess Distributions” means the aggregate amount of the distributions (not fees) received from the Company by an Affiliated Person, whether as the owner of Common Shares, Class A Invested Shares, or otherwise, in excess of the amount of such Affiliated Person’s Capital Contributions

3.1.7 “Founding Member” means a person who subscribes a Share upon the dissolution and liquidation of the Company, other than an Affiliated Person

3.1.8 “Gross Value” means, for any Property, the unencumbered fair market value of such Property, as estimated by the Manager. In estimating the fair market value of a Property, the Manager may rely on such sources of information as the Manager may determine to be so desired, including, without limitation, broker price opinions, transactions involving comparable Properties, and MAI appraisals

3.1.9 “Holder” means an Invested Member who owns Class A Invested Shares

3.1.10 “Invested IRR” means, for any Holder, the IRR calculated on the Capital Contributions of each Holder, measured from the date such Holder was admitted to the Company (provided that for these purposes, the Company may assume that each Holder admitted to the Company during a month was admitted on the last day of such month) and assuming that the value of the Class A Invested Shares owned by such Holder is equal to the Residual Amount. The Invested IRR of a Holder who did not acquire his, her, or its Class A Invested Shares directly from the Company shall be measured from the date the original owner of such Class A Invested Shares acquired such Class A Invested Shares from the Company, and () take into account adjustments made with respect to Class A Invested Shares, to a owner

3.1.11 “Invested Preferred Return” means a cumulative, non-compounded return of seven percent (7%) per year on the Unleveraged Investment of a Contributing Member

3.1.12 “IRR” means the internal rate of return calculated using the “XIRR” function in Microsoft Excel, taking into account a Capital Contributions and distributions

3.1.13 “Member Loans” has the meaning set forth in Section 2.3.1 of the LLC Agreement

3.1.14 “Net Value” means, for any Property, the Gross Value of such Property reduced by the amount of any liability encumbering such Property

3.1.15 “Net Capital Proceeds” means the proceeds from any Capital Transaction minus () the expenses the Company incurs with respect to the Capital Transaction, () any repayments of debt made in connection with the Capital Transaction, () brokerage commissions, and (v) other costs customarily taken into account in calculating net proceeds, and after establishing such reserves against future needs as the Manager shall determine

3.1.16 “Operating Cash Flow” means the cash flow from the operations of the Company taking into account a revenue and an expense (including but not limited to debt service and the fees and charges payable to the Manager and its affiliates), and after establishing such reserves against future needs as the Manager shall determine

3.1.17 “Private” means a private company owned by the Company, directly or through another entity.

3.1.18 “Residual Value” means, for each Holder, the amount such Holder would receive if all of the assets of the Company were sold in a Capital Transaction for the Gross Values and the Net Capital Proceeds, as determined in the schedule of the Management, along with any other cash or equivalents, distributed in accordance with this Authorizing Resolution.

3.1.19 “Target IRR” means an Investor IRR of twelve percent (12%).

3.1.20 “Unlevered Investment” means (i) for a Holder who acquired his, her, or its Class A Investor Shares directly from the Company, the Capital Contribution of such Holder reduced by the aggregate amount of any distributions received pursuant to Section 3.3.3; and (ii) for a Holder who acquired his, her, or its Class A Investor Shares from another person, the Capital Contribution of such Holder reduced by the aggregate amount of any distributions received pursuant to Section 3.3.3 by any previous owner of such Class A Investor Shares.

3.2 **Distributions of Operating Cash Flow** Within thirty (30) days after the end of each calendar month, or at such other intervals as the Management shall determine, the Company shall distribute its Operating Cash Flow as follows:

3.2.1 First, such Operating Cash Flow shall be used to repay any outstanding Member Loans.

3.2.2 Second, any remaining Operating Cash Flow shall be distributed to the Holders until each Holder has received his, her, or its Investor Preferred Return for the current year and a prior year.

3.2.3 Third, any remaining Operating Cash Flow shall be distributed to the holders of the Common Shares in an amount equal to the Catchup Return.

3.2.4 Fourth, any remaining Operating Cash Flow shall be distributed:

(a) Sixty five percent (65%) to the Holders; and

(b) Thirty five percent (35%) to the holders of the Common Shares.

3.3 **Distributions of Net Capital Proceeds** Within thirty (30) days after the end of each calendar year, or at such other more frequent intervals as the Management shall determine, the Company shall distribute its Net Capital Proceeds as follows:

3.3.1 First, such Net Capital Proceeds shall be used to repay any outstanding Member Loans.

3.3.2 Second, any remaining Net Capital Proceeds shall be distributed to the Holders until each Holder has received his, her, or its Investor Preferred Return for the current year and a prior year, provided that once a Holder has received his, her, or its Investor Preferred Return for the current year and a prior year,

3.3.3 Third, any remaining Net Capital Proceeds shall be distributed to the Holders until each Holder has received a full return of his, her, or its Allocated Capital from the Capital Transactions.

3.3.4 Fourth, any remaining Net Capital Proceeds shall be distributed to the holders of the Common Shares in an amount equal to the Catchup Return.

3.3.5 Fifth, until each Holder has achieved the Target IRR, any remaining Net Capital Proceeds shall be distributed thirty five percent (35%) to the holders of the Common Shares and sixty five percent (65%) to the Holders, provided that once a Holder has achieved the Target IRR, such Holder shall not receive any additional distribution pursuant to this paragraph.

3.3.6 Sixth, any remaining Net Capital Proceeds shall be distributed

(a) Fifty percent (50%) to the Holders; and

(b) Fifty percent (50%) to the holders of Common Shares.

3.4 Distributions Among Holders Unless otherwise indicated, any distributions to be made to the Holders as a group, or to the holders of Common Shares as a group, shall be made *pro rata* based on the number of Shares owned. However, the Management, in its sole discretion, may adjust the amount distributed to each Holder of the Class A Investor Shares owned by such Holder who are not outstanding during the period to which the distribution relates.

3.5 Clawback

3.5.1 In General If, upon the liquidation and dissolution of the Company, any Former Holder has received an Investor IRR of less than seven percent (7%), then each Affiliated Person who has received an Excess Distribution shall contribute to the Company such Excess Distributions and such Excess Distributions shall be distributed to such Former Holder until each Former Holder has received an Investor IRR of seven percent (7%).

3.5.2 Pro Rate Contributions and Distributions An Excess Distribution received by Affiliated Persons shall be contributed pursuant to section 3.5.1 on a *pro rata* basis, based on the total amount of Excess Distributions each Affiliated Person has received. Similarly, an Excess Distribution to Former Holders pursuant to section 3.5.1 shall be distributed on a *pro rata* basis, based on the amount equated for each Former Holder to receive an Investor IRR of seven percent (7%).

3.6 Calculations All calculations required by this section shall be made by an accounting firm selected by the Management, and, in the absence of fraud, its calculations shall be final and not subject to dispute.

4 Price In the event, the Class A Investor Shares shall be offered to the public for Ten Dollars (\$10.00) for each Class A Investor Share. The price may be increased or decreased by the Management based on changes in the Net Asset Value.

5 **Manner of Offering** In t a y, the Cass A Investo Sha es sha e offe ed to the pub c n an offe ng unde Te 2 of Regu at on A ssued by the Secu t es and Exchange Commss on Howeve , Cass A Investo Sha es may a so be offe ed and so d pub c y o p vate y n othe offe ngs as dete mned by the Manage

6 **Amendment of Rights** The Company sha not amend, a te o repea the p efe nces, spec a ghts, o othe powe s of the Cass A Investo Sha es so as to affect adve se y the Cass A Investo Sha es v s-à-v s the Common Sha es o any othe se es of Investo Sha es, w thout the consent of the ho de s of a majo ty of the then-outstand ng Cass A Investo Sha es

7 **Other Class** The Company may ssue one o mo e se es of Investo Sha es w th ghts supe o to those of the Cass A Investo Sha es, p ov ded that Sha es of such se es may not be owned by the Manage o ts aff ates W thout mt ng the p eced ng sentence, the Company may ssue a se es of Investo Sha es whose ho de s have the ght to ece ve d st but ons befo e any d st but ons a e made to the ho de s of the Cass A Investo Sha es

8 **Preemptive Rights** Ho de s of the Cass A Investo Sha es sha have no p eemptve ghts o othe ghts to subsc be o pu chase add tona secu t es of the Company

DATED August 20, 2020

DF MANAGER, LLC

By D ve syFund, Inc , Manage

By /s/ A an Lew s

A an Lew s, Ch ef Investment Off ce

CONSENT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

We hereby consent to the use of our report dated September 23, 2020, on the financial statements of DF Growth REIT II, LLC as of August 6, 2020 (referred to herein) on the Regulation A Offering Circular of DF Growth REIT II, LLC on Form 1-A.

/s/ Hayne & Company

Salt Lake City, Utah
October 30, 2020



UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

DIVISION OF
CORPORATION FINANCE

January 8, 2021

Carole C. O'Connell
Chief Executive Officer
DF Growth REIT II, LLC
750 B Street, Suite 1930
San Diego, CA 92101

**Re: DF Growth REIT II, LLC
Offering Statement on Form 1-A
Filed December 23, 2020
File No. 024-11394**

Dear Ms. C. O'Connell:

We have reviewed your offering statement and have the following comments. In some of our comments, we may ask you to provide us with information so we may better understand your disclosure.

Please respond to this letter by amending your offering statement and providing the requested information. If you do not believe our comments apply to your facts and circumstances or do not believe an amendment is appropriate, please let us know why in your response. After reviewing any amendment to your offering statement and the information you provide in response to these comments, we may have additional comments. Our references to prior comments are to comments in our November 24, 2020 letter.

Form 1-A filed December 23, 2020

Form Section Provisions, page 11

1 We note your response to prior comment 1. Please advise your Investment Agreement and Limited Liability Company Agreement exhibits to reconcile to your disclosure in the offering circular.

Disclosures, page 41

2 We note your response to prior comment 3. Please advise your disclosure to clarify your disclosure on policy, including how losses are allocated.

Financial Statements, page 69

3 In your next amendment, please include audited financial statements in accordance with Part F/S of Form 1-A

Signatures, page 72

4 We reissue your comment 5. Please indicate the office acting in the capacities of principal financial officer and principal accounting officer. We note your disclosure on page 27 that Alan Lewis is your chief financial officer.

We will consider qualifying your offering statement at your request. If a participant in your offering is entitled to certain compensation arrangements with FINRA, please have FINRA advise us that it has no objections to the compensation arrangements prior to qualification.

We remind you that the company and its management are responsible for the accuracy and adequacy of the disclosures, notwithstanding any review, comments, or absence of action by the staff. We also remind you that, following qualification of your Form 1-A, Rule 257 of Regulation A requires you to file periodic and current reports, including a Form 1-K which will be due within 120 calendar days after the end of the fiscal year covered by the report.

You may contact Jeffrey Lewis at 202-551-6216 or Shannon Menjva at 202-551-3856 if you have questions regarding comments on the financial statements and related matters. Please contact Ruairi Regan at 202-551-3269 or Brigitte Lippmann at 202-551-3713 with any other questions.

Sincerely,

Division of Corporation Finance
Office of Real Estate & Construction

cc: Mark Rodeck, Esq.

Division of Enforcement's Exhibit 9



UNITED STATES OF AMERICA
SECURITIES AND EXCHANGE COMMISSION

ATTESTATION

IT IS HEREBY ATTESTED THAT:

The attached Form 1-K was received in this Commission on 5/3/2022, under the name of DF Growth REIT II, LLC, File No. 24R-00480, pursuant to the relevant Act(s) of the Commission.

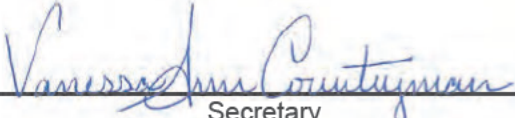
This certified document was produced from the files of this Commission on

5/5/2022

Date

It is hereby certified that the Secretary of the U.S. Securities and Exchange Commission, Washington, DC, which Commission was created by the Securities Exchange Act of 1934 (15 U.S.C. 78a et seq.) is official custodian of the records and files of said Commission and was such official custodian at the time of executing the above attestation.

For the Commission


Secretary

1-K: Filer Information

Issuer CIK	<input type="text" value="000 824 54"/>
Issuer CCC	<input type="text" value="XXXXXXXX"/>
Is filer a shell company?	<input type="radio"/> Yes <input checked="" type="radio"/> No
Is the electronic copy of an official filing submitted in paper format?	<input type="checkbox"/>
File Number	<input type="text"/>
Is this filing by a successor company pursuant to Rule 257(b)(5) resulting from a merger or other business combination?	<input type="radio"/> Yes <input checked="" type="radio"/> No
Successor File Number	<input type="text"/>

Submission Contact Information

Is this a LIVE or TEST Filing?	<input checked="" type="radio"/> LIVE <input type="radio"/> TEST
Would you like a Return Copy?	<input type="checkbox"/>
Period	<input type="text" value="2 3 202"/>
Name	<input type="text"/>
Phone	<input type="text"/>
E-Mail Address	<input type="text"/>
Notify via Filing Website only?	<input type="checkbox"/>

1-K: Tab 1 Notification

This Form 1-K is to provide an	<input checked="" type="radio"/> Annual Report <input type="radio"/> Special Financial Report for the fiscal year
Fiscal Year End	<input type="text" value="2 3 202"/>
Exact name of issuer as specified in the issuer's charter	<input type="text" value="DF Growth REIT II, LLC"/>
CIK	<input type="text" value="000 824 54"/>
Jurisdiction of Incorporation / Organization	<input type="text" value="DELAWARE"/>
I.R.S. Employer Identification Number	<input type="text" value="83 2600369"/>

Address of Principal Executive Offices

Address 1	<input type="text" value="750 B ST"/>
Address 2	<input type="text" value="SUITE 930"/>
City	<input type="text" value="SAN DIEGO"/>

State/Country	CALIFORNIA
Mailing Zip/ Postal Code	92 0
Phone	858 430 8528
Title of each class of securities issued pursuant to Regulation A	Class A Investor Shares

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 1-K

ANNUAL REPORT

ANNUAL REPORT PURSUANT TO REGULATION A OF THE SECURITIES ACT OF 1933

For the fiscal year ended December 31, 2021

DF Growth REIT II, LLC
(Exact name of registrant as specified in charter)

Commission File Number **024-11394**

Delaware

(State or other jurisdiction
of incorporation or organization)

**750 B Street Suite 1930
San Diego, CA**

(Address of principal executive offices)

83-2600369

(IRS Employer Identification Number)

92101

(Zip Code)

(858) 430-8528

Registrant's telephone number, including area code

Class A Investor Shares

(Title of each class of securities issued pursuant to Regulation A)

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Part II

Caution Regarding Forward-Looking Statements

The term "forward-looking statements" means any statements, including financial projections, that relate to events or conditions that are not certain to occur. Forward-looking statements include words like "we anticipate," "we believe," "we expect," "we intend," "we plan to," "in the future," "we may," or "we will."

Forward-looking statements are, by their nature, subject to uncertainty and assumptions. The statements "We believe long-term trends favor secondary and tertiary cycles" should not be taken as a

"We believe the sun will set in the East tomorrow." It is impossible for us to know exactly what is going to happen in the future, or even to anticipate all the things that could happen. Our business could be subject to many uncertainties, including all of the things we talk about in the "Risks of Investing" section of our Offering Circular, which may be accessed via the EDGAR website maintained by the Securities and Exchange Commission.

Consequently, the actual result of investing in the Company could (and almost certainly will) differ from those anticipated in any forward-looking statements, and the differences could be both material and adverse. We do not undertake any obligation to ever, or publicly release the results of any evaluation, any forward-looking statements, except as required by law.

Given The Risks And Uncertainties, Please Do Not Place Undue Reliance

On Any Forward-Looking Statements.

1

Item 1. Business

Overview

The Company was formed to invest in real estate projects in the United States. The Company will focus primarily on multifamily value-add properties but will also look for opportunities across other commercial real estate sectors, including industrial properties, data centers, self-storage, and medical office properties. The Company might seek to identify existing properties that have become distressed because of the COVID-19 pandemic, but distressed properties will not be its principal focus.

Investments Through Other Entities

Some times the Company will own real estate directly. Most of the time, however, the investments made by the Company will be through other entities ("Properties"). For example, if the Company invests in a multifamily property, the property will likely be owned by a different entity, such as a limited partnership or a limited liability company. Typically, Properties will be controlled by the Sponsor or another entity controlled by the Sponsor. However, if the Company does not control the Property itself, then it will be an indirect owner, meaning the Company's consent will be required to execute any major actions taken by the Property, such as the sale or refinancing of the real estate and the replacement of its management personnel.

The manager of the Company, DF Manage, LLC, a Delaware limited liability company, which we refer to as the "Manager," is an affiliate of DVEsyFund, Inc., a Delaware corporation and a real estate developer, which we refer to as the "Sponsor." The Sponsor maintains a website, www.DVEsyFund.com (the "Site") where it seeks funding for real estate projects.

Regulation A Offering

On January 29, 2021, our Offering Circular (the "Offering Circular"), whereby we sought to raise up to \$50,000,000 through the sale of Class A Investment Shares under Regulation A (the "Offering"), was "qualified" by the Securities and Exchange Commission. The Offering Circular is available through the SEC's EDGAR system, www.sec.gov/edgar, and may also be obtained by contacting the Company. As of January 27, 2022, the Offering is temporarily suspended, and we have raised \$8,300,787 as of December 31, 2022 from the sale of Class A Investment Shares.

LLC Agreement

The Company is governed by a Limited Liability Company Agreement dated August 20, 2020, which we refer to as the "LLC Agreement." A copy of the LLC Agreement is attached as Exhibit 1A-2B.

Management

The Company is managed by the Manager. The LLC Agreement generally gives the Manager exclusive control over all aspects of the Company's business. Other members of the Company, including Investors who purchase Class A Investment Shares in the Offering, generally have no right to participate in the management of the Company. There is only one exception to this rule: the owners of the Class A Investment Shares may, in some situations, remove the Manager for cause.

2

Investment Strategy

The Company is seeking to invest in a diversified portfolio of predominantly multifamily value-add real estate assets throughout the United States.

Specifically, we intend to invest primarily in multifamily value-add properties that have exhibited a trend of strong population and job growth and other favorable local market conditions. The value-add investments strategy includes (i) buying a property that is already stabilized and generating cash flow, (ii) implementing a capital expenditure program where we renovate both the interior and the exterior of the property over a 18 to 36 month period, and (iii) improving the overall management of the property to decrease operating expenses and increase occupancy. We expect these renovations will allow us to change the appearance and the effective "add value" of the asset by increasing cash flow and the property's overall market value based on the higher net operating income.

We expect that once the Company has raised \$50 million of equity capital, at least 50% of such capital will have been invested in properties of this kind.

The Company might also build or invest in new multifamily properties where it believes can expect a significant return.

The Company might also lend money to real estate projects to generate a return.

COVID-19 and the Multi-Family Market

Historically, the multifamily market has been driven by favorable supply/demand fundamentals, including (i) a limited number of new units coming on the market, (ii) the demographic of the effective population as "echo boomers," (iii) an increase in the number of immigrants, and (iv) the high lending guidelines leading to lower rates of homeownership.

However, the onset of the global COVID-19 pandemic caused by the coronavirus has disrupted many of these positive fundamentals. Many of these disruptions are likely to negatively impact the multifamily market, as leasing in the near-term. Yet we remain optimistic about the medium-to-long term outlook of the multifamily market and believe the current market presents many exciting investment opportunities.

Finally, we believe that the number of new units coming on the market will remain limited. According to the National Association of Home Builders' ("NAHB") Multifamily Production Index ("MPI"),

roduction of new multifamily units has decreased significantly since the onset of COVID-19.¹ Builders are reporting the worst building conditions for multifamily units since the fourth quarter of 2009² and NAHB's Multifamily Market Vacancy Index (the "MVI") is showing a significant increase in the number of vacant apartments in multifamily properties.³ Collectively, we believe these indicators are unlikely to improve as a consequence of the application with a new COVID-19, meaning the production of new multifamily units will remain stagnant.

¹ "Multifamily Vacancies Q1 2020 (Seasonally Adjusted)," by the National Association of Home Builders, accessed on June 30, 2020 and available at <https://www.nahb.org/meda/NAHB/news-and-economics/docs/housing-economics/mms/2020-quarter-1/mv-q1-2020-pdf.pdf>

² *Id.*

³ "Multifamily Vacancies Q1 2020 (Seasonally Adjusted)," by the National Association of Home Builders, accessed on June 30, 2020 and available at <https://www.nahb.org/meda/NAHB/news-and-economics/docs/housing-economics/mms/2020-quarter-1/mv-q1-2020-pdf.pdf>

Second, we believe the long-term impact of COVID-19 on labor markets will result in increased demand for mortgage closings and a large pool of persons in need of multifamily housing. According to Federal Reserve Chairman Jerome Powell, among those persons working in February of 2020, almost 40% percent of those households making less than \$40,000 a year lost a job in March of 2020.⁴ Many of these observations are likely to lower wage industries such as retail and leisure/hospitality which reported industry unemployment rates of 17.1% and 39.3% in April of 2020, respectively.⁵

At the same time, the recent COVID-19 cases across the country has increased the risk that the existing mortgage forbearance agreements will be extended to be 86% of all active mortgages as of the final week of June 2020 will not easily transition to mortgage closings by the end of 2020.⁶ Some analysts predict that the foreclosure rate could approach 20-30% of all active mortgages,⁷ indicating that the potential pool of people seeking multifamily housing is likely to increase, at least in the short-term.

Third, the projected increase in mortgage closings is leading to a decrease in mortgage rates and increased standards for banks to originate new loans. According to the Mortgage Bankers Association's Mortgage Credit Availability Index, the availability of mortgage credit has decreased significantly each month since the initial wave of COVID-19 cases in March 2020, and availability of mortgage credit in May 2020 was at its lowest levels since early 2014.⁸ This is due in part to banks increasing the mortgage borrower standards by requiring larger down payments and higher credit scores to receive new mortgage loans.⁹ All of these factors would reduce the pool of persons in need of and available to purchase a single-family home, and in turn, increase the demand for multifamily housing.

Finally, we believe the economic fallout from the COVID-19 crisis will ultimately result in more mortgage refinancing from the counties, which will also increase demand for multifamily housing. While the rapid spread of COVID-19 has led many governments, including the U.S. government, to impose various restrictions and decrease mortgage refinancing from once a month to a bi-monthly frequency, we believe the COVID-19's impact on the industry will only serve to highlight the need for more mortgage refinancing. For example, as the agricultural industry has experienced shortages due to localized outbreaks associated with the pandemic, many farms have been unable to fill labor shortages due to a dramatic decrease in Lkwes, migrant laborers, and many essential businesses and services, all of which may highlight the potential for more mortgage refinancing in our country and our economy.

⁴ "An Economic Update by Fed Chairman Jerome H. Powell," by the Peterson Institute for International Economics, accessed on July 9, 2020 and available at <https://www.peterson-economics.com/economic-update-fed-chairman-jerome-h-powell>

⁵ "Re-Opening America Low-Wage Workers Have Suffered Badly From COVID-19 So Policymakers Should Focus on Equity," by Molly Kende and Martha Ross of the Brookings Institution, accessed on July 9, 2020 and available at <https://www.brookings.edu/essays/re-opening-america-low-wage-workers-have-suffered-badly-from-covid-19-so-policymakers-should-focus-on-equity/>

⁶ "Foreclosure Threatens Grows as COVID-19 Surges, Fed Says," by Kathleen Howley, HousingWire.com, accessed on July 8, 2020 and available at <https://www.housingwire.com/articles/foreclosure-threatens-grows-as-covid-19-surges-fed-says/>

⁷ *Id.*

⁸ "Mortgage Credit Availability Index," by the Mortgage Bankers Association, accessed on July 8, 2020 and available at <https://www.mba.org/news-essays/and-essays/economic/single-family-essays/mortgage-credit-availability-index#~:text=ABOUT%20THE%20MORTGAGE%20CREDIT%20AVAILABILITY,value%20and%20the>

⁹ "JPMorgan Chase Reports Mortgage Borrowing Standards As Economic Outlook Deteriorates," by Reuters, accessed on July 9, 2020 and available at <https://www.cnbc.com/2020/04/11/jpmorgan-chase-reports-mortgage-borrowing-standards-as-economic-outlook-deteriorates.html>

The Commercial Real Estate Market

The commercial real estate market is currently experiencing many local challenges throughout the United States. While retail, hospitality and office assets are experiencing significant vacancies, we expect the multifamily market will not see as steep of declines and many markets will remain relatively stable given the overall housing shortage.

The Distressed Real Estate Market

Currently, we are beginning to see signs of distressed assets in the market, which allow for the potential to purchase assets at a significant discount. We plan to monitor the market for opportunities to invest in distressed assets assuming we are able to negotiate a purchase price that represents a significant discount to the market value.

Due Diligence

When the Company identifies a location for potential property, we typically sign a contract and place an escrow deposit to be held with the designated escrow agent. The Company will then conduct extensive due diligence, including physical inspections, environmental studies, a review of applicable zoning and land use restrictions, the property, a review of all leases (if any), a review of the revenues and expenses from the property, and a study of the local market and local conditions.

Based on due diligence, the Company will determine whether to move forward with the property.

Evaluating Alternatives

During the next 12-36 months of owning and managing the property, the Company will analyze market conditions and decide whether the property should be maintained, refinanced, es- uc u ed (i.e., condominium conversion), or sold

Real Estate Investment Life Cycle

The life cycle of a real estate property varies on an individual property basis, but generally all properties experience periods of development, stabilization, and decline. A major component of successful real estate investing is managing the cycle effectively, buying low, selling high. The Company will pay close attention to the ongoing market cycles in an effort to maximize returns on investments, but given current market conditions, we believe we will be well-positioned to capitalize on the natural ebbs and flows of the real estate investment life cycle. This is because many of our properties will be bought low during the height of the COVID-19 crisis and sold high when market sentiment returns to normal in the year after the COVID-19 crisis has subsided.

5

Competitive Landscape

The US real estate market as a whole has historically experienced heavy demand and limited supply, with many developers, investors, and other parties competing for property. However, the current pandemic has negatively impacted virtually every sector of the US and global economy, including real estate. Wages for many households are down (some significantly), unemployment is approaching record levels, and banks and other lenders are preparing for an expected deluge of foreclosures.

As a result, we believe that there will be a surge in existing multi-family housing properties available for purchase for the foreseeable future. Although the same market absence may be even on non-coded markets by the Federal Reserve, the expected tightening of credit markets may decrease the amount of capital finance such purchases.

Accordingly, we believe the real estate market will favor large institutional investors and those with significant cash on hand or access to alternative financing methods. We may be a disadvantage to our competitors who may have greater capital resources than we do, including cash-on-hand. However, we believe that these large competitors will focus on more expensive and large properties, as the economic downturn associated with COVID-19 has also had some impact on medium- and upper-income communities. Thus, the Company will instead look for smaller, middle-sized properties, a market that typically involves individual and smaller institutional buyers rather than large institutions. The relative inefficiency in this segment and the likely surge in available properties due to COVID-19 and related economic impacts may create excellent investment opportunities.

Term of the Company

We already began deploying the capital we raised in this Offering. We intend to operate the Company for approximately five years with the option of up to two additional one-year extensions at the discretion of the Manager.

To wind down the Company, the Manager will seek to generate liquidity for investors and realize any gains in the value of our investments by selling or refinancing our properties and returning capital to investors on an orderly basis. Sales and refinancing will be subject to evaluating market conditions and there is no guarantee that we will be successful in executing any such liquidity transactions or terms favorable to the Company and investors, so that we will be able to do so with the same fame we have anticipated.

6

SEC Investigation

On January 26, 2022, the SEC issued a temporary suspension of the Offering under Rule 258 and an administrative hearing set for June 6, 2022 to determine whether the Company's Regulation A exemption should be permanently suspended should be issued regarding this Offering under Regulation A. The SEC's order is a public one and can be consulted for additional detail. In summary, the SEC alleges two technical violations (failure to state the offering within two calendar days of qualification, and use of an offering circular supplement instead of a post-qualification amendment) to rescind the Offering from \$50 million to \$75 million, and two types of allegedly misleading statements on the Sponsor's website (discussions of DF Growth REIT, LLC and the Company's operations, and of the Company's fees). None of the SEC's allegations involve financial or accounting misconduct or wrongdoing.

In November 2021, the Company received notice that the SEC's Division of Enforcement had ordered an investigation of the Company for possible violations of federal securities laws (the "Order"). The Order did not allege provision of a factual basis or any information that would allow the Company to meaningfully respond to the allegations.

On November 29, 2021, the SEC's staff told the Company that it could no longer sell securities in the Offering because of 17 CFR §230.262(a)(7), which provides that issuers "under investigation" are disqualified.

The Company submitted a request for a waiver of disqualification, as permitted by 17 CFR §230.262(b). The waiver request noted that while the SEC has not even alleged any specific wrongdoing, the Company and investors would be harmed by the disqualification. The SEC has not acted on the Company's request but the staff of the SEC has stated that they would recommend denial.

On December 6, 2021, the Company filed a notice of intention to file a petition pursuant to Rule 430(b)(1) of the SEC's Rules of Practice (the "Notice") and on December 13, 2021 the Company filed the petition (the "Petition"). The Notice and Petition stayed (putting on hold) the SEC investigation and thus the potential disqualification.

On January 26, 2022, the SEC provided the Company with a written order that had the effect of ending disqualification under 17 CFR §230.262(a)(7). As a result, the Company promptly ceased offering sales of Class A Investments.

7

Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations

Operating Results

The Company began operating on August 6th, 2020 when it was formed and began operating its investment portfolio on December 10, 2021 when completed its first primary acquisition. As of December 31, 2021, the Company had invested a total of \$5,014,216 in equity in one portfolio managed by our Sponsor as follows:

Entity	Units	Location	Amount	Type	Type
NCP Dove LLC	285	North Charleston, South Carolina	\$ 5,014,216	Equity	Multifamily
Total Equity Investments			\$ 5,014,216		

Our net loss for the period ending December 31, 2021 (consisting of operating expenses from fund management expenses of \$999,115 and general and administrative expense of \$57,677) was \$1,056,792. The fund management fee consists of \$832,596 in organization and offering expense reimbursement and \$166,519 of asset management fees. The Company expects that as the underlying portfolio operates beginning to distribute cash flows to the Company, the operating loss will decrease especially since the organization and offering reimbursement is only charged once on new equity capital.

Liquidity and Capital Resources

The Company was seeking to raise up to \$50,000,000 of capital through the offering by selling Class A Investment Shares before the offering was temporarily suspended (see "Legal Proceedings" below for more information). As of December 31, 2020, the Company had raised \$8,300,787.

We expect to deploy almost all of the capital we raised in the offering in making real estate investments. Should we need more capital for any reason, we could elect to sell more Class A Investment Shares in a new offering or sell other classes of securities. In selling Class A Investment Shares or other securities, we might be constrained by the securities laws. For example, we are not allowed to sell more than \$75,000,000 of securities using Regulation A during any period of 12 months and might not be able to use Regulation A to sell additional securities for a period of 36 months (see "Legal Proceedings" below for more information).

Trend Information

2021 saw multifamily rents and related asset prices increase favorably in many markets in the US. Throughout 2021, the average US asking rent gained \$190 and 2022 is forecasted to bring further gains in the multifamily market, at least by historical standards, but at a moderated pace, close to 5 percent annual increases. Possible headwinds include inflation and a new wave of COVID-19 cases.¹⁰

¹⁰ Anca Gaguc (2021, January 10, 2022) National Multifamily Report - December 2021 Multifamily Housing News. <https://www.multifamilynews.com/national-multifamily-report-december-2021/#~:text=Over%2C%202021%20was%20a%20year,annual%20high%2C%20se%20n%202015>

SEC Investigation

The Company relies on a strong capital execution business plan in several ways:

- The Company's focus on "value add" projects implies that once the Company acquires a project, it will spend money on renovations.
- Access to ready capital allows the Company to acquire quality projects that might otherwise be lost.
- The more equity the Company has in a project, the lower its borrowing costs.
- With adequate capital, the Company can afford to hold projects longer, if it believes a longer hold period will increase returns.

The Company invests a significant amount of money in a strong capital, which benefits all investors. Further, based on its experience, the Company is able to forecast its ability to raise capital with confidence and, based on those forecasts, can make its business plans (for example, its acquisitions and renovations) with the capital it expects to raise.

The Company can effectively deal with fluctuations in the amount of capital raises, such as the fluctuations associated with the business cycle or the ups and downs of the real estate market. However, it is not equipped to deal with a sudden increase in its ability to raise capital, as has been the case with the SEC investigation. The effect, for as long as the Company's profitability from a strong capital by the SEC, the Company expects its business and the returns on investments to suffer.

The SEC investigation could have negative effects as well. If the Company and/or its principals are labeled as "bad actors" could damage the reputation, permanently harming the Company's ability to raise capital and even to borrow money in the future of its business plans.

If the Company is determined by a court to have violated federal securities laws, it could be subject to fines and other penalties, which could result in a loss of capital by investors.

Finally, the Company may incur substantial legal costs defending itself against the SEC's allegations. To date, the Company's legal costs have been paid for by the Sponsor.

Item 3. Directors and Officers

Name	Position	Age	Term of Office	Approximate Hours Per Week If Not Full Time
Craig Cecilio	Chief Executive Officer	48	Indefinite	20 Hours
Alan Lewis	Chief Financial Officer	45	Indefinite	20 Hours
Isaac Dixon	Senior Vice President of Real Estate	40	At Will	Full Time
Ginger Vyena	Senior Asset Manager	48	At Will	Full Time

NOTE: All these individuals are employed by DivisiveFund, Inc., the Sponsor, not by the Company directly. The Sponsor is the sole member, and the manager, of DF Manager, LLC, which is the manager of the Company.

Business Experience

Craig Cecilio

M Cecilio is the Chief Executive Officer and Co-Founder of the Sponsor, Dve syFund, Inc. M Cecilio has worked in the real estate industry for nearly 20 years. Over the course of his career, M Cecilio has participated in the development of over 1,000 single family residences in California as the architect, investor, lender, sponsor. Previously, M Cecilio owned a real estate lending business, Coastal California Fund Group, Inc., which undertook and financed residential renovations and ground-up construction in California coastal markets such as San Diego, Orange County, Los Angeles and San Francisco, and a loan servicing business.

Additionally, M Cecilio founded a real estate debt fund in 2013, which manages a portfolio of real estate-backed bridge loans used primarily to "pre-fund" many of the Manager's real estate projects. Since 1997, M Cecilio has financed nearly \$500 million of real estate assets, having secured over \$100 million in debt equity for real estate transactions in the last five years, and has developed and managed over \$50 million of residential property (renovations and ground-up). M Cecilio is a graduate of the University of Colorado Boulder.

Alan R. Lewis

M Lewis is the Chief Investment Officer and Co-Founder of the Sponsor, Dve syFund, Inc. Prior to the launch of the Manager, he was the head of the real estate private equity divisions of a real estate investment and development firm based out of Salt Lake City, Utah, where he oversaw capital raising, deal structuring and development work for multi-family projects and master-planned residential communities. Previously, M Lewis worked for nearly ten years on Wall Street as both an investment banker and a corporate lawyer, most recently working as a Managing Director of the Investment Banking Division of BNY Mellon Securities where M Lewis provided financial advisory and capital raising services for high-growth companies along with real estate and oil and gas projects.

Prior to joining BNY Mellon in 2010, M Lewis practiced as a corporate attorney at Davy Polk & Wardwell, a Tier 1 ranked Wall Street law firm (Chambers USA). His practice included IPOs, mergers and acquisitions, and commercial real estate, including the acquisition and refinancing of several Fifth Avenue commercial buildings, acquisitions and portfolios of investments for a \$6 billion real estate private equity fund. Over his career, M Lewis has worked on transactions totaling \$4 billion. M Lewis received a BA from Brigham Young University and a JD from Columbia Law School, where he was a Senior Editor on the Columbia Law Review. M Lewis is admitted to practice law in New York and currently holds a Series 65 and previously held Series 7, 66 and 79 FINRA licenses.

10

Isaac Dixon

Formerly the Vice President at Canoe Companies, M Dixon was responsible for leading the real estate firm's divisions and was actively involved in underwriting various venture capital investments for the company. Prior to his time with Canoe Companies, M Dixon was the Vice President of National Accounts with CORE REALTY, as an active member of the investment committee and negotiated deals with senior executives and independent broker-dealers across the country to facilitate the analysis, review, and approval process for real estate funds and TIC/1031 multi-family syndications.

Before his career in national accounts, Isaac worked as a senior due diligence analyst at Independent Financial Group where he was responsible for reviewing over \$500 million in Tenant-In-Common and alternative investment products. Throughout his career, M Dixon has participated in several industry panels on various aspects of syndication, real estate investment programs and conducting independent due diligence and has been involved in the purchase and/or syndication of over 5,000 multi-family units valued in excess of \$1 billion dollars. Isaac graduated from San Diego State University with a Bachelor's degree in Finance. He holds and has held Series 7, 22, 24 and 66 licenses, he is a Certified Financial Planner and a licensed real estate broker in California.

Ginger Vytarna

Over the past 27 years of professional management experience, acquisitions, asset management and development with the multi-family arm of Dve syFund. With a keen understanding of both conventional and LIHTC asset forms from the on-site level of executive leadership, her portfolios have consistently exceeded organizational expectations. By establishing acquisitions, operations, construction, business plans and underwriting discipline, she has consistently led her teams through difficult market conditions while positioning value-add communities throughout the country. Her tenure at Ram Real Estate, Atlantic Pacific Management, Paddock Capital Partners, Grand Peaks and New Urban Communities have provided hands-on experience in multiple markets from Oregon to New Jersey. Her experience with underwriting the multi-family business model will assure the management of our assets exceeds investors' expectations.

Ownership of Related Entities

The Sponsor owns 100% of DF Manager, LLC, the Manager of the Company, while M Cecilio and M Lewis own the majority of the Sponsor.

11

Family Relationships

There are no family relationships among the Executive Officers and Significant Employees of the Company.

Legal Proceedings

Within the last five years, no Executive Officer or Significant Employee of the Company has been convicted of, or pleaded guilty to, any criminal matter, excluding affirmative defenses to the minor offenses.

Within the last five years, no Executive Officer or Significant Employee of the Company, nor the spouse of which an Executive Officer or Significant Employee was a general partner, and no copartner or other business association of which an Executive Officer or Significant Employee was an executive officer, has been a defendant in any bankruptcy proceedings.

Neither the Company, Sponsor, Manager, any Executive Officer nor Significant Employee are currently engaged in any material legal proceedings other than the Company's responses in an administrative proceeding with the SEC. On January 26, 2022, the SEC issued an emergency suspension order of the offering under Rule 258 and an administrative hearing set for June 6, 2022, to determine whether the Company's Regulation A exemption should be permanently suspended. Should be issued regarding the offering under Regulation A. The SEC's order is a public and can be consulted for additional details. In summary, the SEC alleges various violations (failure to disclose the offering within 90 calendar days of qualification, and use of an offering circular supplement instead of a post-qualification amendment to disclose the offering from \$50 million to \$75 million), and two types of allegedly misleading statements on the Sponsor's website (discussions of DF Growth REIT, LLC and the Company's operations, and of the Company's fees). None of the SEC's allegations involve financial accounting misconduct or wrongdoing.

Compensation Of Management

Overview

The people who run the Company make money from the Company in (only) the ways

- They receive fees
- They invest alongside Investors and receive the same distributions as Investors
- They receive the Promoted Incentives

All the forms of compensation are discussed below

The Company itself does not have any employees or payroll. For example, Mr. Lewis and Mr. Cecilio, the owners of the Sponsor, do not receive any salary, bonuses, or other compensation directly from the Company. Instead, all of the compensation is paid from the fees paid to the Manager and from the Promoted Incentives.

Fees.

Type of Fee	Description and Amount
<i>Organization & Offering Expense Reimbursement</i>	<p>The Company will reimburse the Sponsor for direct expenses incurred by the Sponsor and its affiliates to organize and operate the Company and conduct the Offering, including:</p> <ul style="list-style-type: none">• Make good expenses paid to vendors, contractors, and consultants• Payroll expenses of making employees• Software costs• Fees paid to vendors, contractors, and consultants relating to the Sponsor's online financial platform and smartphone applications used to make and operate the Company and• Payroll expenses and software costs for product and tech employees working on the financial platform and smartphone applications <p>The Organization & Offering Expense Reimbursement may not exceed 10% of the capital raised from the sale of Class A Invested Shares.</p> <p><i>Estimate</i> The amount of the organization and offering fee depends on the amount of capital raised. For the period ending December 31, 2021, the Company has paid \$832,596 in organization and offering expense reimbursement to the Sponsor.</p>
<i>Asset Management Fee</i>	<p>The Sponsor will charge the Company an annual asset management fee equal to 2% of the net capital raised from the sale of Class A Invested Shares. The Sponsor may, in its sole discretion, equate the payment of the asset management fee up to five years in advance, which shall be non-refundable.</p> <p><i>Estimate</i> The amount of the asset management fee depends on the amount of capital raised. For the period ending December 31, 2021, the Company has paid \$166,519 in asset management fees to the Sponsor.</p>
<i>Acquisition Fee</i>	<p>The Sponsor will charge each POC Entity (or the Company itself, if the Company owns deals directly) an acquisition fee of between 1% and 4% of the total proceeds, including both "hard" costs (e.g., the cost of property) and "soft" costs (e.g., professional fees).</p> <p>When property is owned by an entity in which the Sponsor and the financial partner are joint venture partners, the Sponsor may be entitled to a similar acquisition fee on the exit negotiated with the financial partner in such a joint venture (which could be higher than the 1-4% acquisition fee for direct investments). However, the Company's share of the fee will not exceed 1-4% of the Company's share of the total sale price.</p> <p><i>Estimate</i> The amount of the acquisition fee will depend on the cost of proceeds and, in the case of joint ventures, the terms of the Sponsor negotiation with the joint venture partners. For the period ending December 31, 2021, the Company has paid \$1,280,212 in acquisition fees to the Sponsor.</p>

<i>Property Disposition Fee</i>	<p>When the Company owns property directly or is the sole owner of a POC Entity, the Sponsor will receive a property disposition fee equal to 1% of the total sale price of each property.</p> <p>When property is owned by an entity in which the Sponsor and the financial partner are joint venture partners, the Sponsor may be entitled to a similar disposition fee on the exit negotiated with the financial partner in such a joint venture (which could be higher than the 1% disposition fee for direct investments). However, the Company's share of the fee will not exceed 1% of the Company's share of the total sale price.</p> <p><i>Estimate</i> The amount of the disposition fee will depend on the selling price of assets by the Company and any joint ventures and, in the case of joint ventures, the terms of the Sponsor negotiation with the joint venture partners. As of December 31, 2021, the Company has no paid any disposition fees to the Sponsor.</p>
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Financing Fee

When the Company owns property directly, or is the sole owner of a Project Entity, the Sponsor will receive a financing fee equal to 1.0% of the amount of each loan placed on a property, whether at the time of acquisition or pursuant to a refinancing. This financing fee will be in addition to any fees paid to third parties, such as mortgage brokers.

When property is owned by an entity in which the Sponsor and the financial partner are joint venture partners, the Sponsor may be entitled to a similar financing fee on the exit negotiated with the financial partner, such as a joint venture (which could be higher than the 1% financing fee for direct investments). However, the Sponsor's share of the fee will not exceed 1% of the Company's share of the loan.

Estimate The amount of the financing fee will depend on the selling price of assets by the Company and any joint venture partners and, in the case of joint venture partners, the terms of the joint venture partnership. As of December 31, 2021, the Company has not paid any financing fees to the Sponsor.

Construction Management Fee

The Sponsor may provide construction management services. If so, the Sponsor will be entitled to a construction management fee equal to 7.5% of actual construction costs.

Estimate The amount of compensation (if any) the Sponsor will receive for construction or construction management services will depend largely on the number of projects for which services are needed and the size and nature of those services. As of December 31, 2021, the Company has not paid any construction management fees to the Sponsor.

Guaranty Fee

If the Sponsor obtains a letter of guaranty on behalf of the Company or a Project Entity, including guaranties of any so-called "bad boy" covenants, the guaranty will be entitled to a guaranty fee equal to 0.5% of the loan.

Estimate The amount of the guaranty fee will depend on the amount of loans requiring a guaranty. As of December 31, 2021, the Company has not paid any guaranty fees to the Sponsor or any affiliates.

Other Fees

The Company or Project Entity may engage the Sponsor or its affiliates to perform other services. The compensation paid to the Sponsor or its affiliates in each case must be (i) fair to the Company and the Project Entity, (ii) comparable to the compensation that would be paid to an unrelated party, and (iii) disclosed to Investors.

Estimate The amount of other fees will depend on the nature of the services the Sponsor provides and how much the Sponsor charges for such services. As of December 31, 2021, the Company has not paid any other fees to the Sponsor.

Co-Investment

The Manager (and possibly other affiliates of our Sponsor) may purchase Class A Investor Shares. If so, they will be entitled to the same distributions as the Investors.

Promoted Interest

The Sponsor is entitled to shares and distributions made by the Company, which we refer to as the "Promoted Interests." The Promoted Interests consist of the levels of shares, after ownership of the Class A Investor Shares have received a 7% preferred return on the investments, the Sponsor is entitled to a carry interest equal to approximately 53.85% of the preferred return paid to owners of the Class A Investor Shares. Second, after ownership of the Class A Investor Shares have received the preferred return and the Sponsor has received its carry interest, the Sponsor is entitled to 35% of the remaining profits and, after the holders of the Class A Investor Shares have received a 12% preferred return on the investments, the Sponsor is entitled to 50% of the remaining profits.

How much money the Sponsor ultimately receives as a Promoted Interest holder depends on a number of factors, including:

- How much capital is raised in the Offering
- The investments the Company is able to achieve
- When those returns are achieved (the Company may not achieve the same return every year)
- When the Company distributes money and
- The amount of expenses the Company incurs

Stages of Development

The stages of the Company's organization, development, and operation, and the compensation paid by the Company to the Manager and the Sponsor during each stage, are as follows:

<i>Stage</i>	<i>Compensation to Manager</i>	<i>Compensation to Sponsor</i>
Organization	None	None
Organization	None	<ul style="list-style-type: none"> • Organization & Offering Expense Reimbursement • Asset Management Fee
Acquisition of Property	None	<ul style="list-style-type: none"> • Organization & Offering Expense Reimbursement • Asset Management Fee • Acquisition Fee • Financing Fee
Operation	None	<ul style="list-style-type: none"> • Organization & Offering Expense Reimbursement • Asset Management Fee • Guaranty Fee • Financing Fee • Return from Co-Investments • Promoted Interests

- Disposition Fee
- Other Fee
- Returns from Co-Investments
- Promoted Interests
- Disposition Fee

Liquidity

Report to Investors

No less than once per year, the Company will provide the owners of Class A Investor Shares with a detailed statement showing

- The fees paid to the Manager and affiliates and
- Any transactions between the Company and the Manager or affiliates

In each case, the detailed statement will describe the services performed and the amount of compensation paid

Clawback

If, upon the liquidity of the Company, the owners of the Class A Investor Shares other than the Manager, the Sponsor, and the affiliates have not received distributions sufficient to return the capital contributions plus a 7% cumulative, non-compounded annual return, the Manager, the Sponsor, and the affiliates will be required to return any distributions they have received from the Company (no fees), over and above the actual contributed capital, in an amount such that the Company can distribute the shortfall to the owners of the Class A Investor Shares, other than the Manager, the Sponsor, and the affiliates

Method of Accounting

The compensation described in this section was calculated using the actual method of accounting

Item 4. Security Ownership of Management and Certain Securityholders

The limited liability company represents the Company a total of 20,000,000 "Shares," consisting of 1,000,000 "Common Shares" and 19,000,000 "Investor Shares." The Manager has the authority to divide the 19,000,000 Investor Shares into one or more "classes," by adopting one or more authorizing resolutions. The Manager adopted the Authorizing Resolution on October 5, 2020, Class A Investor Shares

As of December 31, 2020, the limited liability company represents of the Company were owned as follows

Common Shares

Beneficial Owner	Number of Shares	Percent of Class
Dive syFund, Inc.* 750 B Street Suite 1930 San Diego, CA 92101	1,000,000	100%
DF Management, LLC 750 B Street Suite 1930 San Diego, CA 92101	0	0%
Alan Lewis 750 B Street Suite 1930 San Diego, CA 92101	0	0%
Capital 750 B Street Suite 1930 San Diego, CA 92101	0	0%

Class A Investor Shares

Beneficial Owner	Number of Shares	Percent of Class
Unrelated Investors	830,079	100%

* Dive syFund, Inc., the Sponsor, is majority owned and controlled by Mr. Lewis and Mr. Capital

Item 5. Interest of Management and Others in Certain Transactions

The Company has entered into a Management Agreement with the Manager, pursuant to which the Manager will provide management and investment management services as described in "Summary of LLC Agreement and Authorizing Resolution Management." Under the Management Agreement, the Company will pay the Sponsor certain fees as described in "Compensation of Management." The Manager is an affiliate of our Sponsor, Dive syFund, Inc. Thus, the amount of fees and other terms of the Management Agreement were determined among related parties and no arm's-length

The Sponsor, the Manager, Mr. Capital, Mr. Lewis, and parties related to them may also invest in the Company by purchasing Class A Investor Shares, along with other Investors

Item 7. Financial Statements

DF Growth REIT II, LLC

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INDEPENDENT AUDITOR'S REPORT

To the Stockholders and Management
of DF Growth REIT II, LLC

Opinion

We have audited the accompanying financial statements of DF Growth REIT II, LLC (a Delaware corporation), which comprise the balance sheet as of December 31, 2021, and the related statements of operations, member's equity, and cash flows for the year ended December 31, 2021, and the related notes to the financial statements.

In our opinion, the financial statements referred to above present fairly, in all material aspects, the financial position of DF Growth REIT II, LLC as of December 31, 2021, and the results of its operations and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are defined in the Auditor's Responsibilities for the Auditor of the Financial Statements section of our report. We are required to be independent of DF Growth REIT II, LLC and to meet our other ethical responsibilities in accordance with the relevant ethical requirements applicable to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether the effects of conditions or events, considered in the aggregate, have a substantial doubt about DF Growth REIT II, LLC's ability to continue as a going concern within one year after the date that the financial statements are available to be issued.



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Auditor's Responsibilities for the Audit of the Financial Statements

Our objective is to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion on reasonable assurance as a high level of assurance but is not absolute assurance and therefore no guarantee that an audit conducted in accordance with generally accepted auditing standards will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Material misstatements are considered material if their effect is a substantial likelihood that, individually or in the aggregate, they would influence the judgments made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards, we

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of DF Growth REIT II, LLC's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, the financial conditions, even taken together, indicate that there is a substantial doubt about DF Growth REIT II, LLC's ability to continue as a going concern on a reasonable basis.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

/s/ Hayne & Company
 Salt Lake City, UT
 April 30, 2022

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**DF Growth REIT II, LLC.
 Balance Sheet
 As of December 31, 2021**

	As of December 31, 2021
ASSETS	
Total Real Estate Equity Investments, Net	\$ 5,014,216
Cash and Cash Equivalents	2,325,706
Organizational Costs	46,264
TOTAL ASSETS	\$ 7,386,186
LIABILITIES AND EQUITY	
LIABILITIES	
Accounts Payable	\$ 48,700
Dividends Payable	30,573
Related Party Payable	32,456
Subscriptions Received in Advance	79,615
Accrued Expenses	14,500
TOTAL LIABILITIES	\$ 205,844
MEMBER'S EQUITY	
Class A Shares \$10.00 par value, 5,000,000 shares authorized, 830,079 shares issued and outstanding, net of offering costs as of December 31, 2021	\$ 8,300,787
Accumulated Deficit	(1,120,445)
TOTAL MEMBER'S EQUITY	\$ 7,180,342
TOTAL LIABILITIES AND MEMBER'S EQUITY	\$ 7,386,186

The accompanying notes are an integral part of these financial statements.

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**DF Growth REIT II, LLC.
 Statement of Operations
 For the year ended December 31, 2021**

REVENUES	-
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TOTAL REVENUE	\$	-
EXPENSES		
Operating Expenses		
General and administrative expenses	\$	57,677
Fund Management		999,115
Total Operating Expenses		1,056,792
TOTAL EXPENSES		1,056,792
NET LOSS	\$	(1,056,792)

The accompanying notes are an integral part of these financial statements

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DF Growth REIT II, LLC.
Statement of Stockholders' Equity
Statement of Operations
For the year ended December 31, 2021

	Class A Investor Shares		Accumulated Deficit	Total Equity
	Shares	Amount		
January 1, 2021	-	\$ -	\$ -	\$ -
Proceeds from issuance of class A shares	830,079	8,300,787	-	8,300,787
Distributions declared on class A shares	-	-	(63,653)	(63,653)
Net loss	-	-	(1,056,792)	(1,056,792)
Balance as of December 31, 2021	830,079	\$ 8,300,787	\$ (1,120,445)	\$ 7,180,342

The accompanying notes are an integral part of these financial statements

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DF Growth REIT II, LLC.
Statement of Cash Flows
For the year ended December 31, 2021

	For the year ended December 31, 2021
OPERATING ACTIVITIES	
Net loss	\$ (1,056,792)
Increase in amortization	(8,192)
Increase in accrued expenses	14,500
Increase in accounts payable	10,628
Increase in dividends payable	30,573
Increase in related party payable	32,456
Increase in subscriptions received in advance	79,615
Net cash (used in) operating activities	\$ (897,212)
INVESTING ACTIVITIES	
Purchase of real estate and improvements on real estate	(5,014,216)
Net cash used in investing activities	(5,014,216)
FINANCING ACTIVITIES	
Proceeds from the issuance of class A shares	8,300,787
Payments for dividends	(63,652)
Net cash provided by financing activities	\$ 8,237,135
Net increase in cash and cash equivalents	\$ 2,325,706
Cash and cash equivalents, beginning of period	-
Cash and cash equivalents, end of period	\$ 2,325,706

The accompanying notes are an integral part of these financial statements

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DF Growth REIT II, LLC.
Notes to the Financial Statements
December 31, 2021

Note 1 – Formation and Organization

DF Gowh REIT II, LLC (the "Company") is a Delaware corporation formed on August 6, 2020, that builds wealth by investing in cash-flowing apartment buildings along with multi-family properties. Our focus is on long-term capital appreciation from the renovation and repositioning of these multi-family properties. The use of the terms "Company," "we," "us," or "our" in this Annual Report refer to DF Gowh REIT II, LLC, unless the context indicates otherwise. We have elected to be taxed as a REIT under the Internal Revenue Code of 1986, as amended (the "Code"), commencing with our taxable year ended December 31, 2021.

The Company is externally managed by DF Management, LLC, ("Management"), which is a subsidiary of the Company's sponsor, DiverseFund, Inc. ("Sponsor")

Pursuant to the Form 1-A filed with the SEC with respect to our offering (the "Offering") of up to \$50,000,000 in shares of class A shares, the purchase price for all shares was \$10.00 per share as of December 31, 2021. The Offering was qualified by the SEC on January 29, 2021, and we commenced operations on January 29, 2021. As of December 31, 2021, we had issued 830,079 shares of our class A shares for an aggregate purchase price of \$8,300,787. The Company has the authority to issue 5,000,000 shares of class A shares.

Note 2 – Summary of Significant Accounting Policies

Use of Estimates

The preparation of the financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities. Actual events and results could differ from those assumptions and estimates.

Cash and Cash Equivalents

Cash and cash equivalents consist of demand deposits. Cash and cash equivalents are carried at cost, which approximates fair value.

Concentration of Credit Risk

At times, our cash may exceed the Federal Deposit Insurance Corporation deposit insurance limit of \$250,000 per institution. The Company mitigates credit risk by placing cash with major financial institutions. To date, the Company has not experienced any losses on cash.

Geographic Concentration

As of December 31, 2021, the Company's investments in real estate are primarily in Southern California. Future operations could be affected by changes in economic conditions in those geographical areas or the demand for such housing.

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Variable Interest Entities and Voting Interest Entities

A variable interest entity ("VIE") is an entity that lacks one or more of the characteristics of a voting interest entity. A VIE is defined as an entity in which equity investors do not have the characteristics of a controlling financial interest or do not have sufficient equity at risk for the entity to finance its activities without additional subordinated financial support from the parties. The determination of whether an entity is a VIE includes consideration of various factors. These factors include: (i) the form of the arrangement and design of the entity, (ii) the substance of the arrangement, (iii) the decision-making ability, and (iv) the financial agreements, and analysis of the forecasted cash flows of the entity. We make an initial determination upon acquisition of a VIE, and reassess the initial evaluation of an entity as a VIE upon the occurrence of certain events.

A VIE must be consolidated only by its primary beneficiary, which is defined as the party who, along with its affiliates and agents, has both the (i) power to direct the activities that most significantly impact the VIE's performance and (ii) obligation to absorb the losses of the VIE or the right to receive the benefits from the VIE, which could be significantly more than the VIE. We determine whether we are the primary beneficiary of a VIE by considering various factors, including, but not limited to, which activities most significantly impact the VIE's economic performance and which party controls such activities. The amount and characteristics of its investments, the obligation to absorb the losses of the VIE, the power to direct the VIE's performance and design, including the risks the VIE was designed to create and pass through to its variable interest holders and the similarity with and significant difference of our interests and the interests. We reassess our determination of whether we are the primary beneficiary of a VIE each reporting period. Significant judgments related to these determinations include estimates about the future performance of investments held by VIEs and general market conditions. The maximum risk of loss related to our investments is limited to our recorded investment in such entities, if any.

A voting interest entity ("VOE") is an entity in which equity investors have the characteristics of a controlling financial interest and has sufficient equity at risk to finance its activities. A controlling financial interest exists if limited partnership equity at risk is able to exercise substantial kick-out rights or is able to exercise substantial partnership rights. Under the VOE model, generally, only a single limited partner has the ability to exercise substantial kick-out rights and substantial partnership rights.

As of December 31, 2021, the Company held investments in one entity, which was evaluated under the VIE model and was not consolidated because the Company was not determined to be the primary beneficiary. These investments were accounted for on the equity method because of the Company's significant influence.

As of December 31, 2021, the Company held investments in one entity, which was evaluated under the VOE model and was not consolidated because the Company is not able to exercise substantial kick-out rights and substantial partnership rights.

Income Taxes

The Company operates and is taxed as a REIT for federal income tax purposes for the year ended December 31, 2021. To qualify as a REIT, the Company must meet certain organizational and operational requirements, including an equity investment in at least 90% of its taxable income from other REITs. As a REIT, the Company generally is not subject to federal corporate income tax on the portion of its taxable income that is currently distributed to its stockholders. The Company may be subject to state and local taxes on its income and property, and federal income and excise taxes on its undistributed income. No material provisions have been made for federal income taxes in the accompanying financial statements, and no gross deferred tax assets or liabilities have been recorded as of December 31, 2021. As of December 31, 2021, \$63,652 in distributions have been declared to stockholders, which we classified for tax purposes as non-taxable return of capital.

All aspects of the company are open to examination by the major taxing authorities in all jurisdictions where we are subject to taxation.

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Revenue Recognition

OS Received 06/03/2022

Rental income is recognized as earned and becomes due. Rental payments received in advance are deferred until earned. All leases between the Company and tenants of the property are operating leases and are on a year-to-year basis.

Based on the VOE model assessment, where no assets were determined to be consolidated, the Company has no revenues or expenses reported as of December 31, 2021.

For certain properties, in addition to the contractual basis, the tenants pay the share of utilities to the Company. The income and expenses associated with these properties are generally recorded on a gross basis when the Company's net payable obligation. For the year ended December 31, 2021, the Company recorded estimated expenses of \$0, specifically, which are reported as tenant reimbursements in the accompanying statements of operations.

Tenant fees, such as application fees, administrative fees, late fees, and other revenues from tenants are recorded when amounts become due.

Purchase Accounting for Acquisitions of Real Estate

Effective January 29, 2021, (Inception) the Company adopted the provisions of Accounting Standards Update 2017-01, which provides a framework for the valuation of the gross assets and liabilities of an acquired entity, the acquisition is treated as an asset acquisition as opposed to a business combination. Under an asset acquisition, costs directly related to the acquisition are capitalized as part of the purchase consideration. The fair value of the purchase consideration is then allocated based on the relative fair value of the assets. The estimates of the fair value of the purchase consideration and the fair value of the assets acquired consist with the techniques used in a business combination.

Accounting for Long-Lived Assets and Impairment of Real Estate Owned

The Company evaluates sales and disposal of a quality basis of assets and the fair value of any of sales of assets, including deferred costs and contingencies, to determine if there is any need for an impairment charge. In evaluating the portfolio, the Company examines one or more of the following: the type of asset, the current financial statements, the availability of financial information of the asset, and the economic situation in the area in which the asset is located. For each real estate asset owned for which indicators of impairment exist, management performs a recoverability test by comparing the sum of the estimated undiscounted future cash flows attributable to the asset to its carrying amount. If the aggregated undiscounted cash flows are less than the asset's carrying amount, an impairment loss is recorded to the extent that the estimated fair value is less than the asset's carrying amount. The estimated fair value is determined using a discounted cash flow model of the expected future cash flows through the useful life of the property. The analysis includes an estimate of the future cash flows that are expected to result from the real estate investment's use and eventual disposition. These cash flows consider factors such as expected future operating income, trends and prospects, the effects of leasing demand, competition and other factors.

Fair Value

Fair value is the exchange price that would be received for an asset or paid to settle a liability (expense) in the principal or most advantageous market for the asset or liability in an orderly transaction between market participants on the measurement date. The fair value hierarchy levels of inputs shall be used to measure fair values.

Level 1 Quoted prices (unadjusted) for identical assets or liabilities in active markets that the reporting entity has the ability to access as of the measurement date.

Level 2 Significant observable inputs other than Level 1 prices such as quoted prices for similar assets or liabilities, quoted prices in markets that are not active or the inputs that are observable or can be corroborated by observable market data.

Level 3 Significant unobservable inputs that reflect a company's own assumptions about the assumptions that market participants would use in pricing an asset or liability.

Fair Value Option

ASC 825 "Fair Value Option for Financial Assets and Financial Liabilities" ("ASC 825") provides a fair value option election that allows companies to irrevocably elect fair value as the initial and subsequent measurement basis for certain financial assets and liabilities. ASC 825 permits the fair value option election on an instrument by instrument basis as a practical election. We have decided not to make this election.

Note 3 – Investments in Real Estate

The following table presents the Company's acquisitions of real estate during the period from January 1, 2021 through December 31, 2021.

Description of Property	Date acquired	Ownership Percentage	Contract Purchase Price	Terms of Payment	Real Estate Acquisition Costs
NCP Dove	December 10, 2021	31.07%	\$ 46,370,000	Cash	\$ 3,147,450
North Charleston, SC					
Totals for 2021			\$ 46,370,000		\$ 3,147,450

Note 4 – Equity Method Investments

If determined that we do not have a controlling interest in a non-venture through financial interest in a VIE, the equity method of accounting is used. Under the equity method, the investee is not generally reported as a consolidated subsidiary including subsequent subsidiaries, endorsements, distributions, and distributions. As distributions are received from the underlying equity investee, the cost basis of the investee will be reduced. As distributions exceed the cost basis of the investee, we will then record realized investment gains for the associated equity investee. The following is a table of the current investee made under the equity method as of December 31, 2021.

Description of Property	Date acquired	Ownership Percentage	Contract Purchase Price	Terms of Payment	Investment Amount
NCP Dove	December 10, 2021	31.07%	\$ 46,370,000	Cash	\$ 5,014,216
North Charleston, SC					
Totals for 2021			\$ 46,370,000		\$ 5,014,216

Note 5 – Related Party Arrangements

DF Manager, LLC, Manager

Subject to the terms and conditions, the Manager is responsible for managing the Company's affairs on a day-to-day basis and for identifying and making investments on behalf of the Company.

The Manager will not be reimbursed for organizational and office expenses incurred in connection with the Offering. The Company will not reimburse the Manager for actual expenses incurred on behalf of the Company in connection with the selection or acquisition of investments, or the expenses incurred by the borrower, which the Company ultimately acquires investments. The Company will not reimburse the Manager for out-of-pocket expenses paid on behalf of the Company in connection with providing services to the Company.

DiversyFund, INC, Sponsor

The Sponsor will charge each Provider (of the Company itself, if the Company owns real estate directly) an acquisition fee of between 1% and 4% of the total proceeds, including both "hard" costs (e.g., the cost of property) and "soft" costs (e.g., professional fees). Where properties owned by an entity in which the Sponsor and the financial partner are joint venture partners may be included in the acquisition fee of the joint venture with the financial partner in such a joint venture (which could be higher than the 1-4% acquisition fee for direct investments). However, the Company's share of the fee will not exceed 1-4% of the Company's share of the total sale price. In 2021, the Sponsor received acquisition fees totaling \$2,560,425 in connection with the acquisition of NCP Dove LLC.

The Sponsor is entitled to an Organizational & Office Expense Reimbursement for direct expenses incurred by the Sponsor and affiliates on organizational and operational matters of the Company and conducting the Offering. The Organizational & Office Expense Reimbursement may not exceed 10% of the capital raised from the sale of Class A Investment Shares. In 2021, the Sponsor received Organizational & Office Expense Reimbursement totaling \$832,596.

The Sponsor will charge the Company an annual asset management fee equal to 2% of the net capital raised from the sale of Class A Investment Shares. The Sponsor may, at its sole discretion, equate the payment of the asset management fee up to five years in advance, which shall be non-refundable. In 2021, the Sponsor received asset management fees totaling \$166,519.

Executive Officers of our Manager and Sponsor

As of the date of this Annual Report, our executive officers are as follows:

Name	Position
Craig Cecilio	Chief Executive Officer
Alan Lewis	Chief Investment Officer

Craig Cecilio has served as our Chief Executive Officer of our Sponsor and Manager since inception.

Alan Lewis has served as the Chief Investment Officer of our Sponsor and Manager since inception.

Related Party Payable

As a related party, DF Growth REIT LLC paid \$32,456 for LexNova legal services on behalf of the Company. This amount is owed back to DF Growth REIT LLC and will be repaid in 2022.

Note 6 – Economic Dependency

Under various agreements, the Company has engaged or will engage DF Manager, LLC to provide certain services to the Company, including asset management services, asset acquisition and disposition decisions, the sale of the Company's common shares available for issue, as well as other administrative responsibilities for the Company including accounting services and other related matters. As a result of these relationships, the Company is dependent upon DF Manager, LLC. In the event that these companies were unable to provide the Company with the respective services, the Company would be required to find alternative providers of these services.

Note 7 – Commitments and Contingencies

Legal Proceedings

As of December 31, 2021, we were not named as a defendant in any active or pending litigation. The Company's administrative proceedings with the SEC. On January 26, 2021, the SEC issued an temporary suspension order of the Offering under Rule 258 and an administrative hearing set for June 6, 2022 to determine whether the permanent suspension order should be issued regarding the Offering under the Regulation A exemption from registration. None of the SEC's allegations involve financial or accounting misconduct or wrongdoing and we believe the allegations are a technical violation of Regulation A requirements and related securities laws.

Note 8 – Distributions

Investor distributions are determined by each shareholder's investments of record each day during the distribution period.

The table below outlines the Company's total distributions declared to shareholders and distributions relating to the Sponsor and affiliates for the twelve months ended December 31, 2021.

Distribution Period	Declaration Date	Daily Distribution per class A Shares	Annualized Yield	Total Amount of Distribution	Paid/Reinvested as of December 31, 2021	Payment Date
Sepember 1, 2021 through Sepember 30, 2021	9/30/2021	0.00008202	5.00%	\$ 347	\$ 347	10/15/2021
October 1, 2021 through October 31, 2021	10/31/2021	0.00088431	5.00%	\$ 10,713	\$ 10,713	11/14/2021
November 1, 2021 through November 30, 2021	11/30/2021	0.00115029	5.00%	\$ 22,019	\$ 22,019	12/15/2021

December 1, 2021 through December 31, 2021	12/31/2021	0.00119286	5.00%	\$	30,573	1/15/2022
Total				\$	63,652	

(1) Distributions are paid or are to be paid on the 15th of the following month after the distribution period.

Note 9 – Subsequent Events

Events that occur after the balance sheet date, but before the financial statements were available to be issued, must be evaluated for recognition and disclosure. The effects of subsequent events that provide evidence about conditions that existed at the balance sheet date are recognized in the accompanying financial statements. Subsequent events which provide evidence about conditions that existed after the balance sheet date are excluded from the accompanying notes. Management has evaluated the activity of the Company through April 12, 2022, the date the financial statements were available to be issued.

Swaying Oaks

On March 11, 2022, the Company made an equity investment of \$1,500,935 in the Swaying Oaks acquisition. The Company invested in Swaying Oaks as a non-controlling limited partner. Swaying Oaks is a 64-unit multi-family asset located in San Antonio, Texas.

Offering Proceeds

As of April 12, 2022, the Company had a scheduled gross offering proceeds of approximately \$10,736,607 from scheduled subscriptions and issued an aggregate of 1,073,661 shares of our Class A shares, with additional subscriptions for an aggregate of 243,582 shares of our Class A shares, representing additional gross offering proceeds of approximately \$2,435,819. As of April 12, 2022, approximately \$39,263,393 in shares remained available for sale to the public pursuant to the Offering.

Exhibits

The following Exhibits are filed as part of this Annual Report:

Exhibit 1A-2A*	<u>Certificate of Formation</u>
Exhibit 1A-2B*	<u>LLC Agreement – The agreement by and among the Company and all of its members captioned “Limited Liability Company Agreement” and dated August 20, 2020</u>
Exhibit 1A-2C*	<u>Authorizing Resolution – The resolution adopted by the Management regarding the Class A Investment Shares</u>
Exhibit 1A-6A*	<u>Investment Agreement – The agreement to be signed by each Investor to acquire a Class A Investment Share</u>
Exhibit 1A-6B*	<u>Management Agreement – The agreement captioned “Management Services Agreement” by and between the Company and the Management dated August 20, 2020</u>

* Previously filed and incorporated by reference.

Signatures

Pursuant to the requirements of Regulation A, the issuer has duly caused this report to be signed on its behalf by the undersigned, the duly authorized signatory, on May 3, 2022.

DF Growth REIT II, LLC

By: DF Management, LLC, as Manager

By: Diversey Fund, Inc., as Manager

By: /s/ Craig Cecilio
Craig Cecilio, Chief Executive Officer

Pursuant to the requirements of Regulation A, this report has been signed below by the following persons on behalf of the issuer and in the capacities and on the dates indicated:

/s/ Alan Lewis
Alan Lewis
Director and Chief Investment Officer of Diversey Fund, Inc.
May 3, 2022

/s/ Craig Cecilio
Craig Cecilio
Director and Chief Executive Officer of Diversey Fund, Inc.
May 3, 2022

Division of Enforcement's Exhibit 10

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Division of Enforcement's Exhibit 11

U. S. SECURITIES AND EXCHANGE COMMISSION

Investigation # LA-05266

DECLARATION OF RUSSELL CASTILLO

Pursuant to 28 U.S.C. Section 1746, the undersigned states as follows:

1. My name is Russell Castillo I am over twenty-one years of age and have personal knowledge of the matters set forth herein.
2. I am assigned as an IT Specialist to the U.S. Securities and Exchange Commission's Division of Enforcement in Washington, D.C. As part of my duties, I have been trained to preserve various forms of online content. For investigation # LA-05266. I have been tasked to conduct a Website Capture/Video Capture/Social Media/Telegram/live stream/blog.
3. In support of investigation number LA-05266, and at the direction of my supervisor, I was tasked to conduct an internet preservation of the following URL's:

<https://diversyfund.com/>

4. I completed the above mentioned internet preservation on November 22, 2021, using the following tools:

Fireshot Pro

The above listed tools are commonly used to preserve internet content.

5. I saved the above-mentioned internet preservation using FTK Imager, which ensures that the internet preservation will not be altered or modified during storage. Specifically, FTK Imager forensically seals the internet preservation such that it can be opened only with FTK Imager. The sealed internet preservation has been labeled LA-05266, and saved to the following location:

K:\Other_Projects\Webcaptures\imagefiles

6. I also saved a copy of the above mentioned internet preservation along with this declaration to a network share. The location for this network share is provided below:

\\tsclient\K\Other_Projects\Webcaptures\Websites

I declare under penalty of perjury that the foregoing is true, correct, and made in good faith.


[Russell Castillo]

Executed on this 22nd day of November 2021



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Search

Articles in this section

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REIT 1 VS REIT 2 Investments

[REIT 2: Investment Term](#)

REIT 1 VS REIT 2 Investments



Christopher Finlay
1 month ago · updated

Follow

How will investing in REIT 2 impact my investment term?

REIT II has the same business plan and return targets as REIT I. Investing in REIT II will provide you with greater diversification as REIT II will contain additional properties that we believe provide the opportunity to add value and achieve a solid return through a professionally managed portfolio.

Will all my investments (REIT 1 & REIT 2) be under the same 5-year term?

No, REIT I and REIT II operate as separate investment vehicles. While they have similar investment strategies they operate on their own 5 year investment term.

May I continue investing in the original REIT instead of REIT 2?

REIT I is now closed and REIT 2 is available

Will launching REIT 2 impact my original REIT investment in any way?

No, REIT I will not be impacted by REIT II in any way. The assets in REIT I will continue to be owned and operated by REIT I.

Does this mean the original REIT is winding down?

No, The original REIT is closed to new investors, however it will still manage its portfolio to create value for investors to meet its targeted IRR.



Was this article helpful?

Yes

No

6 out of 8 found this helpful

Have more questions? [Submit a request](#)

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[How is the investment taxed?](#)

[What is a REIT?](#)

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DiversyFund Help Center

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Captured by FireShot Pro: 22 November 2021, 11:31:19

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- [What is a REIT?](#)
- [How does the investment work?](#)
- [What am I investing in?](#)
- [What returns can I expect?](#)
- [How long is the investment term and when do I cash out?](#)
- [Can I cash out before the end of the investment term?](#)
- [What are your fees?](#)**
- [How do I process my first investment?](#)

What are your fees?

 Christopher Finlay
3 months ago / Updated

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What are your fees?

The REIT has a 7% Preferred return and **targets double digit IRR** once the REIT has gone full cycle. DiversyFund makes money through the platform and asset fees and when we sell REIT assets that have increased in value, we will be paid a portion of any profits over the preferred rate of return of 7% to our investors.

We have an internal real estate team responsible for finding and acquiring our assets. We own all of the real estate assets that are being purchased as opposed to other platforms that simply raise funds for other third-party projects, and therefore have to pay third-party fees. We are fully invested in our projects and oversee everything from start to finish. We profit from the success of the projects and upon liquidation of the REIT, alongside our investors.

We are always looking for ways to improve how we create wealth for our customers. The new fee structure has several components that help us be more competitive in acquiring multifamily properties so that we can build better portfolios:

Platform costs:

Offering and Organization Expense Reimbursement: Expenses charged to investors for the actual costs of marketing and fintech platform operations - expenses are capped at 10% of equity dollars

Asset Management Fee: platform fee equal to 2% of equity dollars per year

Real Estate Fees

Acquisition Fees: 1-4% of total cost of asset

Finance Fee: 1% of any loan amount



Was this article helpful?

449 out of 500 found this helpful

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- [What am I investing in?](#)
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Comments

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Please sign in to leave a comment.



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[REIT 2: Fee Structure](#)

[REIT 1 VS REIT 2: Investments](#)

[REIT 2: Investment Term](#)

REIT 2: Fee Structure

 Christopher Finlay
1 month ago

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How does the new fee structure impact my returns?

The new fee structure was designed to have no negative impact on overall fees charged to the REIT, it simply breaks up fees into different buckets to allow for greater flexibility for our management team and enhance the real estate team's effectiveness.

How does the new fee structure work?

We are always looking for ways to improve how we create wealth for our customers. The new fee structure has several components that help us be more competitive in acquiring multifamily properties so that we can build better portfolios:

Platform Costs

Offering and Organization Expense Reimbursement - Expenses charged to investors for the actual costs of marketing and fintech platform operations - expenses are capped at 10% of equity dollars

Asset Management Fee - platform fee equal to 2% of equity dollars per year

Real Estate Fees

Acquisition Fees - 1-4% of total cost of asset

Finance Fee - 1% of any loan amount

How does DiversyFund make money?

DiversyFund makes money through the platform and asset fees and when we sell REIT assets that have increased in value, we will be paid a portion of any profits over the preferred rate of return of 7% to our investors.

Why was the fee structure changed?

The new fee structure provides greater flexibility for our real estate team in selecting assets and provides a better opportunity to partner with other investment firms to maximize potential returns for our customers.



Was this article helpful?

7 out of 10 found this helpful

Have more questions? [Submit a request](#)

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Comments

0 comments

Please sign in to leave a comment.

Division of Enforcement's Exhibit 12

U. S. SECURITIES AND EXCHANGE COMMISSION

Investigation # LA-05266

DECLARATION OF RUSSELL CASTILLO

Pursuant to 28 U.S.C. Section 1746, the undersigned states as follows:

1. My name is Russell Castillo I am over twenty-one years of age and have personal knowledge of the matters set forth herein.
2. I am assigned as an IT Specialist to the U.S. Securities and Exchange Commission's Division of Enforcement in Washington, D.C. As part of my duties, I have been trained to preserve various forms of online content. For investigation # LA-05266. I have been tasked to conduct a Website Capture/Video Capture/Social Media/Telegram/live stream/blog.
3. In support of investigation number LA-05266, and at the direction of my supervisor, I was tasked to conduct an internet preservation of the following URL's:

diversyfund.com

4. I completed the above mentioned internet preservation on September 17, 2021, using the following tools:

Fireshot Pro

The above listed tools are commonly used to preserve internet content.

5. I saved the above-mentioned internet preservation using FTK Imager, which ensures that the internet preservation will not be altered or modified during storage. Specifically, FTK Imager forensically seals the internet preservation such that it can be opened only with FTK Imager. The sealed internet preservation has been labeled LA-05266, and saved to the following location:

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6. I also saved a copy of the above mentioned internet preservation along with this declaration to a network share. The location for this network share is provided below:

\\tsclient\K\Other_Projects\Webcaptures\Websites

I declare under penalty of perjury that the foregoing is true, correct, and made in good faith.


[Russell Castillo]

Executed on this 18th day of February 2022

HOW IT WORKS

The Path to Financial Freedom

Our company was founded on the belief that everyone deserves access to the same wealth-building tools that have long been used by the 1%. To create and sustain generational wealth, DiversyFund was built to empower the everyday investor, with the ultimate goal of closing the wealth gap.

Combining innovative technology and extensive expertise in finance and investment management, our self-serve investment platform offers 24/7 access to our unique offerings, including private market investment funds and educational services. Starting with a minimum investment of only \$500 and no management fees, we make it possible for you to diversify your portfolio with one of the most attractive—and historically profitable—forms of alternative asset investment: multifamily commercial real estate.

DiversyFund is committed to demystifying the wealth-building process for the everyday investor. By offering a wide array of financial literacy resources and an accessible product offering to begin investing in alternative assets, we work tirelessly on behalf of the 99% to democratize the investing landscape.

Start Investing In Alternative Assets Today

Growing your wealth is easier than you think.

START INVESTING



Questions? You can reach us via chat or email

HELLO@DIVERSYFUND.COM



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Offer Qualified by U.S. Securities and Exchange Commission Under Regulation A.

Division of Enforcement's Exhibit 13

John Travis

From: John Travis
Sent: Saturday, December 18, 2021 8:47 AM
To: DiversyFund
Subject: RE: [DiversyFund] Re: RE: [DiversyFund] Re: Call

I understand all you have stated. But you never gave me an opportunity to stop the investment into Growth REIT II. I was not notified nor did I agree to invest in the Growth REIT II. I had a concern when I originally invested with you that the customer service on this venture would be lacking, and it is. The fact that I have to type messages to communicate is a great example of how not to do business, which is why I am not investing anymore. Will look elsewhere.

From: Kari H (DiversyFund) <hello@diversyfund.com>
Sent: Friday, December 17, 2021 1:56 PM
To: John Travis <johntravis@ryaltd.com>
Subject: [DiversyFund] Re: RE: [DiversyFund] Re: Call

##- Please type your reply above this line -##

Your request (44682) has been updated. To add additional comments, reply to this email.



Kari H (DiversyFund)

Dec 17, 2021, 10:56 AM PST

Hi John,

My apologies but REIT 1 is closed now. We reached the amount we are SEC qualified to raise and can no longer have funds go into that account. It said this in your account. As stated before, everything starting in September goes to REIT 2 now. We can not transfer the funds back to REIT 1.

My apologies but it is invested in REIT 2 until we sell the properties and liquidate the investors.

Unfortunately, once the investment is processed there is not much we can do. The funds are committed to purchasing properties and real estate is not like cash or a stock investment that can be traded. I've provided more info on how the investment term and liquidation process work.

The DiversyFund Growth REIT is designed to build wealth over an approximate 5-year timeline. The investment strategy for this fund is a growth strategy, which will be executed through a series of stages.

-
- Acquisition Stage: The REIT uses the capital raised to acquire multifamily properties with approximately 100+units.
 - Renovation Stage: We do what is called a "value-add play". We add value to the properties via renovations. We renovate the individual units, common areas, etc. We utilize cash flow from the properties to fund the renovations over a period of time.
 - Stabilize & Hold Stage: As we finalize the renovation process, the forced appreciation means we can increase rents and stabilize the property. We'll then hold on to the assets for several years allowing the property to naturally appreciate in value.
 - Liquidation/Disposition Stage: This is the final stage. By now, the properties have appreciated naturally and through forced appreciation via the renovations. This is the ideal time to sell the properties. We'll sell the assets and liquidate our investors.

We aim to invest in projects that can be liquidated/sold within approximately 4-5 years. Due to the nature of the investment and our growth strategy, we have no premature withdrawal policy. Our duty is to take the hard but necessary steps to protect the interests of our investor base as a whole, especially during times like these. This ensures our portfolio is in a position of strength and can withstand a severe downturn or recession.

I hope I was able to provide a bit more insight and clarity, please let me know if you have any other questions!

Kari H



John Travis

Dec 17, 2021, 9:36 AM PST

This is a follow-up to your previous request [#43555](#) "Call"

Kari - this conversation has been going on for over a month, most of it initiated by me. The lack of service here is poor. I either want to have my money refunded, or would be open to moving the \$10k from the Growth REIT II to the original investment. Please respond. Timely.

Hi Kari. Just checking back with you to get an update. thanks – John

From: Kari H (DiversyFund) <hello@diversyfund.com>

Sent: Monday, November 22, 2021 8:33 PM

To: John Travis <johntravis@ryaltd.com>

Subject: [DiversyFund] Re: Call

Attachment(s)

[image003.jpg](#)

This email is a service from DiversyFund. Delivered by [Zendesk](#)

Division of Enforcement's Exhibit 14

DF Growth REIT II, LLC

INVESTMENT AGREEMENT

This is an Investment Agreement, entered into on 2021-10-05T00:21:08.007Z, by and between DF Growth REIT II, LLC, a Delaware limited liability company (the "Company") and the purchaser identified on the Purchaser Information Sheet attached ("Purchaser").

Background

I. The Company is offering for sale Class A Investor Shares pursuant to an Offering Circular dated 2021-10-05T00:21:08.007Z (the "Disclosure Document").

II. The Company and its members are parties to an agreement captioned "Limited Liability Company Agreement", dated August 31, 2020, which they intend to be the sole "limited liability company agreement" of the Company within the meaning of 6 Del. C. Â§18-101(7) (the "LLC Agreement").

NOW, THEREFORE, acknowledging the receipt of adequate consideration and intending to be legally bound, the parties hereby agree as follows:

1. Defined Terms. Capitalized terms that are not otherwise defined in this Investment Agreement have the meanings given to them in the Disclosure Document. The Company is sometimes referred to using words like "we" and "our," and Purchaser is sometimes referred to using words like "you" and "your."
2. Purchase of Shares. Subject to the terms and conditions of this Investment Agreement, the Company hereby agrees to sell to you, and you hereby agree to purchase from the Company, that number of Class A Investor Shares set forth on the Purchaser Information Sheet, for the price set forth on the Investor Information Sheet. We refer to your Class A Investor Shares as the "Shares."
3. No Right to Cancel. You do not have the right to cancel your subscription or change your mind. Once you sign this Investment Agreement, you are obligated to purchase the Shares, no matter what.
4. Our Right to Reject Investment. In contrast, we have the right to reject your subscription for any reason or for no reason, in our sole discretion. If we reject your subscription, any money you have given us will be returned to you.
5. Your Promises. You promise that:
 - 5.1 Accuracy of Information. All of the information you have given to us, whether in this Investment Agreement or otherwise, is accurate and we may rely on it. If any of the information you have given to us changes before we accept your subscription, you will notify us immediately. If any of the information you have given to us is inaccurate and we are damaged (harmed) as a result, you will indemnify us, meaning you will pay any damages.
 - 5.2 Risks. You understand all the risks of investing, including the risk that you could lose all your money. Without limiting that statement, you have reviewed and understand all the risks listed in the Disclosure Document.
 - 5.3 No Representations. Nobody has made any promises or representations to you, except the information in the Disclosure Document. Nobody has guaranteed any financial outcome of your investment.

5.4 Opportunity to Ask Questions. You have had the opportunity to ask questions about the Company and the investment. All your questions have been answered to your satisfaction.

5.5 Your Legal Power to Sign and Invest. You have the legal power to sign this Investment Agreement and purchase the Shares.

5.6 No Government Approval. You understand that no state or federal authority has reviewed this Investment Agreement or the Shares or made any finding relating to the value or fairness of the investment.

5.7 No Transfer. You understand that under the terms of the LLC Agreement, the Shares may not be transferred without our consent. Also, securities laws limit transfer of the Shares. Finally, there is currently no market for the Shares, meaning it might be hard to find a buyer. As a result, you should be prepared to hold the Shares indefinitely.

5.8 No Advice. We have not provided you with any investment, financial, or tax advice. Instead, we have advised you to consult with your own legal and financial advisors and tax experts.

5.9 Tax Treatment. We have not promised you any particular tax outcome from buying or holding the Shares.

5.10 Acting On Your Own Behalf. You are acting on your own behalf in purchasing the Shares, not on behalf of anyone else.

5.11 Investment Purpose. You are purchasing the Shares solely as an investment, not with an intent to re-sell or "distribute" any part of it.

5.12 Anti-Money Laundering Laws. Your investment will not, by itself, cause the Company to be in violation of any "anti-money laundering" laws, including, without limitation, the United States Bank Secrecy Act, the United States Money Laundering Control Act of 1986, and the United States International Money Laundering Abatement and Anti-Terrorist Financing Act of 2001.

5.13 Additional Information. At our request, you will provide further documentation verifying the source of the money used to purchase the Shares.

5.14 Disclosure. You understand that we may release confidential information about you to government authorities if we determine, in our sole discretion after consultation with our lawyer, that releasing such information is in the best interest of the Company or if we are required to do so by such government authorities.

5.15 Additional Documents. You will execute any additional documents we request if we reasonably believe those documents are necessary or appropriate and explain why.

5.16 No Violations. Your purchase of the Shares will not violate any law or conflict with any contract to which you are a party.

5.17 Enforceability. This Investment Agreement is enforceable against you in accordance with its terms.

5.18 No Inconsistent Statements. No person has made any oral or written statements or representations to you that are inconsistent with the information in this Investment Agreement and the Disclosure Document.

5.19 Financial Forecasts. You understand that any financial forecasts or projections are based on estimates and assumptions we believe to be reasonable but are highly speculative. Given the industry, our actual results may vary from any forecasts or projections.

5.20 Notification. If you discover at any time that any of the promises in this section 5 are untrue, you will notify us right away.

5.21 Additional Promises by Individuals. If you are a natural person (not an entity), you also promise that:

5.21.1 Knowledge. You have enough knowledge, skill, and experience in business, financial, and investment matters to evaluate the merits and risks of the investment.

5.21.2 U.S. Citizen or Resident. If you are neither a citizen nor a resident of the United States (i) you acknowledge that distributions to you might be subject to withholding under U.S. tax laws, and (ii) the offering of Class A Investor Shares is legal in the jurisdiction where you live and does not require the consent or approval of any governmental entity in that jurisdiction.

5.21.3 Financial Wherewithal. You can afford this investment, even if you lose your money. You don't rely on this money for your current needs, like rent or utilities.

5.21.4 Anti-Terrorism and Money Laundering Laws. None of the money used to purchase the Shares was derived from or related to any activity that is illegal under United States law, and you are not on any list of "Specially Designated Nationals" or known or suspected terrorists that has been generated by the Office of Foreign Assets Control of the United States Department of Treasury ("OFAC"), nor are you a citizen or resident of any country that is subject to embargo or trade sanctions enforced by OFAC.

5.22 Entity Investors. If Purchaser is a legal entity, like a corporation, partnership, or limited liability company, Purchaser also promises that:

5.22.1 Good Standing. Purchaser is validly existing and in good standing under the laws of the jurisdiction where it was organized and has full corporate power and authority to conduct its business as presently conducted and as proposed to be conducted.

5.22.2 Other Jurisdictions. Purchaser is qualified to do business in every other jurisdiction where the failure to qualify would have a material adverse effect on Purchaser.

5.22.3 Authorization. The execution and delivery by Purchaser of this Investment Agreement, Purchaser's performance of its obligations hereunder, the consummation by Purchaser of the transactions contemplated hereby, and the purchase of the Shares, have been duly authorized by all necessary corporate, partnership or company action.

5.22.4 Investment Company. Purchaser is not an "investment company" within the meaning of the Investment Company Act of 1940.

5.22.5 Information to Investors. Purchaser has not provided any information concerning the Company or its business to any actual or prospective investor, except the Disclosure Document, this Investment Agreement, and other written information that the Company has approved in writing in advance.

5.22.6 Anti-Terrorism and Money Laundering Laws. To the best of Purchaser's knowledge based upon appropriate diligence and investigation, none of the money used to purchase the Shares was derived from or related to any activity that is illegal under United States law. Purchaser has received representations from each of its owners such that it has formed a reasonable belief that it knows the true identity of each of the ultimate investors in Purchaser. To the best of Purchaser's knowledge, none of its ultimate investors is on any list of "Specially Designated Nationals" or known or suspected terrorists that has been generated by the Office of Foreign Assets Control of the United States Department of Treasury ("OFAC"), nor is any such ultimate investor a citizen or resident of any country that is subject to embargo or trade sanctions enforced by OFAC.

6 Confidentiality. The information we have provided to you about the Company, including the information in the Disclosure Document, is confidential. You will not reveal such information to anyone or use such information for your own benefit, except to purchase the Shares.

7 Re-Purchase of Shares. If we decide that you provided us with inaccurate information or have otherwise violated your obligations, or if required by any applicable law or regulation related to terrorism, money laundering, and similar activities, we may (but shall not be required to) repurchase your Shares for an amount equal to the amount you paid for it.

8 Governing Law. This Agreement shall be governed by the internal laws of California without giving effect to the principles of conflicts of laws. You hereby (i) consent to the personal jurisdiction of the California courts or the Federal courts located in or most geographically convenient to San Diego, California, (ii) agree that all disputes arising from this Agreement shall be prosecuted in such courts, (iii) agree that any such court shall have in personam jurisdiction over you, (iv) consent to service of process by notice sent in accordance with section 11 and/or by any means authorized by California law, and (v) if you are not otherwise subject to service of process in California, agree to appoint and maintain an agent in California to accept service, and to notify the Company of the name and address of such agent.

9 Execution of LLC Agreement. If we accept your subscription, then your execution of this Investment Agreement will also serve as your execution of the LLC Agreement, just as if you had signed a paper copy of the LLC Agreement in blue ink.

10 Consent to Electronic Delivery. You agree that we may deliver all notices, tax reports and other documents and information to you by email or another electronic delivery method we choose. You agree to tell us right away if you change your email address or home mailing address so we can send information to the new address.

11 Notices. All notices between us will be electronic. You will contact us by email at customerrelations@diversyfund.com. We will contact you by email at the email address on the Purchaser Information Sheet. Either of us may change our email address by notifying the other (by email). Any notice will be considered to have been received on the day it was sent by email, unless the recipient can demonstrate that a problem occurred with delivery. You should designate our email address as a "safe sender" so our emails do not get trapped in your spam filter.

12 Limitations on Damages. WE WILL NOT BE LIABLE TO YOU FOR ANY LOST PROFITS OR SPECIAL, CONSEQUENTIAL, OR PUNITIVE DAMAGES, EVEN IF YOU TELL US YOU MIGHT INCUR THOSE DAMAGES. This means that at most, you can sue us for the amount of your investment. You can't sue us for anything else. However, the foregoing limitation of damages does not apply to claims arising under the Federal securities laws.

13 Waiver of Jury Rights. IN ANY DISPUTE WITH US, YOU AGREE TO WAIVE YOUR RIGHT TO A TRIAL BY JURY. This means that any dispute will be heard by a judge, not a jury. However, the foregoing waiver of trial by jury does not apply to claims arising under the Federal securities laws.

14 Miscellaneous Provisions.

14.1 No Transfer. You may not transfer your rights or obligations.

14.2 Headings. The headings used in this Investment Agreement (e.g., the word "Headings" in this paragraph), are used only for convenience and have no legal significance.

14.3 No Other Agreements. This Investment Agreement, the LLC Agreement, and the Shares are the only agreements between us.

14.4 Relationship with LLC Agreement. This Agreement governs Purchaser's purchase

of the Shares, while the LLC Agreement governs Purchaser's ownership of the Shares and the operation of the Company. In the event of a conflict between the two agreements, the LLC Agreement shall control.

14.5 Electronic Signature. You will sign this Investment Agreement electronically, rather than physically.

INVESTOR INFORMATION SHEET

Name of Purchaser

John Travis

Number of Class A Investor Shares

Price Per Investor Share

\$ _____

Total Investment

\$ 5000

Social Security Number
(If You Are An Individual)

255-94 [REDACTED]

Joint Investor Name, if Joint Investment

Tammy Travis

Joint Investor Social Security Number, if Joint Investment

250-19 [REDACTED]

Or

Vesting Name
(If You Are An Entity)

Employer Identification Number
(If You Are An Entity)

Jurisdiction of Formation
(If You Are An Entity)

Mailing Address Street 1

[REDACTED]
Mailing Address Street 2

Mailing Address City

[REDACTED]

[REDACTED] Address State and Zip Code

[REDACTED]

Mailing Address Country

US

Email Address

[REDACTED]

SIGNATURE PAGE FOR AN INVESTOR WHO IS AN INDIVIDUAL

IN WITNESS WHEREOF, the undersigned has executed this Investment Agreement effective on the date first written above.

Investor Signature

John Travis

Print Name

John Travis

Second Signature, if Joint Investment

Print Second Name, if Joint Investment

Tammy Travis

ACCEPTED

DF Growth REIT II, LLC

By: DF Manager, LLC

OS Received 06/03/2022

SEC-TravisJ-E-000024

As Manager

DF Growth REIT II, LLC

By: DiversyFund, Inc.

As Manager

By:

Alan Lewis



SIGNATURE PAGE FOR AN INVESTOR THAT IS A CORPORATION, PARTNERSHIP, OR LIMITED LIABILITY COMPANY

IN WITNESS WHEREOF, the undersigned has executed this Investment Agreement effective on the date first written above.

Investor Signature

John Travis

Print Name

John Travis

Print Title

ACCEPTED

DF Growth REIT II, LLC

By: DF Manager, LLC

As Manager

DF Growth REIT II, LLC

By: DiversyFund, Inc.

As Manager

By:

Alan Lewis



SIGNATURE PAGE FOR AN INVESTOR THAT IS A TRUST

IN WITNESS WHEREOF, the undersigned has executed this Investment Agreement effective on the date first written above.

Investor Signature

John Travis

Print Name

John Travis

Print Title

ACCEPTED

DF Growth REIT II, LLC

By: DF Manager, LLC

As Manager

DF Growth REIT II, LLC

By: DiversyFund, Inc.

As Manager

By:

Alan Lewis



SIGNATURE PAGE FOR AN INVESTOR THAT IS AN IRA

IN WITNESS WHEREOF, the undersigned has executed this Investment Agreement effective on the date first written above.

Investor Signature

John Travis

Print Name

John Travis

Print Title

ACCEPTED

DF Growth REIT II, LLC

By: DF Manager, LLC

As Manager

DF Growth REIT II, LLC

By: DiversyFund, Inc.

As Manager

By:

Alan Lewis



SIGNATURE PAGE FOR AN INVESTOR THAT IS A RETIREMENT PLAN

IN WITNESS WHEREOF, the undersigned has executed this Investment Agreement effective on the date first written above.

Investor Signature

John Travis

Print Name

John Travis

Print Title

ACCEPTED

DF Growth REIT II, LLC

By: DF Manager, LLC

As Manager

DF Growth REIT II, LLC

By: DiversyFund, Inc.

As Manager

By:

Alan Lewis

Stanley

Division of Enforcement's Exhibit 15

DIVERSY ADVISORY SERVICES, LLC

CLIENT AGREEMENT

YOU MUST READ AND CONSIDER THIS AGREEMENT CAREFULLY AND CONTACT DIVERSY ADVISORY SERVICES, LLC ("DA SERVICES") TO ASK ANY QUESTIONS YOU MAY HAVE BEFORE ENTERING INTO IT. THIS AGREEMENT MAY BE EXECUTED IN ONE OR MORE COUNTERPARTS, EACH OF WHICH WILL BE DEEMED AN ORIGINAL, BUT ALL OF WHICH TOGETHER WILL CONSTITUTE ONE AND THE SAME AGREEMENT. THIS AGREEMENT SHALL BE EXECUTED BY APPLYING AN ELECTRONIC SIGNATURE USING DOCUSIGN OR SIMILAR ONLINE ELECTRONIC SIGNING SERVICE AND ANY COUNTERPART SO DELIVERED SHALL BE DEEMED TO HAVE BEEN DULY AND VALIDLY DELIVERED AND BE VALID AND EFFECTIVE FOR ALL PURPOSES. BY SIGNING THIS AGREEMENT, YOU ACKNOWLEDGE AND AGREE THAT:

- THIS AGREEMENT MAY BE AMENDED, ALTHOUGH NOT ASSIGNED, FROM TIME TO TIME WITHOUT PRIOR NOTICE OR CONSENT FROM YOU.
-
- DA SERVICES MAY BE REQUIRED TO DELIVER CERTAIN DOCUMENTS TO CLIENTS FROM TIME TO TIME. EXAMPLES OF SUCH DOCUMENTS INCLUDE, BUT ARE NOT LIMITED TO, THE AMENDED AGREEMENTS, FORM ADV PART 2A, AND/OR THE FIRM'S PRIVACY POLICY. BY EXECUTION OF THIS AGREEMENT, CLIENT CONSENTS TO THE USE OF ELECTRONIC MEANS, SUCH AS EMAIL, TO MAKE SUCH DELIVERY. THIS DELIVERY MAY INCLUDE NOTIFICATION OF THE AVAILABILITY OF SUCH DOCUMENT(S) ON THE INTERACTIVE WEBSITE; CLIENT AGREES THAT SUCH NOTIFICATION WILL CONSTITUTE "DELIVERY." CLIENT AGREES TO PROVIDE DA SERVICES WITH AN EMAIL ADDRESS AND TO KEEP THIS INFORMATION CURRENT AT ALL TIMES BY PROMPTLY NOTIFYING DA SERVICES OF ANY CHANGE IN EMAIL ADDRESS. THIS CONSENT WILL REMAIN IN EFFECT UNTIL REVOKED IN WRITING TO DA SERVICES AT ITS MAIN OFFICE ADDRESS. THE AMENDED AGREEMENTS WILL BE AVAILABLE ON THE DIVERSY FUND, INC. ("DIVERSY") WEBSITE AT DIVERSYFUND.COM (THE "INTERACTIVE WEBSITE").
-
- YOU WILL RECEIVE NOTIFICATION VIA EMAIL AND BY PUSH NOTIFICATION WHEN YOU LOG INTO THE INTERACTIVE WEBSITE OF ANY AMENDMENTS OR NEW VERSIONS OF ANY OF THE AGREEMENTS (THE "REVISED AGREEMENTS") HAVE BEEN POSTED TO THE INTERACTIVE WEBSITE. .
-
- THE REVISED AGREEMENTS WILL TAKE EFFECT WHEN YOU CLICK THE "I ACCEPT" BUTTON THAT WILL APPEAR WHEN YOU LOG INTO THE INTERACTIVE WEBSITE. BY CLICKING THE "I ACCEPT" BUTTON, YOU (A) ACKNOWLEDGE THAT YOU HAVE READ AND UNDERSTAND THE REVISED AGREEMENTS; (B) REPRESENT AND WARRANT THAT YOU HAVE THE RIGHT, POWER, AND AUTHORITY TO ENTER INTO THE REVISED AGREEMENTS AND IF ENTERING INTO THE REVISED AGREEMENTS FOR AN ORGANIZATION, THAT YOU HAVE THE LEGAL AUTHORITY TO BIND THAT ORGANIZATION; AND (C) ACCEPT THIS AGREEMENT AND AGREE THAT YOU ARE LEGALLY BOUND BY ITS TERMS BY CLICKING "I ACCEPT" OR BY CONTINUING TO USE SERVICES PROVIDED BY DA SERVICES WITHOUT OBJECTING TO ANY AMENDMENTS OR NEW VERSIONS OF ANY OF THE AGREEMENTS POSTED ON THE INTERACTIVE WEBSITE, YOU AGREE TO AND ACCEPT ALL TERMS AND CONDITIONS OF ANY REVISED AGREEMENTS, INCLUDING ANY NEW OR CHANGED TERMS OR CONDITIONS. IF YOU DO NOT AGREE TO ACCEPT ALL TERMS AND CONDITIONS OF THE REVISED AGREEMENTS, PLEASE SELECT THE "I DECLINE" BUTTON. IF YOU DO NOT AGREE TO AND ACCEPT ALL TERMS AND CONDITIONS OF THE REVISED AGREEMENTS, DA SERVICES RESERVES THE RIGHT TO TERMINATE THE CLIENT'S PLAN IN ACCORDANCE WITH SECTION 10 OF THIS AGREEMENT.
-
- **IMPORTANT NOTICE REGARDING ARBITRATION: WHEN YOU AGREE TO THE ADVISORY CLIENT AGREEMENT YOU ARE AGREEING (WITH LIMITED EXCEPTIONS) TO RESOLVE ANY DISPUTE BETWEEN YOU AND DA SERVICES THROUGH BINDING, INDIVIDUAL ARBITRATION RATHER THAN IN COURT. PLEASE REVIEW CAREFULLY SECTION 16 OF THE ADVISORY CLIENT AGREEMENT FOR DETAILS REGARDING ARBITRATION.**

DA SERVICES CLIENT AGREEMENT

You ("Client") and Diversy Advisory Services, LLC, a Delaware limited liability company and a registered investment adviser with the Securities and Exchange Commission ("DA Services"), agree to enter into an agreement that will allow DA Services to provide certain advisory services to you, as further described herein. This Client Agreement ("Agreement") is effective as of the first day Client agrees to it (the "Effective Date"). In consideration of the mutual covenants herein, Client and DA Services agree as follows:

1. Services. Client retains DA Services to perform one or more of the following services, which it is important to understand that these Services will not involve comprehensive or overall financial guidance intended to cover all areas of the Client's financial plan or needs:

1. to provide Client with recommended portfolio compositions pursuant to an investment plan to purchase securities of DA Services-affiliated issuers, including fractional shares thereof ("Securities") recommended by DA Services based on profile information and features designated by Client (the "Investment Plan"). Client shall be responsible for executing any documents associated with such Investment Plan, which will be made available to Client on the Interactive Website.
- 2.
3. if elected by Client, to periodically withdraw funds from Client's designated bank account at intervals selected by Client in order to purchase securities (i) directly into a DA Services-affiliated issuer that is selected by DA Services or (ii) in accordance with the Investment Plan selected by Client, the choice of program being directed by the Client (the "Auto-Investment Plan"); provided, however, that DA Services may update the Auto Investment Plan selected by the Client from time to time to reflect any changes to the underlying Investment Plan to substitute or replace certain DA Services-affiliated issuers with certain other or successor DA Services-affiliated issuers that have substantially the same investment criteria, as determined by DA Services' Investment Committee, at the same time the Investment Plan is updated on the Interactive Website.
- 4.
5. if elected by Client, to allocate Client's distributions to purchase securities (i) directly into a DA Services-affiliated issuer that is selected by DA Services or (ii) in accordance with the Investment Plan selected by Client, the choice of program being directed by the Client (the "Reinvestment Plan"). DA Services shall allocate such distributions by directing such distributions as directed by the Client pursuant to the Reinvestment Plan from the bank account(s) of the issuer or issuers to purchase Securities of the issuer or issuers Investment Plan selected by Client on the Interactive Website as provided in this Agreement. The Investment Plan, Auto-Investment Plan and the Reinvestment Plan are collectively referred to herein as the "Plans".

DA Services is an adviser of limited focus and is being selected by Client as a part of its overall financial plan. DA Services will limit its activities to the type and scope of the investments and strategies described in its disclosure materials; and it will not have any duty or obligation to advise or take any action on behalf of Client in any legal proceedings, including bankruptcies or class actions, involving Securities held by Client or the issuers of Securities. Notwithstanding anything in this Agreement to the contrary, DA Services shall have no authority hereunder to take or have possession of any assets of Client or to direct delivery of any Securities or payment of any funds associated with the Securities to itself or to direct any disposition of such Securities or funds except to Client and on Client's instructions or as provided in Section 7 (entitled "Payment of Fees"). When investing, a Client's funds are transferred from such Client's external bank account directly to account escrow agent which then transfers the capital directly into the Funds. At no point in time are Client's funds aggregated or collected into a bank account of Diversy or DA Services. DA Services does not have custody or possession of either Client's funds or securities but understands that through its affiliation with DF Manager, LLC (the "Manager"), Diversy, and the Funds that DA Services may be deemed to have legal custody, as this term is defined under the Investment Advisers Act of 1940, as amended.

2. Limited Power of Attorney. To enable DA Services to exercise fully its authority as provided in Section 1, Client hereby constitutes and appoints DA Services as Client's agent and attorney-in-fact with full power and authority for Client and on Client's behalf solely for the purpose of purchasing and selling Securities in accordance with the Plans selected by the Client. Client further grants to DA Services as Client's agent and attorney-in-fact full power and authority to do and perform every act necessary and proper to be done in the exercise of the foregoing powers as fully as Client might or could do if personally present including but not limited to signing subscription and operating agreements relating to the purchase of Securities on behalf of Client. This power of attorney includes arranging for delivery and payment in connection with the Payment of Fees detailed in Section 7 below, and acting on behalf of Client in all matters incidental to the handling of the Plan without prior approval of each specific transaction. In no event will DA Services be obligated to affect any transaction for Client which would violate applicable federal or state law, or rule or regulation of any regulatory or self-regulatory body. This power of attorney is coupled with an interest and shall terminate only on termination of this Agreement or on receipt by DA Services of written notice of the death, incapacity

or dissolution of Client.

3. Representations and Warranties.

(a) Client represents and warrants to DA Services and agrees with DA Services as follows:

1. Client has the requisite legal capacity, authority and power to execute, deliver and perform his or her obligations under this Agreement. This Agreement has been duly authorized, executed and delivered by Client and is the legal, valid and binding agreement of Client, enforceable against Client in accordance with its terms. Client's execution of this Agreement and the performance of his or her obligations hereunder do not conflict with or violate any obligations by which Client is bound, whether arising by contract, operation of law or otherwise. If Client is an entity, the trustee, agent, representative or nominee (the "Client Representative") executing this Agreement on behalf of Client has the requisite legal capacity, authority and power to execute, deliver and perform such execution and the obligations under this Agreement, as applicable. Specifically, if Client is a corporation or partnership, the individual signing this Agreement has been authorized to execute this Agreement by appropriate corporate or partnership action, and if this Agreement is entered into by a trustee or fiduciary, the trustee or fiduciary has authority to enter into this Agreement and that the services described herein are authorized under the applicable plan, trust or law. Client will deliver to DA Services evidence of Client's and Client Representative's authority on DA Services' request and will promptly notify DA Services of any change in such authority, including but not limited to an amendment to Client's organizational, delegation or formation documents that changes the information Client provides to DA Services on opening Client's account (the "Account").
- 2.
3. For Entity Clients: If Client Representative is entering into this Agreement, Client and Client Representative understand and agree that the representations, warranties and agreements made herein are made by Client both: (a) with respect to Client; and (b) with respect to the Client Representative.
- 4.
5. For Joint Account Clients (With Rights of Survivorship): If Clients are entering into this Agreement on behalf of a joint account, Clients understand and agree that the representations, warranties and agreements made herein are made on behalf of all of the joint account holders and further agree that each (a) is a Client; (b) has the authority to act on behalf of the Account and DA Services will accept such instructions from any one Client; (c) is jointly and severally liable per the terms of this Agreement; and (d) that in the case of death of any of the joint account holders, interest in the Securities shall vest in the surviving account holder(s) under the same terms and conditions of this Agreement and the surviving Client(s) shall promptly provide DA Services with written notice thereof and provide any documentation reasonably requested by DA Services in its management of the Account.
- 6.
7. Client is the owner or co-owner of all the Securities, and there are no restrictions on the pledge, hypothecation, transfer, sale or public distribution of such Securities.
- 8.
9. If Client specifically provides a photograph of Client's likeness and/or other personal identifying information to DA Services for public display, then Client hereby grants permission to DA Services to use the provided photograph of Client's likeness, Client's name and/or other information, in a commercially reasonable manner on the Interactive Website, any related and/or affiliated sites, and in marketing materials now and in the future, until such time as this Agreement is terminated by either party. Client waives any and all rights to compensation as a result of such use of Client's explicitly provided photograph of Client's likeness, Client's name and/or other information.
- 10.
11. Client agrees to use DA Services solely for Client's personal, non-commercial use, and not in connection with any competitive analysis (as determined by DA Services).

(b) Client understands and agrees that (A) DA Services does not guarantee the performance of the Securities, is not responsible to Client for any investment losses, and the Securities are not insured against loss of income or principal; (B) there are significant risks associated with investing in Securities, including, but not limited to, the risk that the Securities could suffer substantial diminution in value and total loss; (C) the past performance of any Security does not indicate its future performance, and future transactions will be made in different Securities and different economic environments; and (D) DA Services will cause the distributions to purchase Securities in essentially the proportions set forth by the Plans, and will not otherwise review or control the allocations of Securities as subscribed under the Plans. There are significant risks associated with any investment program, including the Plans.

1. Client understands and agrees that DA Services' sole obligation hereunder or otherwise is to select and

purchase Securities on behalf of Client in accordance with the Plans and to manage the allocation of distributions from Securities in accordance with the Plans, and Client has not engaged DA Services to provide any individual financial planning services. Client understands and agrees that DA Services is not responsible for any losses in Securities, as provided in Section 9.

- 2.
3. Client understands and agrees that the selection and purchase of Securities and allocation of distributions for the purchase of Securities will be managed solely by DA Services. Client further understands that if any of the information Client provides to DA Services is or becomes incomplete or inaccurate, the allocation of distributions into Securities may not achieve Client's desired investment strategy, and the Plans may cause Client to purchase Securities from which Client is restricted from purchasing at that time.
- 4.
5. Client understands and agrees that DA Services is not responsible to Client for any failures, delays and/or interruptions in the timely or proper allocation of distributions by DA Services on behalf of Client due to any or all of the following, which are likely to happen from time to time: (A) hardware or software malfunction, failure or unavailability; (B) internet service failure or unavailability; (C) the actions of any governmental, judicial or regulatory body; and/or (D) force majeure.
6. **Confidentiality. Except as required by law or requested by regulatory authorities, (a) DA Services agrees to maintain in strict confidence all of Client's non-public personal and financial information that Client furnishes to DA Services, except for information that Client explicitly agrees to share publicly, and (b) Client agrees to maintain in strict confidence all non-public information that Client acquires from DA Services in connection with the Plans. Client agrees that Client shall not use confidential information Client receives from DA Services for any purpose other than managing the Plans, including, but not limited to, developing a service that competes with the Interactive Website or DA Services' services. Client acknowledges receipt of DA Services' Privacy Policy available at www.diversyfund.com/privacypolicy.**

5. Valuation. The Securities shall be valued from time to time based on the per-share net asset value of the individual issuers. Different issuers may determine their net asset value on quarterly, semi-annual, or annual (or less frequent) intervals in accordance with their organizational documents as described in their respective offering circulars, which are available at www.diversyfund.com/offeringcirculars.

1. **Responsibility for Expenses. Either Diversy or a separate third-party entity will serve as fund sponsor to the Funds (the "Sponsor"). The Sponsor, and not DA Services, receives compensation from the affiliated issuers. Fees charged to clients will vary depending on whether they are invested in either DF Growth REIT, LLC ("DF Growth REIT") and DF Growth REIT II, LLC ("DF Growth REIT II") (collectively, the "Funds"). For a detailed listing of the fees that the Sponsor may receive from a given issuer, please review in Section 8 of this Agreement.**
- 2.
3. **Payment of Fees. The Sponsor and DA Services' affiliates, and not DA Services, receive fees from Clients. Client hereby authorizes the Sponsor to collect its fees directly from Client's funds and may deduct such fees to the distributions prior to being allocated according the Reinvestment Plan, or, if the Client has not opted to participate in a Reinvestment Plan, prior to such distributions being distributed to the Client's bank account. In the event that the amount of the distributions is not sufficient to satisfy the amount of the fees due for a given month or quarter, the Sponsor fees will accrue, without interest, and shall be payable during a subsequent period, as determined by the Sponsor. Client will receive a copy of the bill detailing fees applied to Client's account.**
- 4.
5. **Affiliate Fees. DA Services understands that while it does not directly receive fees from Clients or other entities, that it may be deemed to be receiving fees indirectly through its affiliation with Diversy and its subsidiaries which do in fact receive fees in connection with investments in which DA Services has advised its clients to participate in. As an adviser on real estate investments, DA Services advises its clients to invest in products owned and operated by its entities it is affiliated with through common ownership by DiversyFund, Inc.**

DF Growth REIT and DF Growth REIT II are currently the only funds into which client assets will be invested.

In the future, the Manager or Diversy will create similar affiliate Regulation A+ funds (similar in fee and ownership structure to the Funds) to which DA Services will direct client funds. These funds will be managed and operated by the Sponsor and while DA Services will not be receiving fees directly from these funds, it (DA Services) will be deemed to be receiving fees indirectly through its affiliation with Diversy and affiliated entities. DA Services, through the Interactive Website, will only advise clients, now or in the future, to invest in products that are affiliated with DA Services and DiversyFund Inc.

DF Growth REIT Fees

Fund Level Fees

Asset Management Fee:

The Sponsor may charge the Company an annual asset management fee equal to 2% of the capital raised from the sale of Class A Investor Shares. The Sponsor has waived this fee for DF Growth REIT and will continue to waive this fee indefinitely.

Estimate: The amount of the asset management fee will depend on the amount the DF Growth REIT raises. We cannot make a reasonable estimate at this time.

Reimbursement Fees:

The Funds will reimburse Diversy for expenses Diversy incurs in connection with the Regulation A+ offering (the "Offering"), before the Offering is "qualified" by the SEC (after the Offering is qualified, the expenses will be borne by the Funds themselves, directly). However (i) Diversy will not be entitled to any reimbursement until the Fund has raised at least \$1,000,000 from the sale of Fund shares; (ii) if the Fund raises only \$1,000,000 from the sale of Fund shares, Diversy's reimbursement will be limited to a maximum of \$125,000; (iii) Diversy will not be entitled to full reimbursement until the Fund has raised \$3,000,000 from the sale of Fund shares; and (iv) if the Fund raises more than \$1,000,000 but less than \$3,000,000 from the sale of Fund shares, the reimbursement in excess of \$125,000 will be pro rated.

Estimate: Diversy currently estimates that its total expenses for the Offering, before the Offering is qualified, will be approximately \$75,000.

Marketing Expense Reimbursement Fee:

The Company will reimburse the Sponsor up to 1% but not exceeding \$750,000 for direct expenses incurred by the Sponsor and its affiliates to organize and operate the Company and conduct the Offering, including marketing expenses paid to vendors, contractors, and consultants.

Estimate: The amount of the marketing expense reimbursement fee will depend on the amount the DF Growth REIT raises and the marketing expenses of the Sponsor. We cannot make a reasonable estimate at this time.

Co-Investment

The Sponsor and its affiliates might purchase Fund shares. If so, they will be entitled to the same distributions as other Investors.

Promoted Interest

The Sponsor is entitled to receive certain distributions (the "Promoted Interest"). The Promoted Interest is paid in two levels: first, after Investors have received a (i) 7% internal rate of return ("IRR") preferred return on their investment, the Sponsor is entitled to a catchup return equal to approximately (ii) 53.85% of the preferred return paid to Investors; and second, after Investors have received their preferred return and the Sponsor has received its catchup return, the Sponsor is entitled to (iii) 35% of the remaining profits until the investors have received a 12% IRR preferred return on their investment and (iv) thereafter 50% of the remaining profits.

How much money the Sponsor ultimately receives as a Promoted Interest therefore depends on a number of factors, including:

- How much capital is raised in the Offering;
- The investment returns the Fund is able to achieve;

- When those returns are achieved (the Fund might not achieve the same return every year);
- When the Fund distributes money to Investors; and
- The amount of expenses the Fund incurs.

Property Level Fees

Acquisition Fees:

Diversy will charge each Project Entity (or the Funds themselves, if the Funds owns real estate directly) a sponsor fee of between (i) 6% and 8% of the total project costs, including both “hard” costs (e.g., the cost of property) and “soft” costs (e.g., professional fees).

Estimate: If the Fund raises the full \$50,000,000 and maintains an average leverage ratio (borrowing) of 55%, the sponsor fee would range between \$6,666,666 and \$8,888,888.

Property Disposition Fee:

Where the Funds own property directly or is the sole owner of a Project Entity, the Sponsor will receive a property disposition fee equal to (i) 1% of the total sale price of each property.

Where property is owned by an entity in which there is another financial partner – a joint venture – the Sponsor might be entitled to a similar disposition fee to the extent negotiated with the financial partners in such joint venture (which could be higher than the (ii) 1% disposition fee for direct investment). However, the Fund’s share of the fee will not exceed (iii) 1% of the Fund’s share of the total sale price.

Estimate: The amount of the disposition fee will depend on the selling price of assets by the Funds and any joint ventures and, in the case of joint ventures, the terms our Sponsor negotiates with joint venture partners. We cannot make a reasonable estimate at this time.

Financing Fee:

Where the Funds own property directly, or is the sole owner of a Project Entity, the Sponsor will receive a financing fee equal to (i) 1.0% of the amount of each loan placed on a property, whether at the time of acquisition or pursuant to a refinancing. This financing fee will be in addition to any fees paid to third parties, such as mortgage brokers.

Where property is owned by an entity in which there is another financial partner – a joint venture – the Sponsor might be entitled to a similar financing fee to the extent negotiated with the financial partners in such joint venture (which could be higher than the (ii) 1% financing fee for direct investment). However, the Sponsor’s share of the fee will not exceed (iii) 1% of the Fund’s share of the loan.

Estimate: The amount of the financing fee will depend on the selling price of assets by the Funds and any joint ventures and, in the case of joint ventures, the terms our Sponsor negotiates with joint venture partners. We cannot make a reasonable estimate at this time.

Construction Management Fee:

The Sponsor might provide construction management services. If so, the Sponsor be entitled to a construction management fee equal to (i) 7.5% of actual construction costs.

Estimate: The amount of the construction management fee will depend on the nature and cost of the construction services the Manager provides. We cannot make a reasonable estimate at this time.

Guaranty Fee:

If the Sponsor or an affiliate guaranties indebtedness of the Funds or a Project Entity, including guaranties of any so-called “bad boy” carveouts, the guarantor will be entitled to a guaranty fee equal to (i) 0.5% of the loan.

Estimate: The amount of the guaranty fee will depend on the amount of loans requiring a guaranty. We cannot make a reasonable estimate at this time.

Other Fees:

The Funds or Project Entities might engage the Sponsor or its affiliates to perform other services. The compensation paid to the Sponsor or its affiliates in each case must be (i) fair to the Funds and the Project

Entities, (ii) comparable to the compensation that would be paid to an unrelated party, and (iii) disclosed to Investors.

Estimate: We cannot make a reasonable estimate of other fees at this time.

Fees for DF Growth REIT II

Fund Level Fees

Asset Management Fee:

The Sponsor will charge the Company an annual asset management fee equal to 2% of the capital raised from the sale of Class A Investor Shares. The Sponsor may, in its sole discretion, require the payment of the asset management fee up to five years in advance, which shall be nonrefundable.

Estimate: The amount of the asset management fee depends on the amount of capital raised. We cannot make a reasonable estimate at this time.

Reimbursement Fees:

The Funds will reimburse Diversy for expenses Diversy incurs in connection with the Offering, before the Offering is "qualified" by the SEC (after the Offering is qualified, the expenses will be borne by the Funds themselves, directly). However (i) Diversy will not be entitled to any reimbursement until the Fund has raised at least \$1,000,000 from the sale of Fund shares; (ii) if the Fund raises only \$1,000,000 from the sale of Fund shares, Diversy's reimbursement will be limited to a maximum of \$125,000; (iii) Diversy will not be entitled to full reimbursement until the Fund has raised \$3,000,000 from the sale of Fund shares; and (iv) if the Fund raises more than \$1,000,000 but less than \$3,000,000 from the sale of Fund shares, the reimbursement in excess of \$125,000 will be pro rated.

Estimate: Diversy currently estimates that its total expenses for the Offering, before the Offering is qualified, will be approximately \$75,000.

Organization & Offering Expense Reimbursement:

The Company will reimburse the Sponsor for direct expenses incurred by the Sponsor and its affiliates to organize and operate the Company and conduct the Offering, including:

- Marketing expenses paid to vendors, contractors, and consultants;
- Payroll expenses of marketing employees;
- Software costs;
- Fees paid to vendors, contractors, and consultants relating to the Sponsor's online fintech platform and smartphone applications; used to market and operate the Company; and
- Payroll expenses and software costs from product and tech employees working on the fintech platform and smartphone applications.

The Organization & Offering Expense Reimbursement may not exceed 10% of the capital raised from the sale of Class A Investor Shares.

Estimate: The amount of the organization and offering fee depends on the amount of capital raised. We cannot make a reasonable estimate at this time.

Co-Investment

The Sponsor and its affiliates might purchase Fund shares. If so, they will be entitled to the same distributions as other Investors.

Promoted Interest

The Sponsor is entitled to receive Promoted Interest. The Promoted Interest is paid in two levels: first, after Investors have received a (i) 7% IRR preferred return on their investment, the Sponsor is entitled to a catchup return equal to approximately (ii) 53.85% of the preferred return paid to Investors; and second, after Investors have received their preferred return and the Sponsor has received its catchup return, the Sponsor is entitled to (iii) 35% of the remaining profits until the investors have received a 12% IRR preferred return on their investment and (iv) thereafter 50% of the remaining profits.

How much money the Sponsor ultimately receives as a Promoted Interest therefore depends on a number of factors, including:

- How much capital is raised in the Offering;
- The investment returns the Fund is able to achieve;
- When those returns are achieved (the Fund might not achieve the same return every year);
- When the Fund distributes money to Investors; and
- The amount of expenses the Fund incurs.

Property Level Fees

Acquisition Fee:

Diversy will charge each Project Entity (or the Funds themselves, if the Funds owns real estate directly) a sponsor fee of between (i) 1% and 4% of the total project costs, including both “hard” costs (e.g., purchase price and renovation costs on the property) and “soft” costs (e.g., professional fees).

Where property is owned by an entity in which there is another financial partner – a joint venture – the Sponsor might be entitled to a similar acquisition fee to the extent negotiated with the financial partners in such joint venture (which could be higher than the 1-4% acquisition fee for direct investment). However, the Company’s share of the fee will not exceed 1-4% of the Company’s share of the total sale price.

Estimate: If the Company raises the full \$75,000,000 and maintains an average leverage ratio (borrowing) of 55%, the sponsor fee would range between \$1,666,667 and \$6,666,667.

Property Disposition Fee:

Where the Funds own property directly or is the sole owner of a Project Entity, the Sponsor will receive a property disposition fee equal to (i) 1% of the total sale price of each property.

Where property is owned by an entity in which there is another financial partner – a joint venture – the Sponsor might be entitled to a similar disposition fee to the extent negotiated with the financial partners in such joint venture (which could be higher than the (ii) 1% disposition fee for direct investment). However, the Fund’s share of the fee will not exceed (iii) 1% of the Fund’s share of the total sale price.

Estimate: The amount of the disposition fee will depend on the selling price of assets by the Funds and any joint ventures and, in the case of joint ventures, the terms our Sponsor negotiates with joint venture partners. We cannot make a reasonable estimate at this time.

Financing Fee:

Where the Funds own property directly, or is the sole owner of a Project Entity, the Sponsor will receive a financing fee equal to (i) 1.0% of the amount of each loan placed on a property, whether at the time of acquisition or pursuant to a refinancing. This financing fee will be in addition to any fees paid to third parties, such as mortgage brokers.

Where property is owned by an entity in which there is another financial partner – a joint venture – the Sponsor might be entitled to a similar financing fee to the extent negotiated with the financial partners in such joint venture (which could be higher than the (ii) 1% financing fee for direct investment). However, the Sponsor’s share of the fee will not exceed (iii) 1% of the Fund’s share of the loan.

Estimate: The amount of the financing fee will depend on the selling price of assets by the Funds and any joint ventures and, in the case of joint ventures, the terms our Sponsor negotiates with joint venture partners. We cannot make a reasonable estimate at this time.

Construction Management Fee:

The Sponsor might provide construction management services. If so, the Sponsor be entitled to a construction management fee equal to (i) 7.5% of actual construction costs.

Estimate: The amount of the construction management fee will depend on the nature and cost of the construction services the Manager provides. We cannot make a reasonable estimate at this time.

Guaranty Fee:

If the Sponsor or an affiliate guaranties indebtedness of the Funds or a Project Entity, including guaranties of any so-called "bad boy" carveouts, the guarantor will be entitled to a guaranty fee equal to (i) 0.5% of the loan.

Estimate: The amount of the guaranty fee will depend on the amount of loans requiring a guaranty. We cannot make a reasonable estimate at this time.

Other Fees:

The Funds or Project Entities might engage the Sponsor or its affiliates to perform other services. The compensation paid to the Sponsor or its affiliates in each case must be (i) fair to the Funds and the Project Entities, (ii) comparable to the compensation that would be paid to an unrelated party, and (iii) disclosed to Investors.

Estimate: We cannot make a reasonable estimate of other fees at this time.

Termination

At any time prior to the last day of a distribution period, a Client may adjust or terminate his/her Plan, and may cancel their monthly Auto-investment at any time. However, there can be no guarantee that such requests to withdraw will be honored by the Funds.

- 1. Losses. To the maximum extent permitted under applicable law, Client understands and agrees that DA Services will not be liable to Client for any losses incurred by Client that arise out of or are in any way connected with any Securities transaction or other act or failure to act of DA Services under this Agreement, including, but not limited to, any loss that Client may suffer by any reason of any investment decision made or other action taken or omitted in good faith by DA Services, any loss arising from DA Services' adherence to Client's instructions, any tax liability asserted against Client by any federal, state or local authority with respect to the Securities, so long as such act or failure to act does not constitute a breach of DA Services' fiduciary duty to Client. Client (and in addition, for entity accounts, Client Representative) shall indemnify and defend DA Services and DA Services' directors, officers, shareholders, employees and affiliates and hold them harmless from and against any and all claims, losses, damages, liabilities and expenses, as they are incurred, by reason of any act or omission of Client or any custodian, broker, agent or other third party selected by DA Services in a commercially reasonable manner or selected by Client, except such as arise from DA Services' breach of fiduciary duty to Client. In addition to the above indemnities, for entity Clients, the Client Representative shall further indemnify and defend DA Services and DA Services' directors, officers, shareholders, employees and affiliates and hold them harmless from and against any and all claims, losses, damages, liabilities and expenses, as they are incurred, resulting from or in connection to Client's assertion of Client Representative's lack of proper authorization from Client to enter into this Agreement. Anything in this Section 10 or otherwise in this Agreement to the contrary notwithstanding, however, nothing herein shall constitute a waiver or limitation of any rights that Client may have under any federal or state securities laws.**

Client acknowledges that the recommendations given via the Interactive Website or provided as part of the Plan are valid only as of the date the recommendations are provided and are not valid for any period beyond such date. Client acknowledges that DA Services does not furnish actuarial, accounting, tax, or legal advice. DA Services is not a law firm, does not practice law, and cannot and does not furnish legal or tax opinions. DA Services is not an accounting firm, does not practice accounting or auditing, and does not prepare tax returns or financial statements. DA Services is not an actuarial firm, does not provide actuarial advice, and does not administer retirement plans. Client should retain, separately, Client's own attorneys, accountants, and other financial services professionals. Client agrees that Client's own attorneys, accountants and other financial services professionals shall be solely responsible for the accuracy of legal advice, legal opinions, legal documents, accounting documents, tax opinions and tax returns. Client acknowledges that DA Services is not responsible for the accuracy or completeness of information furnished to DA Services by Client or by any other party.

- 1. Termination; Withdrawals.** This Agreement may be terminated by either party with or without cause by notice to the other party, which notice shall be provided by Client to DA Services through the Interactive Website and by DA Services to Client through the primary email address as Client shall update from time to time. Client may redeem the Securities only in accordance with the redemption plans of the various issuers, if any, which are described in each issuer's offering circular, available at www.diversyfund.com/offeringcirculars. Client's redemption of all of the Securities will terminate this Agreement. Upon termination of this Agreement, Sections 4, 9 (only as to fees accruing prior to termination), 9, 15, 16 and 17 shall survive such termination.

Client's death, disability or incompetence will not automatically terminate or change the terms of this Agreement. However, Client's executor, guardian, attorney-in-fact or other authorized representative may cancel this Agreement by giving written notice to DA Services. Upon termination, DA Services agrees to refund to Client that portion of any prepaid fee for which no services have been provided.

11. Securities Information. Client may obtain information on his/her Securities on the Interactive Website. The official records of the Securities held by Client are maintained by each issuer's transfer agent, from which electronic statements may be obtained upon written request.

12. Independent Contractor. DA Services is and will hereafter act as an independent contractor and not as an employee of Client, and nothing in this Agreement may be interpreted or construed to create any employment, partnership, joint venture or other relationship between DA Services and Client.

13. Assignment. DA Services may not assign this Agreement without the prior consent of Client, and, if applicable, the consent of any additional authorized signatories on behalf of Client, if and to the extent that such consent is required under the Investment Advisers Act of 1940, as amended. In the event of an assignment by DA Services, DA Services shall request written consent(s) of Client within a specified reasonable time (which shall not be less than thirty (30) days). If Client does not respond to such request within the time specified, DA Services shall inform Client that the proposed assignee will continue the advisory services of DA Services for a specified reasonable time (which shall not be less than thirty (30) days), and if Client does not respond to such second notice from DA Services, Client's continued acceptance of investment management services from the proposed assignee shall constitute Client's consent(s) to the assignment. This Agreement shall bind and inure to the benefit of and be enforceable by the parties and their respective successors and assigns.

14. Delivery of Information. Client acknowledges electronic delivery of DA Services' brochure that would be required to be delivered under the Advisers Act (including the information in Part 2 of DA Services' Form ADV), which is available on the Interactive Website and provided here by link:

www.diversyfund.com/formadv. On written request by Client, DA Services agrees to annually deliver electronically, without charge, DA Services' brochure required by the Advisers Act.

15. Governing Law. This Agreement shall be governed by and construed and interpreted in accordance with the laws of the State of Delaware.

16. Arbitration.

1. Either party may, at its sole election, require that the sole and exclusive forum and remedy for resolution of a Claim be final and binding arbitration pursuant to this Section 16 (this "Arbitration Provision"). The arbitration shall be conducted in Wilmington, Delaware. As used in this Arbitration Provision, "Claim" shall include any past, present, or future claim, dispute, or controversy involving Client (or persons claiming through or connected with Client), on the one hand, and DA Services (or persons claiming through or connected with DA Services), on the other hand, relating to or arising out of this Agreement, any Security, the Interactive Website, and/or the activities or relationships that involve, lead to, or result from any of the foregoing, including (except to the extent provided otherwise in the last sentence of Section (d) below) the validity or enforceability of this Arbitration Provision, any part thereof, or the entire Agreement.
- 2.
3. The party initiating arbitration shall do so with the American Arbitration Association (the "AAA") or JAMS. The arbitration shall be conducted according to, and the location of the arbitration shall be determined in accordance with, the rules and policies of the administrator selected, except to the extent the rules conflict with this Arbitration Provision or any countervailing law. In the case of a conflict between the rules and policies of the administrator and this Arbitration Provision, this Arbitration Provision shall control, subject to countervailing law, unless all parties to the arbitration consent to have the rules and policies of the administrator apply.
- 4.
5. In the event any suit or action is filed to enforce or interpret the terms and obligations of this

- Agreement, the prevailing party shall be entitled to its reasonable attorney fees and costs, including reasonable post-judgment attorney fees incurred in collection efforts.
- 6.
 7. DA Services agrees not to invoke our right to arbitrate an individual Claim that Client may bring in Small Claims Court or an equivalent court, if any, so long as the Claim is pending only in that court. EXCEPT AS EXPRESSLY PROVIDED IN THIS AGREEMENT, NO ARBITRATION SHALL PROCEED ON A CLASS, REPRESENTATIVE, OR COLLECTIVE BASIS (INCLUDING AS PRIVATE ATTORNEY GENERAL ON BEHALF OF OTHERS), EVEN IF THE CLAIM OR CLAIMS THAT ARE THE SUBJECT OF THE ARBITRATION HAD PREVIOUSLY BEEN ASSERTED (OR COULD HAVE BEEN ASSERTED) IN A COURT AS CLASS REPRESENTATIVE, OR COLLECTIVE ACTIONS IN A COURT.
 - 8.
 9. Unless otherwise provided in this Agreement or consented to in writing by all parties to the arbitration, no party to the arbitration may join, consolidate, or otherwise bring claims for or on behalf of two or more individuals or unrelated corporate entities in the same arbitration unless those persons are parties to a single transaction. Unless consented to in writing by all parties to the arbitration, an award in arbitration shall determine the rights and obligations of the named parties only, and only with respect to the claims in arbitration, and shall not (i) determine the rights, obligations, or interests of anyone other than a named party, or resolve any Claim of anyone other than a named party, or (ii) make an award for the benefit of, or against, anyone other than a named party. No administrator or arbitrator shall have the power or authority to waive, modify, or fail to enforce this sub-section (e), and any attempt to do so, whether by rule, policy, arbitration decision or otherwise, shall be invalid and unenforceable. Any challenge to the validity of this sub-section (e) shall be determined exclusively by a court and not by the administrator or any arbitrator.
 - 10.
 11. This Arbitration Provision shall survive (i) suspension, termination, revocation, closure, or amendments to this Agreement and the relationship of the parties; (ii) the bankruptcy or insolvency of any party hereto or other party; and (iii) any transfer of any loan or Security or any amounts owed on such loans or notes, to any other party. If any portion of this Arbitration Provision other than sub-section (e) is deemed invalid or unenforceable, the remaining portions of this Arbitration Provision shall nevertheless remain valid and in force. If arbitration is brought on a class, representative, or collective basis, and the limitations on such proceedings in sub-section (e) are finally adjudicated pursuant to the last sentence of sub-section (e) to be unenforceable, then no arbitration shall be had. In no event shall any invalidation be deemed to authorize an arbitrator to determine Claims or make awards beyond those authorized in this Arbitration Provision.
 12. **Waiver of Court & Jury Rights. THE PARTIES ACKNOWLEDGE THAT THEY HAVE A RIGHT TO LITIGATE CLAIMS THROUGH A COURT BEFORE A JUDGE, BUT WILL NOT HAVE THAT RIGHT IF ANY PARTY ELECTS ARBITRATION PURSUANT TO THIS ARBITRATION PROVISION. THE PARTIES HEREBY KNOWINGLY AND VOLUNTARILY WAIVE THEIR RIGHTS TO LITIGATE SUCH CLAIMS IN A COURT UPON ELECTION OF ARBITRATION BY ANY PARTY. THE PARTIES HERETO WAIVE A TRIAL BY JURY IN ANY LITIGATION RELATING TO THIS AGREEMENT, THE NOTES OR ANY OTHER AGREEMENTS RELATED THERETO.**
 - 13.
 14. **Notices. All notices and communications under this Agreement must be made through the Interactive Website or by email. DA Services' contact information for this purpose is customerservice@diversyfund.com and Client's contact information for this purpose is contained in Client's user account on the Interactive Website and the primary email address(es) in Client's Account as Client shall update from time to time.**
 - 15.
 16. **Severability and Amendment. The invalidity or unenforceability of any provision hereof shall in no way affect the validity or enforceability of any and all other provisions hereof. Client acknowledges that DA Services may amend this Agreement from time to time by notifying Client by email or message to Client's DA Services user account, which amendment will be effective immediately.**
 - 17.
 18. **Waiver or Modification. DA Services' waiver or modification of any condition or obligation hereunder shall not be construed as a waiver or modification of any other condition or obligation, nor shall DA Services' waiver or modification granted on one occasion be construed as applying to any other occasion.**
 - 19.

20. Entire Agreement. This Agreement is the entire agreement of the parties regarding the subject matter hereof and supersedes all prior or contemporaneous written or oral negotiations, correspondence, agreements and understandings (including any and all preexisting client account agreements, which are hereby cancelled). However, the parties may choose to enter into separate agreements between them regarding different subject matters or investment programs.

21.

22. No Third-Party Beneficiaries. Neither party intends for this Agreement to benefit any third party not expressly named in this Agreement.

DA Services

Electronic Agreement and Disclosure Statement

BY CONTINUING WITH THIS ONLINE AGREEMENT, YOU AGREE THAT UNLESS INDICATED OTHERWISE THE AGREEMENT AND THE DISCLOSURES REQUIRED TO BE PROVIDED AT THE TIME OF THE AGREEMENT AND ALL FUTURE DISCLOSURES WILL BE PROVIDED ELECTRONICALLY. READ THE INFORMATION BELOW CAREFULLY BEFORE CONSENTING TO RECEIVE INFORMATION ELECTRONICALLY AT THIS WEBSITE AND VIA ELECTRONIC MAIL ("EMAIL"). YOU SHOULD PRINT OR SAVE THIS STATEMENT BY USING THE "PRINT" OR "FILE SAVE" OPTIONS ON YOUR INTERNET BROWSER.

In this Electronic Agreement and Disclosure Statement ("Statement"), please remember that "you" and "your" refer to the person who is establishing a Plan(s), as well as any future plans, and "we", "us" and "our" refer to Diversy Advisory Services, LLC ("DA Services"). Agreements and other information will be provided to you electronically unless indicated otherwise. Included in those agreements and other information will be disclosures required by the Investment Advisers Act of 1940, as amended (the "Act") and other laws (the "Disclosures"). The agreements and other disclosures to be provided to you electronically include:

- DA Services Client Agreement and all amendments, notices and other agreements which supplement the DA Services Client Agreement;
-
- Any other DA Services agreements pertaining to future plans that you may establish and all amendments, notices and other agreements which supplement those agreements;
-
- DA Services' Form ADV Part 2, Notice of Privacy Policy, Terms of Use and other required and permitted legal disclosures; and
-
- Account statements, fee calculation statements and/or performance reports.

By establishing a Plan(s), and signing this agreement via DocuSign or similar online electronic signing service, you are accepting this Statement and you are agreeing to receive electronically the agreements and other information listed in the first and second bulleted paragraphs above, including the Disclosures. Your consent to receive information electronically will apply only to the agreements and other information listed in the first and second bulleted paragraphs above, including the Disclosures. Information regarding your Plan(s), including the Disclosures, will be available on the website, www.diversyfund.com or DA Services' interactive website (collectively, the "Interactive Website"). In addition, the information will be available upon request by contacting us at customerservice@diversyfund.com. When revised or new Disclosures are available on the Interactive Website, we will send a message to your DA Services account, or otherwise notify you of their availability. You are responsible for maintaining a valid email address and software and hardware to receive, read and send email. You must provide us with your current email address and promptly notify us of any changes to your email address in your DA Services account on the Interactive Website. To receive electronically the agreements and other information listed in the first and second bulleted paragraphs above, including the Disclosures, you will need a compatible operating system and web browser, and you will need access to a printer or the ability to download information in order to keep copies for your records. Changes, if any, to these system hardware and software requirements will be updated on the Interactive Website. You must periodically refer to the website for current system requirements. By establishing and then accessing a Plan(s), you are indicating that you have the capability to access the agreements and other information, including the Disclosures, and download or print copies for your records.

For client support or technical assistance regarding your Plan(s), including the Disclosures, you may send an email to customerservice@diversyfund.com. You may obtain a paper copy of the agreements and other information listed in the first and second bulleted paragraphs above, including the Disclosures, at any time by

notifying us using any of the methods described in the immediately preceding paragraph for client support. We will not charge you a fee for the paper copy. This consent will apply on an ongoing basis unless you withdraw your consent. You may withdraw your consent to receive electronically the agreements and other information listed in the first and second bulleted paragraphs above, including the Disclosures. To withdraw your consent, please notify us by sending an email to customerservice@diversyfund.com. By establishing a Plan(s), and signing this agreement via DocuSign or similar online electronic signing service, you are indicating that you have reviewed our privacy and security policies on the Interactive Website. You are also acknowledging that your initial use of your DA Services account will constitute your agreement to be bound by the terms and conditions of the agreements and other information listed in the first and second bulleted paragraphs above, including the Disclosures. In addition to providing your signature via DocuSign or similar online electronic signing service, by checking the acknowledgement box and submitting such acknowledgement electronically to DA Services, you acknowledge that you have read, understand, and agree to be bound by the terms above. If you do not agree to be bound by the terms above but would like to establish a Plan(s), DO NOT continue with the online process. Instead, please email us at customerservice@diversyfund.com. Because the DA Services Client Agreement relates to the functionality of the DA Services website, DA Services reserves the right to refuse to establish a Plan(s) that is not subject to this Statement. You agree that the agreement and disclosures required to be provided at the time of application and any supplemental agreements or subsequent notices of changes will be provided electronically, and you confirm that you will download or print all electronically-provided documents for your records. You acknowledge that you can access the Disclosures, agreements and information that are provided electronically on the Interactive Website and via email.

Important Considerations

DA Services is an Internet Investment Adviser as defined under Rule 203A-2(e) of the Investment Advisers Act of 1940 and is authorized to provide Clients investment advisory services only through the use of the Interactive Website. DA Services, through the Interactive Website, plans to advise Clients on investment opportunities solely in relation to real estate investments. All DA Services clients will be investing in its affiliates, DF Growth REIT, LLC and DF Growth REIT II LLC (the "Funds") and other Regulation A+ real estate funds not yet created. The Funds are managed by DF Manager LLC, a Delaware limited liability company, (the "Manager") that controls all of the aspects of the Funds' business and operations, including investment decisions (that is, deciding which properties to buy and sell and when to buy and sell them).

DA Services will advise its clients, through the Interactive Website, to invest in the Funds which bear certain aforementioned fees that will benefit affiliates of DA Services. DA Services may receive fees for its advisory services and related persons working on behalf of DA Services' affiliates will receive compensation through fees paid by the Funds in connection with real estate management.

BY SIGNING THIS AGREEMENT, YOU, CLIENT, UNDERSTAND THAT DA SERVICES, IN ITS CAPACITY AS AN INVESTMENT ADVISER, SHALL DIRECT CLIENT FUNDS TO INVEST ONLY IN THE FUNDS, WHICH ARE AFFILIATED WITH DA SERVICES AND THROUGH WHICH RELATED PERSONS WORKING ON BEHALF OF DA SERVICES' AFFILIATES WILL RECEIVE COMPENSATION. DA SERVICES WILL NOT BE INVESTING CLIENT FUNDS INTO ANY NON-AFFILIATED INVESTMENT VEHICLES. FURTHER, CLIENT UNDERSTANDS THAT DA SERVICES SHALL ONLY PROVIDE INVESTMENT ADVICE THROUGH THE USE OF THE INTERACTIVE WEBSITE. FOR ALL OF THE AFOREMENTIONED REASONS, ENTERING INTO AN INVESTMENT ADVISORY RELATIONSHIP WITH DA SERVICES MAY NOT BE SUITABLE FOR ALL INVESTORS.

FOR A COMPLETE DESCRIPTION OF POTENTIAL CONFLICTS, PLEASE REFER TO DA SERVICES' FORM ADV PART 2 AND FORM CRS.

SIGNED:

DIVERSY ADVISORY SERVICES, LLC

By: DiversyFund, Inc.
Its Manager

By: _____

Name: Alan Lewis

Title: Chief Investment Officer

Signature:

CLIENT:

Joint Account:

John Travis

Signature:

Name: John Travis

Second Signature: _____

Second Name: Tammy Travis

Division of Enforcement's Exhibit 16

To: Shah, Ankit[Ankit.Shah@occ.treas.gov]
From: Ankit Shah
Sent: 2022-05-03T10:39:26-04:00
Importance: Normal
Subject: [EXTERNAL]Fwd: [DiversyFund] Re: Why does my investment amount still say 0? I fund...
Received: 2022-05-03T10:40:35-04:00

CAUTION: This email originated from outside of the organization. Do not click links or open attachments unless you recognize the sender and know the content is safe.

Begin forwarded message:

From: "Alaba (DiversyFund)" <support@diversyfund.zendesk.com>
Date: September 24, 2021 at 15:15:44 EDT
To: Ankit Shah <ankitshah.zam@gmail.com>
Subject: [DiversyFund] Re: Why does my investment amount still say 0? I fund...
Reply-To: DiversyFund <support+id40117@diversyfund.zendesk.com>

?

##- Please type your reply above this line -##

Your request (40117) has been updated. To add additional comments, reply to this email.

Alaba (DiversyFund)

Sep 24, 2021, 12:15 PM PDT

Hello Ankit

To be candid! Unfortunately, once the investment is processed there is not much we can do. The funds are committed to purchasing properties and real estate is not like cash or a stock investment that can be traded. I've provided more info on how the investment term and liquidation process work.

The DiversyFund Growth REIT is designed to build wealth over an approximate 5-year timeline. The investment strategy for this fund is a growth strategy, which will be executed through a series of stages

Acquisition Stage: The REIT uses the capital raised to acquire multifamily properties with approximately 100+units.

Renovation Stage: We do what is called a "value-add play". We add value to the properties via renovations. We renovate the individual units, common areas, etc. We utilize cash flow from the properties to fund the renovations over a period of time.

Stabilize & Hold Stage: As we finalize the renovation process, the forced appreciation means we can increase rents and stabilize the property. We'll then hold on to the assets for several years allowing the property to naturally appreciate in value.

Liquidation/Disposition Stage: This is the final stage. By now, the properties have appreciated naturally and through forced appreciation via the renovations. This is the ideal time to sell the properties. We'll sell the assets and liquidate our investors.

We aim to invest in projects that can be liquidated/sold within approximately 4-5 years. Due to the nature of the investment and our growth strategy, we have no premature withdrawal policy. Our duty is to take the hard but necessary steps to protect the interests of our investor base as a whole, especially during times like these.

This ensures our portfolio is in a position of strength and can withstand a severe downturn or recession.

I hope I was able to provide a bit more insight and clarity, please let me know if you have any other questions!

Kind Regards,
Alaba

Ankit Shah

Sep 24, 2021, 12:06 PM PDT

This is straight up bullshit robo mailing. Give me my money back immediately

Alaba (DiversyFund)

Sep 24, 2021, 12:01 PM PDT

Hi Ankit,

Thank you for emailing in. I am Alaba from Diversyfund and I am happy to help. We work with a 3rd party escrow agent. When investing, the funds are held in escrow for 5-10 business days. This is just to ensure Know-Your-Customer (KYC) and Anti Money Laundering (AML) compliance on all transactions. We do this to remain compliant with the Patriot Act as well. Our escrow agent will occasionally request certain documentation from investors to verify the information provided.

Please feel free to reach out to me if you have any questions.

Kind Regards,

Alaba

Ankit Shah

Sep 23, 2021, 9:38 AM PDT

There is no way I am going to email that kind of documentation. Please provide another means to provide that.

Ankit Shah

Sep 23, 2021, 9:37 AM PDT

That's a lie. You've definitely never reached out before this, but. Ow that you said it please provide proof.

Alaba (DiversyFund)

Sep 23, 2021, 9:16 AM PDT

Hello Ankit,

Thank you for reaching out! My name is Alaba, I am part of the Customer Experience Team, happy to help! Sorry about the escrow delay. We've reached out a few times via email requesting your DL, passport, or other government-issued ID to verify DOB. This is to clear your funds from escrow so that you will start seeing your dividends. Please send all documents to verify@diversyfund.com.

Kind Regards

Alaba

Ankit Shah

Sep 22, 2021, 12:36 PM PDT

Still not cleared. This needs to occur today or please refund me my invest. Not happy with you at all.

Alaba (DiversyFund)

Sep 19, 2021, 3:04 PM PDT

Hi there,

Thank you for emailing in. I am Alaba from Diversyfund and I am happy to help. Hopefully it should clear this week

Please feel free to reach out to me if you have any questions.

Kind Regards,

Alaba

Ankit Shah

Sep 18, 2021, 4:52 AM PDT

Thank you for your response. It has been more than 5-8 business days and my money still hasn't moved out of escrow. Please advise exactly when this will happen.

Alaba (DiversyFund)

Sep 16, 2021, 11:38 AM PDT

Hi there,

Thank you for emailing in. We work with a 3rd party escrow company called Fund America. When investing, the funds are held in escrow for 5 – 8 business days to ensure AML compliance on all transactions. We do this to remain SEC complaint. Once your investment clears, we will automatically invest the funds on your behalf. At this point, your dividends will be generated monthly from incoming rents and also automatically reinvested on your behalf.

Let me know if you have any other questions.

Best,

Alaba

Ankit Shah

Sep 16, 2021, 11:02 AM PDT

Why does my investment amount still say 0? I funded the account 11 days ago.

image0.png

Attachment(s)

[image0.png](#)

This email is a service from DiversyFund. Delivered by [Zendesk](#)

CAUTION: This email originated from outside the organization. Do not click links or open attachments unless you recognize the sender and know the content is safe.

Division of Enforcement's Exhibit 17

To: Shah, Ankit[Ankit.Shah@occ.treas.gov]
From: Ankit Shah
Sent: 2022-05-03T10:39:53-04:00
Importance: Normal
Subject: [EXTERNAL]Fwd: Phone Call to: +1 (786) 385-1375
Received: 2022-05-03T10:43:00-04:00

CAUTION: This email originated from outside of the organization. Do not click links or open attachments unless you recognize the sender and know the content is safe.

Begin forwarded message:

From: Christopher Finlay <christopher@diversyfund.com>
Date: November 23, 2021 at 16:22:48 EST
To: Ankit Shah <ankitshah.zam@gmail.com>
Subject: Re: Phone Call to: +1 (786) 385-1375

?

Ankit,

The dividends are 5% annually, paid on a monthly basis. I am unsure what you mean when you say you are unsure I am making my best effort to resolve this. I have escalated this to our technical team to show the dividends for REIT 2, it is an error with our current dashboard that is not a quick fix. We anticipated our dividends to display to customers like they do now for our first offering REIT 1, but it is not displaying correctly. We are working diligently to correct this so customers can see their dividends coming in. I am sorry you have had such trouble in the beginning of our investment relationship and we look forward to exceeding your expectations in the future.

Thanks,
Christopher

On Tue, Nov 23, 2021 at 1:08 PM Ankit Shah <ankitshah.zam@gmail.com> wrote:

You keep telling me the same things over and over but never answer my questions. If you can't tell me what my dividends are then that's a real issue to me from an internal controls standpoint.

I don't think you're making a best effort to resolve this issue so I'll let the regulators handle it from here on. But I'll be sure to write about this experience in my review of this company. It's unfortunate my money is held hostage to this at best poor customer service for the next 5 years.

Hopefully enough complaints from other investors will spark some sort of investigation into the matter.

Lastly if you truly were just having a technical glitch, you should have emailed your investors about it, not wait I'll a customer inquired into an ongoing issue and then fall on that sword in every one of your responses. To date you still haven't sent anything out about this glitch so please don't ask me to believe anything you say Christopher. It's all baloney.

On Nov 23, 2021, at 16:02, Christopher Finlay
<christopher@diversyfund.com> wrote:

?

Hi again Ankit,

You are invested into our second offering Growth REIT 2. This is our newest offering and there are technical flaws only with how it is displaying to customers in their dashboard. For every month you are invested in the fund you will receive dividends. As I stated before, even if they are not shown now, you will not miss out on any of these dividends. Your investment is completely legitimate. We are qualified by the Securities and Exchange Commission (SEC). We go through an annual audit to maintain this qualification. You can find a link to our SEC filings and the results of our most recent audit by clicking [here](#). Once you are invested in the fund, you must commit to the full term of investment, we do not offer refunds. You will be able to get your funds and return at the end of the investment period. We apologize for the bad service you have had and the bad website experience currently. Please let me know if you have any other questions, I would be happy to help.

Thanks,
Christopher

On Tue, Nov 23, 2021 at 12:55 PM Ankit Shah <ankitshah.zam@gmail.com> wrote:

When did this technical glitch begin? Originally I was told I'd get my first dividend October 15th. Then when I checked it said it would only show after my second dividend. Then my some happenstance, my dividend didn't show and there was a technical error. And if it's just a glitch in the system, yet nobody can tell me what the actual dividend is. Your records should be accessible despite a glitch in your website/app.

This is shady, unprofessional and poor customer service especially in how many times I've had to email (the majority of which have NOT received a response.). There's also no way to talk to somebody on the phone just goes to voicemail. Also if this was completely widespread the internet would have been talking about it by now.

To me this spells at best a really poorly run company and fund that is not employing appropriate due diligence or their fiduciary responsibility in handling my money. At worst, it's fraud. I've filed complaints with the better business bureau and the SEC. At this point the only resolution is for you to refund me my money. If you refuse I'll let the governing bodies deal with it.

On Nov 23, 2021, at 15:37, Christopher Finlay (DiversyFund) <support@diversyfund.zendesk.com> wrote:

?

##- Please type your reply above this line -##

You are registered as a CC on this request (43439). Reply to this email to add a comment to the request.

Christopher Finlay (DiversyFund)

Nov 23, 2021, 12:37 PM PST

Ankit,

I am the Customer Experience Senior Manager, I can assure you this is not fraud. It is an error in our system with the dividend setup and display for REIT 2. You can email me personally at christopher@diversyfund.com if you have further concerns.

Thanks,
Christopher

Ankit Shah

Nov 23, 2021, 11:20 AM PST

When a supervisor is able to talk to me maybe I'll believe that. Until then I fully expect this fraud to continue

Christopher Finlay (DiversyFund)

Nov 23, 2021, 11:14 AM PST

Hi Ankit,

Apologies for the continued trouble. No investors are seeing REIT 2 dividends at the moment, it is not an isolated issue for you, we apologize for this and we are working hard to get it fixed. There is not much more I can say until the dividend fix is deployed. Like I said, you will not miss out on any month's dividends that have not posted yet.

These are not canned responses and we really are looking to make this right.

Thanks,
Christopher

Ankit Shah

Nov 23, 2021, 8:03 AM PST

Sending again and every day until somebody provides an actual response instead of canned garbage

Begin forwarded message:

From: Ankit Shah <ankitshah.zam@gmail.com>
Date: November 22, 2021 at 18:24:52 EST
To: DiversyFund <support+id43439@diversyfund.zendesk.com>
Subject: Re: Phone Call to: +1 (786) 385-1375

?

Excuse me I'm still waiting for your system to show my dividends. You need to tell me exactly how many dividends I have received to date and tell me when the technical issues will be resolved.

Also this issue was supposed to be escalated and I need to be contacted IMMEDIATELY.

On Nov 19, 2021, at 17:13, Christopher Finlay (DiversyFund) <support@diversyfund.zendesk.com> wrote:

?

##- Please type your reply above this line -##

You are registered as a CC on this request (43439). Reply to this email to add a comment to the request.

Christopher Finlay (DiversyFund)

Nov 19, 2021, 2:13 PM PST

Hi Ankit,

We apologize for the trouble you have had and the delay in response. Our system is having trouble displaying the dividends for your investment. Rest assured, you will receive your dividend for

every month that it is not showing currently. We appreciate you as an investor and look forward to exceeding your expectations. Your investment is indeed in the fund and cannot be liquidated until the investment term has concluded. We apologize again for the dividends not displaying, our team is working on rectifying this.

Thank you,
Christopher

Ankit Shah

Nov 19, 2021, 2:01 PM PST

Good afternoon, I will email every single day until somebody bothers responding to this email. Somebody needs to get back to me immediately on the status of my refund on my investment.

Ankit Shah

Nov 18, 2021, 6:23 PM PST

Are you going to respond to any of my emails or what? You need to refund me my \$10,000 immediately before I pursue legal action! This is fraudulent and incomprehensible

Ankit Shah

Nov 17, 2021, 12:54 PM PST

You plan to respond to this or what

Ankit Shah

Nov 17, 2021, 3:34 AM PST

Still not posted. At this point I no longer trust this is a legitimate company. Please refund me my investment or escalate this to your supervisor. I have had issues with investing my money here since day 1 and nothing you've done has satisfied those concerns.

You took an unreasonably long time to invest my initial \$10,000 and now haven't posted dividends for 2 months and just tell me "the tech team is aware of the issue". This isn't a technical glitch this is a complete lack of internal controls or governance of your clients money. This is poor stewardship.

Kari H (DiversyFund)

Nov 16, 2021, 7:53 PM PST

Hi Ankit,

I am sorry for the issue. The tech team is aware of this and they are working on it.

It should be fixed and distributed to your account shortly.

We are sorry for the inconvenience.

Kari H

Ankit Shah

Nov 16, 2021, 7:18 PM PST

This is a follow-up to your previous request [#40534](#) "Phone Call to: +1 (786) 385..."

Good evening,

I still don't see my dividends posted to my account for October or November not have I received any emails about them posting. Please identify where these dividends are being posted.

This is really starting to feel like a scam. I need to start seeing actual dividends posted here or refund me my money, otherwise I will be contacting the SEC immediately.

?

This email is a service from DiversityFund. Delivered by [Zendesk](#)

Ankit Shah

Nov 22, 2021, 3:24 PM PST

Excuse me I'm still waiting for your system to show my dividends. You need to tell me exactly how many dividends I have received to date and tell me when the technical issues will be resolved.

Also this issue was supposed to be escalated and I need to be contacted IMMEDIATELY.

Ankit Shah

Nov 19, 2021, 2:24 PM PST

This email is too little too late. I've filed formal complaint the with the SEC and the BBB about this company and the history of issues I've had since my initial investment. The only resolution at this point would be to refund me my initial \$10,000

investment. You can keep the supposed dividends you claim I have at this point.

Christopher Finlay (DiversyFund)

Nov 19, 2021, 2:13 PM PST

Hi Ankit,

We apologize for the trouble you have had and the delay in response. Our system is having trouble displaying the dividends for your investment. Rest assured, you will receive your dividend for every month that it is not showing currently. We appreciate you as an investor and look forward to exceeding your expectations. Your investment is indeed in the fund and cannot be liquidated until the investment term has concluded. We apologize again for the dividends not displaying, our team is working on rectifying this.

Thank you,
Christopher

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Still not posted. At this point I no longer trust this is a legitimate company. Please refund me my investment or escalate this to your supervisor. I have had issues with investing my money here since day 1 and nothing you've done has satisfied those concerns.

You took an unreasonably long time to invest my initial \$10,000 and now haven't posted dividends for 2 months and just tell me "the tech team is aware of the issue". This isn't a technical glitch this is a complete lack of internal controls or governance of your clients money. This is poor stewardship.

Kari H (DiversyFund)

Nov 16, 2021, 7:53 PM PST

Hi Ankit,

I am sorry for the issue. The tech team is aware of this and they

are working on it.

It should be fixed and distributed to your account shortly.

We are sorry for the inconvenience.

Kari H

Ankit Shah

Nov 16, 2021, 7:18 PM PST

This is a follow-up to your previous request [#40534](#) "Phone Call to: +1 (786) 385..."

Good evening,

I still don't see my dividends posted to my account for October or November not have I received any emails about them posting. Please identify where these dividends are being posted.

This is really starting to feel like a scam. I need to start seeing actual dividends posted here or refund me my money, otherwise I will be contacting the SEC immediately.

?

This email is a service from DiversyFund. Delivered by [Zendesk](#)

CAUTION: This email originated from outside the organization. Do not click links or open attachments unless you recognize the sender and know the content is safe.



Division of Enforcement's Exhibit 18

To: Shah, Ankit[Ankit.Shah@occ.treas.gov]
From: Ankit Shah
Sent: 2022-05-03T10:40:43-04:00
Importance: Normal
Subject: [EXTERNAL]Fwd: Fraud and abuse - please report my dividends to me or refund me my money
Received: 2022-05-03T10:41:52-04:00

CAUTION: This email originated from outside of the organization. Do not click links or open attachments unless you recognize the sender and know the content is safe.

Begin forwarded message:

From: "Christopher Finlay (DiversyFund)" <support@diversyfund.zendesk.com>
Date: December 21, 2021 at 18:36:48 EST
Cc: Ankit Shah <ankitshah.zam@gmail.com>
Subject: **Fraud and abuse - please report my dividends to me or refund me my money**
Reply-To: DiversyFund <support+id44038@diversyfund.zendesk.com>

?

##- Please type your reply above this line -##

You are registered as a CC on this request (44038). Reply to this email to add a comment to the request.

Christopher Finlay (DiversyFund)

Dec 21, 2021, 3:36 PM PST

Hi Ankit,

We apologize for your continued frustration. As promised, the dividends are now displaying correctly in your account. Please confirm this is what your expectations are moving forward. We apologize and hope you are pleased with our efforts in the future to improve our website and experience.

Thanks,
DF team

Ankit Shah

Dec 15, 2021, 1:00 PM PST

Where is my money?! Where are my dividends??? You stated this issue with the dividends "technical glitch" would be resolved as of today and yet I still have not received a notice nor do any dividends appear on the dashboard!

You continue to ignore all my emails and I demand a response immediately!!

On Dec 2, 2021, at 12:13, Christopher Finlay <christopher@diversyfund.com> wrote:

?

Ankit,

We apologize but we did not have a different answer for you until now. Dividends for REIT 2 will be posted on December 15th. You will receive all dividends that were missed retroactively as well. This is the same experience other REIT 2 investors are facing. We apologize again and this is not the experience we pride ourselves on.

Thanks,
Christopher

On Thu, Dec 2, 2021 at 9:10 AM Ankit Shah <ankitshah.zam@gmail.com> wrote:

Once again still waiting on a response. I see Christopher no longer wants to be involved despite his pledge to "exceed expectations".

On Dec 1, 2021, at 13:05, Ankit Shah <ankitshah.zam@gmail.com> wrote:

?

So actually no dividends have posted to date. That is more than a technical issue with the dashboard. Your company had done absolutely no outreach to its investors about this issue. I'll just keep contacting the SEC until somebody at your company takes this seriously. That and reviewing how awful this company is everywhere I can.

Ankit Shah

Dec 14, 2021, 6:00 PM PST

Please respond to the below questions. I'm sending this email every day until somebody responds. Also confirm if the alleged technical glitch has been fixed and I will receive all these months of missing dividends dating back to September as of tomorrow 12/15 and provide proof.

On Dec 6, 2021, at 12:08, Ankit Shah <ankitshah.zam@gmail.com> wrote:

?

Please respond to my below questions promptly. I have repeatedly asked these questions and have yet to receive a specific response to each of these topics. I will continue to email you until you actually respond to these questions.

On Dec 2, 2021, at 12:17, Ankit Shah <ankitshah.zam@gmail.com> wrote:

?

That does not answer any of the questions on this email thread:

1. If this was just a technical glitch in the dashboard, why did I not receive an email about my September or October dividends posting. Why were you not able to provide that information to me as it's financial information your company MUST file regardless of technical glitches as you keep calling them.
2. I repeatedly asked about customer outreach and your duty to your clients which you just seemed perplexed by
3. I will continue to file my complaints with the BBB and SEC until I see these

dividends.

At this point my trust in this company is ZERO. Since you refuse to refund me my money I'll just continue to be a thorn in the company's side every time you continue these illegal practices.

Thanks for nothing.

On Dec 2, 2021, at 12:13, Christopher Finlay <christopher@diversyfund.com> wrote:

?

Ankit,

We apologize but we did not have a different answer for you until now. Dividends for REIT 2 will be posted on December 15th. You will receive all dividends that were missed retroactively as well. This is the same experience other REIT 2 investors are facing. We apologize again and this is not the experience we pride ourselves on.

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Ankit Shah

Dec 13, 2021, 5:27 AM PST

You need to respond to the email below immediately. Why do you continue to ignore my questions. Please respond to the specific questions below.

Also my dividends better start showing up in two days or I'm contacting my attorney over this clear fraud.

On Dec 6, 2021, at 12:08, Ankit Shah <ankitshah.zam@gmail.com> wrote:

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Please respond to my below questions promptly. I have repeatedly asked these questions and have yet to receive a specific response to each of these topics. I will continue to email you until you actually respond to these questions.

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Ankit Shah

Dec 2, 2021, 9:17 AM PST

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2. I repeatedly asked about customer outreach and your duty to your clients which you just seemed perplexed by
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Christopher Finlay (DiversyFund)

Dec 2, 2021, 9:13 AM PST

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Ankit Shah

Dec 1, 2021, 10:05 AM PST

So actually no dividends have posted to date. That is more than a technical issue with the dashboard. Your company had done absolutely no outreach to its investors about this issue. I'll just keep contacting the SEC until somebody at your company takes this seriously. That and reviewing how awful this company is everywhere I can.

Kari H (DiversyFund)

Dec 1, 2021, 9:58 AM PST

Hi Ankit,

The dividends that post on Dec. 15th are for the month of Nov. Octobers dividends will all be uploaded on Dec. 15th.

REIT 2 just opened in September and the tech team is currently updating the dashboards. All of the correct accumulated dividends from Sept. til Dec. will reflect in your account on Dec. 15th, dividends day. You will get on email on the 15th. as soon as it has posted.

We are very sorry for the delay and appreciate your patience.

Kari H

Ankit Shah

Dec 1, 2021, 9:29 AM PST

This is not responsive to my email. Regardless of technical issues with the dashboard, Diversyfund must be able to provide information on posted dividends. I have never received a notice if a dividend posted which I should have received in October and November.

Nobody in customer service seems to want to provide this information or more than the moronic responses like the one you just provided

Kari H (DiversyFund)

Dec 1, 2021, 9:14 AM PST

Hi Ankit,

We are very sorry for the issue with the dividend. REIT 2 just opened in September and the tech team is currently updating the dashboards. All of the correct accumulated dividends from Sept. til Dec. will reflect in your account on Dec. 15th, dividends day. You will get on email on the 15th. as soon as it has

posted.

We are very sorry for the delay and appreciate your patience.

Kari H

Ankit Shah

Nov 30, 2021, 5:57 PM PST

This is a follow-up to your previous request [#43439](#) "Re: Phone Call to: +1 (786)..."

Once again and every day until you respond, provide an answer to the below message.

Begin forwarded message:

From: Ankit Shah <ankitshah.zam@gmail.com>
Date: November 29, 2021 at 15:59:25 EST
To: Christopher Finlay <christopher@diversyfund.com>
Subject: Fwd: Phone Call to: +1 (786) 385-1375

?

Please respond to the below email.

Begin forwarded message:

From: Ankit Shah <ankitshah.zam@gmail.com>
Date: November 28, 2021 at 07:10:01 EST
To: Christopher Finlay <christopher@diversyfund.com>
Subject: Re: Phone Call to: +1 (786) 385-1375

?

Please detail exactly what work has been done to date to correct the "technical issues" you have stated are occurring with displaying the dividends to date. What specifically is being done to address the issue? Also if this is only a technical glitch in displaying the dividends why have you also not sent me any notices that a dividend was being posted? Please provide all overdue notices

immediately.

What kind of client outreach are you doing to address everyone affected?

Before you try exceeding my expectations, why don't you make a base effort to climb out of this hole first?

On Nov 23, 2021, at 16:22, Christopher Finlay <christopher@diversyfund.com> wrote:

?

Ankit,

The dividends are 5% annually, paid on a monthly basis. I am unsure what you mean when you say you are unsure I am making my best effort to resolve this. I have escalated this to our technical team to show the dividends for REIT 2, it is an error with our current dashboard that is not a quick fix. We anticipated our dividends to display to customers like they do now for our first offering REIT 1, but it is not displaying correctly. We are working diligently to correct this so customers can see their dividends coming in. I am sorry you have had such trouble in the beginning of our investment relationship and we look forward to exceeding your expectations in the future.

Thanks,
Christopher

On Tue, Nov 23, 2021 at 1:08 PM Ankit Shah <ankitshah.zam@gmail.com> wrote:

You keep telling me the same things over and over but never answer my questions. If you can't tell me what my dividends are then that's a real issue to me from an internal controls standpoint.

I don't think you're making a best effort to resolve this issue so I'll let the regulators handle it from here on. But I'll be sure to write about this experience in my review of this company. It's unfortunate my money is held hostage to this at best poor customer service for the next 5 years.

Hopefully enough complaints from other investors will spark some sort of investigation into the matter.

Lastly if you truly were just having a technical glitch, you should have emailed

your investors about it, not wait I'll a customer inquired into an ongoing issue and then fall on that sword in every one of your responses. To date you still haven't sent anything out about this glitch so please don't ask me to believe anything you say Christopher. It's all baloney.

On Nov 23, 2021, at 16:02, Christopher Finlay <christopher@diversyfund.com> wrote:

?

Hi again Ankit,

You are invested into our second offering Growth REIT 2. This is our newest offering and there are technical flaws only with how it is displaying to customers in their dashboard. For every month you are invested in the fund you will receive dividends. As I stated before, even if they are not shown now, you will not miss out on any of these dividends. Your investment is completely legitimate. We are qualified by the Securities and Exchange Commission (SEC). We go through an annual audit to maintain this qualification. You can find a link to our SEC filings and the results of our most recent audit by clicking here (<https://www.sec.gov/cgi-bin/browse-edgar?action=getcompany&CIK=0001750695&owner=exclude&count=40>) . Once you are invested in the fund, you must commit to the full term of investment, we do not offer refunds. You will be able to get your funds and return at the end of the investment period. We apologize for the bad service you have had and the bad website experience currently. Please let me know if you have any other questions, I would be happy to help.

Thanks,
Christopher

On Tue, Nov 23, 2021 at 12:55 PM Ankit Shah <ankitshah.zam@gmail.com> wrote:

When did this technical glitch begin? Originally I was told I'd get my first dividend October 15th. Then when I checked it said it would only show after my second dividend. Then my some happenstance, my dividend didn't show and there was a technical error. And if It's just a glitch in the system, yet nobody can tell me what the actual dividend is. Your records should be accessible despite a glitch in your website/app.

This is shady, unprofessional and poor customer service especially in how many

times I've had to email (the majority of which have NOT received a response.). There's also no way to talk to somebody on the phone just goes to voicemail. Also if this was completely widespread the internet would have been talking about it by now.

To me this spells at best a really poorly run company and fund that is not employing appropriate due diligence or their fiduciary responsibility in handling my money. At worst, it's fraud. I've filed complaints with the better business bureau and the SEC. At this point the only resolution is for you to refund me my money. If you refuse I'll let the governing bodies deal with it.

On Nov 23, 2021, at 15:37, Christopher Finlay (DiversyFund)
<support@diversyfund.zendesk.com> wrote:

?

This email is a service from DiversyFund. Delivered by [Zendesk](#)

CAUTION: This email originated from outside the organization. Do not click links or open attachments unless you recognize the sender and know the content is safe.

Division of Enforcement's Exhibit 19

To: Shah, Ankit[Ankit.Shah@occ.treas.gov]
From: Ankit Shah
Sent: 2022-05-03T10:40:50-04:00
Importance: Normal
Subject: [EXTERNAL]Fwd: [DiversyFund] Re: WHERE THE HELL IS MY MARCH DIVIDEND YOU FRAUDULENT...
Received: 2022-05-03T10:43:08-04:00

CAUTION: This email originated from outside of the organization. Do not click links or open attachments unless you recognize the sender and know the content is safe.

Begin forwarded message:

From: "Christopher Finlay (DiversyFund)" <support@diversyfund.zendesk.com>
Date: March 24, 2022 at 13:45:14 EDT
To: Ankit Shah <ankitshah.zam@gmail.com>
Subject: [DiversyFund] Re: **WHERE THE HELL IS MY MARCH DIVIDEND YOU FRAUDULENT...**
Reply-To: DiversyFund <support+id48602@diversyfund.zendesk.com>

?

##- Please type your reply above this line -##

Your request (48602) has been updated. To add additional comments, reply to this email.

Christopher Finlay (DiversyFund)

Mar 24, 2022, 10:45 AM PDT

Hi Ankit,

I went ahead and processed your refund. This should be in your account within the next week or so. I apologize for the continued trouble and this not at all what we want our customers to expect. Apologies again.

Best,
DF team

Ankit Shah

Mar 24, 2022, 10:32 AM PDT

Yes please refund my original investment.

Christopher Finlay (DiversyFund)

Mar 24, 2022, 10:23 AM PDT

Ankit,

Unfortunately your original investment is the only thing that can be refunded.

Dividends are accrued during the collection period of the fund for customers who are into the fund early. This is not meant to be a return to profit from in the short term. Dividends are accrued then reinvested once the fund closes for the investment period. Please let me know if you would like me to proceed with refunding your original investment.

Thanks,
DF team

Ankit Shah

Mar 24, 2022, 9:29 AM PDT

Yes please refund the investment and all accumulated dividends immediately. Regards,
Ankit Shah

Christopher Finlay (DiversyFund)

Mar 24, 2022, 8:40 AM PDT

Hi Ankit,

We apologize for the continued trouble you have had with your dividends. You have your dividends now in your account. We see your continued frustration with the fund and will refund your original investment if this is something you would prefer us to do. Please let me know and I will process this immediately.

Thanks,
DF team

Ankit Shah

Mar 23, 2022, 5:18 AM PDT

Still pending a response to this. Why hasn't the March dividend posted? What is wrong with this company??

On Mar 22, 2022, at 12:44, Ankit Shah <ankitshah.zam@gmail.com> wrote:

?

Well? Still don't see my dividend. What is going on? GIVE ME A REFUND OF MY MONEY

Ankit Shah

Mar 22, 2022, 9:44 AM PDT

Well? Still don't see my dividend. What is going on? GIVE ME A REFUND OF MY MONEY

Ankit Shah

Mar 17, 2022, 5:28 PM PDT

Escalate this to your manager. You have been late on dividends every month. Stop pretending this is a tech problem and not a management of my money problem. I don't want to have to do this every month for 5 years before I get my money back.

GIVE ME A DAMN REFUND

Kari H (DiversyFund)

Mar 17, 2022, 5:05 PM PDT

Hello Ankit,

I am checking with the tech team on this. I will be back in touch soon.

Have a nice evening!

Kari H

Ankit Shah

Mar 17, 2022, 6:51 AM PDT

WHERE THE HELL IS MY MARCH DIVIDEND YOU FRAUDULENT HACKS??

Submitted from: capacitor://localhost/investor-dashboard?previous-event=login-complete

This email is a service from DiversyFund. Delivered by [Zendesk](#)

CAUTION: This email originated from outside the organization. Do not click links or open attachments unless you recognize the sender and know the content is safe.

Division of Enforcement's Exhibit 20

DIVERSY ADVISORY SERVICES, LLC

CLIENT AGREEMENT

YOU MUST READ AND CONSIDER THIS AGREEMENT CAREFULLY AND CONTACT DIVERSY ADVISORY SERVICES, LLC (“DA SERVICES”) TO ASK ANY QUESTIONS YOU MAY HAVE BEFORE ENTERING INTO IT. THIS AGREEMENT MAY BE EXECUTED IN ONE OR MORE COUNTERPARTS, EACH OF WHICH WILL BE DEEMED AN ORIGINAL, BUT ALL OF WHICH TOGETHER WILL CONSTITUTE ONE AND THE SAME AGREEMENT. THIS AGREEMENT SHALL BE EXECUTED BY APPLYING AN ELECTRONIC SIGNATURE USING DOCUSIGN OR SIMILAR ONLINE ELECTRONIC SIGNING SERVICE AND ANY COUNTERPART SO DELIVERED SHALL BE DEEMED TO HAVE BEEN DULY AND VALIDLY DELIVERED AND BE VALID AND EFFECTIVE FOR ALL PURPOSES. BY SIGNING THIS AGREEMENT, YOU ACKNOWLEDGE AND AGREE THAT:

- THIS AGREEMENT MAY BE AMENDED, ALTHOUGH NOT ASSIGNED, FROM TIME TO TIME WITHOUT PRIOR NOTICE OR CONSENT FROM YOU.
- DA SERVICES MAY BE REQUIRED TO DELIVER CERTAIN DOCUMENTS TO CLIENTS FROM TIME TO TIME. EXAMPLES OF SUCH DOCUMENTS INCLUDE, BUT ARE NOT LIMITED TO, THE AMENDED AGREEMENTS, FORM ADV PART 2A, AND/OR THE FIRM’S PRIVACY POLICY. BY EXECUTION OF THIS AGREEMENT, CLIENT CONSENTS TO THE USE OF ELECTRONIC MEANS, SUCH AS EMAIL, TO MAKE SUCH DELIVERY. THIS DELIVERY MAY INCLUDE NOTIFICATION OF THE AVAILABILITY OF SUCH DOCUMENT(S) ON THE INTERACTIVE WEBSITE; CLIENT AGREES THAT SUCH NOTIFICATION WILL CONSTITUTE “DELIVERY.” CLIENT AGREES TO PROVIDE DA SERVICES WITH AN EMAIL ADDRESS AND TO KEEP THIS INFORMATION CURRENT AT ALL TIMES BY PROMPTLY NOTIFYING DA SERVICES OF ANY CHANGE IN EMAIL ADDRESS. THIS CONSENT WILL REMAIN IN EFFECT UNTIL REVOKED IN WRITING TO DA SERVICES AT ITS MAIN OFFICE ADDRESS. THE AMENDED

AGREEMENTS WILL BE AVAILABLE ON THE DIVERSYFUND, INC. (“DIVERSY”) WEBSITE AT DIVERSYFUND.COM (THE “INTERACTIVE WEBSITE”).

- YOU WILL RECEIVE NOTIFICATION VIA EMAIL AND BY PUSH NOTIFICATION WHEN YOU LOG INTO THE INTERACTIVE WEBSITE OF ANY AMENDMENTS OR NEW VERSIONS OF ANY OF THE AGREEMENTS (THE “REVISED AGREEMENTS”) HAVE BEEN POSTED TO THE INTERACTIVE WEBSITE. .
- THE REVISED AGREEMENTS WILL TAKE EFFECT WHEN YOU CLICK THE “I ACCEPT” BUTTON THAT WILL APPEAR WHEN YOU LOG INTO THE INTERACTIVE WEBSITE. BY CLICKING THE “I ACCEPT” BUTTON, YOU (A) ACKNOWLEDGE THAT YOU HAVE READ AND UNDERSTAND THE REVISED AGREEMENTS; (B) REPRESENT AND WARRANT THAT YOU HAVE THE RIGHT, POWER, AND AUTHORITY TO ENTER INTO THE REVISED AGREEMENTS AND IF ENTERING INTO THE REVISED AGREEMENTS FOR AN ORGANIZATION, THAT YOU HAVE THE LEGAL AUTHORITY TO BIND THAT ORGANIZATION; AND (C) ACCEPT THIS AGREEMENT AND AGREE THAT YOU ARE LEGALLY BOUND BY ITS TERMS BY CLICKING “I ACCEPT” OR BY CONTINUING TO USE SERVICES PROVIDED BY DA SERVICES WITHOUT OBJECTING TO ANY AMENDMENTS OR NEW VERSIONS OF ANY OF THE AGREEMENTS POSTED ON THE INTERACTIVE WEBSITE, YOU AGREE TO AND ACCEPT ALL TERMS AND CONDITIONS OF ANY REVISED AGREEMENTS, INCLUDING ANY NEW OR CHANGED TERMS OR CONDITIONS. IF YOU DO NOT AGREE TO ACCEPT ALL TERMS AND CONDITIONS OF THE REVISED AGREEMENTS, PLEASE SELECT THE “I DECLINE” BUTTON. IF YOU DO NOT AGREE TO AND ACCEPT ALL TERMS AND CONDITIONS OF THE REVISED AGREEMENTS, DA SERVICES RESERVES THE RIGHT TO TERMINATE THE CLIENT’S PLAN IN ACCORDANCE WITH SECTION 10 OF THIS AGREEMENT.
- **IMPORTANT NOTICE REGARDING ARBITRATION: WHEN YOU AGREE TO THE ADVISORY CLIENT AGREEMENT YOU ARE AGREEING (WITH LIMITED**

EXCEPTIONS) TO RESOLVE ANY DISPUTE BETWEEN YOU AND DA SERVICES THROUGH BINDING, INDIVIDUAL ARBITRATION RATHER THAN IN COURT. PLEASE REVIEW CAREFULLY SECTION 16 OF THE ADVISORY CLIENT AGREEMENT FOR DETAILS REGARDING ARBITRATION.

DA SERVICES CLIENT AGREEMENT

You ("Client") and Diversy Advisory Services, LLC, a Delaware limited liability company and a registered investment adviser with the Securities and Exchange Commission ("DA Services"), agree to enter into an agreement that will allow DA Services to provide certain advisory services to you, as further described herein. This Client Agreement ("Agreement") is effective as of the first day Client agrees to it (the "Effective Date"). In consideration of the mutual covenants herein, Client and DA Services agree as follows:

1. Services. Client retains DA Services to perform one or more of the following services, which it is important to understand that these Services will not involve comprehensive or overall financial guidance intended to cover all areas of the Client's financial plan or needs:

(a) to provide Client with recommended portfolio compositions pursuant to an investment plan to purchase securities of DA Services-affiliated issuers, including fractional shares thereof ("Securities") recommended by DA Services based on profile information and features designated by Client (the "Investment Plan"). Client shall be responsible for executing any documents associated with such Investment Plan, which will be made available to Client on the Interactive Website.

(b) if elected by Client, to periodically withdraw funds from Client's designated bank account at intervals selected by Client in order to purchase securities (i) directly into a DA Services-affiliated issuer that is selected by DA Services or (ii) in accordance with the Investment Plan selected by Client, the choice of program being directed by the Client (the "Auto-Investment Plan"); provided, however, that DA Services may update the Auto Investment Plan selected by the Client from time to time to reflect any changes to the underlying Investment Plan to substitute or replace certain DA Services-affiliated issuers with certain other or successor DA Services-affiliated issuers that have substantially the same investment criteria, as determined by DA Services' Investment Committee, at the same time the Investment Plan is updated on the Interactive Website.

(c) if elected by Client, to allocate Client's distributions to purchase securities (i) directly into a DA Services-affiliated issuer that is selected by DA Services or (ii) in accordance with the Investment Plan selected by Client, the choice of program being directed by the Client (the "Reinvestment Plan"). DA Services shall allocate such distributions by directing such distributions as directed by the Client pursuant to the Reinvestment Plan from the bank account(s) of the issuer or issuers to purchase Securities of the issuer or issuers Investment Plan selected by Client on the Interactive Website as provided in this Agreement. The Investment Plan, Auto-Investment Plan and the Reinvestment Plan are collectively referred to herein as the "Plans".

DA Services is an adviser of limited focus and is being selected by Client as a part of its overall financial plan. DA Services will limit its activities to the type and scope of the investments and strategies described in its disclosure materials; and it will not have any duty or obligation to advise or take any action on behalf of Client in any legal proceedings, including bankruptcies or class actions, involving Securities held by Client or the issuers of Securities. Notwithstanding anything in this Agreement to the contrary, DA Services shall have no authority hereunder to take or have possession of any assets of Client or to direct delivery of any Securities or payment of any funds associated with the Securities to itself or to direct any disposition of such Securities or funds except to Client and on Client's instructions or as provided in Section 7 (entitled "Payment of Fees"). When investing, a Client's funds are transferred from such Client's external bank account directly to account escrow agent which then transfers the capital directly into the Funds. At no point in time are Client's funds aggregated or collected into a bank account of Diversy or DA Services. DA Services does not have custody or possession of either Client's funds or securities but understands that through its affiliation with DF Manager, LLC (the "Manager"),

Diversy, and the Funds that DA Services may be deemed to have legal custody, as this term is defined under the Investment Advisers Act of 1940, as amended.

2. Limited Power of Attorney. To enable DA Services to exercise fully its authority as provided in Section 1, Client hereby constitutes and appoints DA Services as Client's agent and attorney-in-fact with full power and authority for Client and on Client's behalf solely for the purpose of purchasing and selling Securities in accordance with the Plans selected by the Client. Client further grants to DA Services as Client's agent and attorney-in-fact full power and authority to do and perform every act necessary and proper to be done in the exercise of the foregoing powers as fully as Client might or could do if personally present including but not limited to signing subscription and operating agreements relating to the purchase of Securities on behalf of Client. This power of attorney includes arranging for delivery and payment in connection with the Payment of Fees detailed in Section 7 below, and acting on behalf of Client in all matters incidental to the handling of the Plan without prior approval of each specific transaction. In no event will DA Services be obligated to affect any transaction for Client which would violate applicable federal or state law, or rule or regulation of any regulatory or self-regulatory body. This power of attorney is coupled with an interest and shall terminate only on termination of this Agreement or on receipt by DA Services of written notice of the death, incapacity or dissolution of Client.

3. Representations and Warranties.

(a) Client represents and warrants to DA Services and agrees with DA Services as follows:

i. Client has the requisite legal capacity, authority and power to execute, deliver and perform his or her obligations under this Agreement. This Agreement has been duly authorized, executed and delivered by Client and is the legal, valid and binding agreement of Client, enforceable against Client in accordance with its terms. Client's execution of this Agreement and the performance of his or her obligations hereunder do not conflict with or violate any obligations by which Client is bound, whether arising by contract, operation of law or otherwise. If Client is an entity, the trustee, agent, representative or nominee (the "Client Representative") executing this Agreement on behalf of Client has the requisite legal capacity, authority and power to execute, deliver and perform such execution and the obligations under this Agreement, as applicable. Specifically, if Client is a corporation or partnership, the individual signing this Agreement has been authorized to execute this Agreement by appropriate corporate or partnership action, and if this Agreement is entered into by a trustee or fiduciary, the trustee or fiduciary has authority to enter into this Agreement and that the services described herein are authorized under the applicable plan, trust or law. Client will deliver to DA Services evidence of Client's and Client Representative's authority on DA Services' request and will promptly notify DA Services of any change in such authority, including but not limited to an amendment to Client's organizational, delegation or formation documents that changes the information Client provides to DA Services on opening Client's account (the "Account").

ii. For Entity Clients: If Client Representative is entering into this Agreement, Client and Client Representative understand and agree that the representations, warranties and agreements made herein are made by Client both: (a) with respect to Client; and (b) with respect to the Client Representative.

iii. For Joint Account Clients (With Rights of Survivorship): If Clients are entering into this Agreement on behalf of a joint account, Clients understand and agree that the representations, warranties and agreements made herein are made on behalf of all of the joint account holders and further agree that each (a) is a Client; (b) has the authority to act on behalf of the Account and DA

Services will accept such instructions from any one Client; (c) is jointly and severally liable per the terms of this Agreement; and (d) that in the case of death of any of the joint account holders, interest in the Securities shall vest in the surviving account holder(s) under the same terms and conditions of this Agreement and the surviving Client(s) shall promptly provide DA Services with written notice thereof and provide any documentation reasonably requested by DA Services in its management of the Account.

iv. Client is the owner or co-owner of all the Securities, and there are no restrictions on the pledge, hypothecation, transfer, sale or public distribution of such Securities.

v. If Client specifically provides a photograph of Client's likeness and/or other personal identifying information to DA Services for public display, then Client hereby grants permission to DA Services to use the provided photograph of Client's likeness, Client's name and/or other information, in a commercially reasonable manner on the Interactive Website, any related and/or affiliated sites, and in marketing materials now and in the future, until such time as this Agreement is terminated by either party. Client waives any and all rights to compensation as a result of such use of Client's explicitly provided photograph of Client's likeness, Client's name and/or other information.

vi. Client agrees to use DA Services solely for Client's personal, non-commercial use, and not in connection with any competitive analysis (as determined by DA Services).

(b) Client understands and agrees that (A) DA Services does not guarantee the performance of the Securities, is not responsible to Client for any investment losses, and the Securities are not insured against loss of income or principal; (B) there are significant risks associated with investing in Securities, including, but not limited to, the risk that the Securities could suffer substantial diminution in value and total loss; (C) the past performance of any Security does not indicate its future performance, and future transactions will be made in different Securities and different economic environments; and (D) DA Services will cause the distributions to purchase Securities in essentially the proportions set forth by the Plans, and will not otherwise review or control the allocations of Securities as subscribed under the Plans. There are significant risks associated with any investment program, including the Plans.

i. Client understands and agrees that DA Services' sole obligation hereunder or otherwise is to select and purchase Securities on behalf of Client in accordance with the Plans and to manage the allocation of distributions from Securities in accordance with the Plans, and Client has not engaged DA Services to provide any individual financial planning services. Client understands and agrees that DA Services is not responsible for any losses in Securities, as provided in Section 9.

ii. Client understands and agrees that the selection and purchase of Securities and allocation of distributions for the purchase of Securities will be managed solely by DA Services. Client further understands that if any of the information Client provides to DA Services is or becomes incomplete or inaccurate, the allocation of distributions into Securities may not achieve Client's desired investment strategy, and the Plans may cause Client to purchase Securities from which Client is restricted from purchasing at that time.

iii. Client understands and agrees that DA Services is not responsible to Client for any failures, delays and/or interruptions in the timely or proper allocation of distributions by DA Services on behalf of Client due to any or all of the following, which are likely to happen from time to time: (A) hardware or software malfunction, failure or unavailability; (B) internet service

failure or unavailability; (C) the actions of any governmental, judicial or regulatory body; and/or (D) force majeure.

4. Confidentiality. Except as required by law or requested by regulatory authorities, (a) DA Services agrees to maintain in strict confidence all of Client's non-public personal and financial information that Client furnishes to DA Services, except for information that Client explicitly agrees to share publicly, and (b) Client agrees to maintain in strict confidence all non-public information that Client acquires from DA Services in connection with the Plans. Client agrees that Client shall not use confidential information Client receives from DA Services for any purpose other than managing the Plans, including, but not limited to, developing a service that competes with the Interactive Website or DA Services' services. Client acknowledges receipt of DA Services' Privacy Policy available at www.diversyfund.com/privacy-policy.

5. Valuation. The Securities shall be valued from time to time based on the per-share net asset value of the individual issuers. Different issuers may determine their net asset value on quarterly, semi-annual, or annual (or less frequent) intervals in accordance with their organizational documents as described in their respective offering circulars, which are available at www.diversyfund.com/offeringcirculars.

6. Responsibility for Expenses. Either Diversy or a separate third-party entity will serve as fund sponsor to the Funds (the "Sponsor"). The Sponsor, and not DA Services, receives compensation from the affiliated issuers. Fees charged to clients will vary depending on whether they are invested in either DF Growth REIT, LLC ("DF Growth REIT") and DF Growth REIT II, LLC ("DF Growth REIT II") (collectively, the "Funds"). For a detailed listing of the fees that the Sponsor may receive from a given issuer, please review in Section 8 of this Agreement.

7. Payment of Fees. The Sponsor and DA Services' affiliates, and not DA Services, receive fees from Clients. Client hereby authorizes the Sponsor to collect its fees directly from Client's funds and may deduct such fees to the distributions prior to being allocated according the Reinvestment Plan, or, if the Client has not opted to participate in a Reinvestment Plan, prior to such distributions being distributed to the Client's bank account. In the event that the amount of the distributions is not sufficient to satisfy the amount of the fees due for a given month or quarter, the Sponsor fees will accrue, without interest, and shall be payable during a subsequent period, as determined by the Sponsor. Client will receive a copy of the bill detailing fees applied to Client's account.

8. Affiliate Fees. DA Services understands that while it does not directly receive fees from Clients or other entities, that it may be deemed to be receiving fees indirectly through its affiliation with Diversy and its subsidiaries which do in fact receive fees in connection with investments in which DA Services has advised its clients to participate in. As an adviser on real estate investments, DA Services advises its clients to invest in products owned and operated by its entities it is affiliated with through common ownership by DiversyFund, Inc.

DF Growth REIT and DF Growth REIT II are currently the only funds into which client assets will be invested. In the future, the Manager or Diversy will create similar affiliate Regulation A+ funds (similar in fee and ownership structure to the Funds) to which DA Services will direct client funds. These funds will be managed and operated by the Sponsor and while DA Services will not be receiving fees directly from these funds, it (DA Services) will be deemed to be receiving fees indirectly through its affiliation with Diversy and affiliated entities. DA Services, through the Interactive Website, will only advise clients, now or in the future, to invest in products that are affiliated with DA Services and DiversyFund Inc.

DF Growth REIT Fees

Fund Level Fees

Asset Management Fee:

The Sponsor may charge the Company an annual asset management fee equal to 2% of the capital raised from the sale of Class A Investor Shares. The Sponsor has waived this fee for DF Growth REIT and will continue to waive this fee indefinitely.

Estimate: The amount of the asset management fee will depend on the amount the DF Growth REIT raises. We cannot make a reasonable estimate at this time.

Reimbursement Fees:

The Funds will reimburse Diversy for expenses Diversy incurs in connection with the Regulation A+ offering (the “Offering”), before the Offering is “qualified” by the SEC (after the Offering is qualified, the expenses will borne by the Funds themselves, directly). However (i) Diversy will not be entitled to any reimbursement until the Fund has raised at least \$1,000,000 from the sale of Fund shares; (ii) if the Fund raises only \$1,000,000 from the sale of Fund shares, Diversy’s reimbursement will be limited to a maximum of \$125,000; (iii) Diversy will not be entitled to full reimbursement until the Fund has raised \$3,000,000 from the sale of Fund shares; and (iv) if the Fund raises more than \$1,000,000 but less than \$3,000,000 from the sale of Fund shares, the reimbursement in excess of \$125,000 will be pro rated.

Estimate: Diversy currently estimates that its total expenses for the Offering, before the Offering is qualified, will be approximately \$75,000.

Marketing Expense Reimbursement Fee:

The Company will reimburse the Sponsor up to 1% but not exceeding \$750,000 for direct expenses incurred by the Sponsor and its affiliates to organize and operate the Company and conduct the Offering, including marketing expenses paid to vendors, contractors, and consultants.

Estimate: The amount of the marketing expense reimbursement fee will depend on the amount the DF Growth REIT raises and the marketing expenses of the Sponsor. We cannot make a reasonable estimate at this time.

Co-Investment

The Sponsor and its affiliates might purchase Fund shares. If so, they will be entitled to the same distributions as other Investors.

Promoted Interest

The Sponsor is entitled to receive certain distributions (the “Promoted Interest”). The Promoted Interest is paid in two levels: first, after Investors have received a (i) 7% internal rate of return (“IRR”) preferred return on their investment, the Sponsor is entitled to a catchup return equal to approximately (ii) 53.85% of the preferred return paid to Investors; and second, after Investors have received their preferred return and the Sponsor has received its catchup return, the Sponsor is entitled to (iii) 35% of the remaining profits until the investors have received a 12% IRR preferred return on their investment and (iv) thereafter 50% of the remaining profits.

How much money the Sponsor ultimately receives as a Promoted Interest therefore depends on a number of factors, including:

- How much capital is raised in the Offering;
- The investment returns the Fund is able to achieve;
- When those returns are achieved (the Fund might not achieve the same return every year);

- When the Fund distributes money to Investors; and
- The amount of expenses the Fund incurs.

Property Level Fees

Acquisition Fees:

Diversy will charge each Project Entity (or the Funds themselves, if the Funds owns real estate directly) a sponsor fee of between (i) 6% and 8% of the total project costs, including both “hard” costs (e.g., the cost of property) and “soft” costs (e.g., professional fees).

Estimate: If the Fund raises the full \$50,000,000 and maintains an average leverage ratio (borrowing) of 55%, the sponsor fee would range between \$6,666,666 and \$8,888,888.

Property Disposition Fee:

Where the Funds own property directly or is the sole owner of a Project Entity, the Sponsor will receive a property disposition fee equal to (i) 1% of the total sale price of each property.

Where property is owned by an entity in which there is another financial partner – a joint venture – the Sponsor might be entitled to a similar disposition fee to the extent negotiated with the financial partners in such joint venture (which could be higher than the (ii) 1% disposition fee for direct investment). However, the Fund’s share of the fee will not exceed (iii) 1% of the Fund’s share of the total sale price.

Estimate: The amount of the disposition fee will depend on the selling price of assets by the Funds and any joint ventures and, in the case of joint ventures, the terms our Sponsor negotiates with joint venture partners. We cannot make a reasonable estimate at this time.

Financing Fee:

Where the Funds own property directly, or is the sole owner of a Project Entity, the Sponsor will receive a financing fee equal to (i) 1.0% of the amount of each loan placed on a property, whether at the time of acquisition or pursuant to a refinancing. This financing fee will be in addition to any fees paid to third parties, such as mortgage brokers.

Where property is owned by an entity in which there is another financial partner – a joint venture – the Sponsor might be entitled to a similar financing fee to the extent negotiated with the financial partners in such joint venture (which could be higher than the (ii) 1% financing fee for direct investment). However, the Sponsor’s share of the fee will not exceed (iii) 1% of the Fund’s share of the loan.

Estimate: The amount of the financing fee will depend on the selling price of assets by the Funds and any joint ventures and, in the case of joint ventures, the terms our Sponsor negotiates with joint venture partners. We cannot make a reasonable estimate at this time.

Construction Management Fee:

The Sponsor might provide construction management services. If so, the Sponsor be entitled to a construction management fee equal to (i) 7.5% of actual construction costs.

Estimate: The amount of the construction management fee will depend on the nature and cost of the construction services the Manager provides. We cannot make a reasonable estimate at this time.

Guaranty Fee:

If the Sponsor or an affiliate guaranties indebtedness of the Funds or a Project Entity, including guaranties of any so-called “bad boy” carveouts, the guarantor will be entitled to a guaranty fee equal to (i) 0.5% of the loan.

Estimate: The amount of the guaranty fee will depend on the amount of loans requiring a guaranty. We cannot make a reasonable estimate at this time.

Other Fees:

The Funds or Project Entities might engage the Sponsor or its affiliates to perform other services. The compensation paid to the Sponsor or its affiliates in each case must be (i) fair to the Funds and the Project Entities, (ii) comparable to the compensation that would be paid to an unrelated party, and (iii) disclosed to Investors.

Estimate: We cannot make a reasonable estimate of other fees at this time.

Fees for DF Growth REIT II

Fund Level Fees

Asset Management Fee:

The Sponsor will charge the Company an annual asset management fee equal to 2% of the capital raised from the sale of Class A Investor Shares. The Sponsor may, in its sole discretion, require the payment of the asset management fee up to five years in advance, which shall be nonrefundable.

Estimate: The amount of the asset management fee depends on the amount of capital raised. We cannot make a reasonable estimate at this time.

Reimbursement Fees:

The Funds will reimburse Diversy for expenses Diversy incurs in connection with the Offering, before the Offering is “qualified” by the SEC (after the Offering is qualified, the expenses will borne by the Funds themselves, directly). However (i) Diversy will not be entitled to any reimbursement until the Fund has raised at least \$1,000,000 from the sale of Fund shares; (ii) if the Fund raises only \$1,000,000 from the sale of Fund shares, Diversy’s reimbursement will be limited to a maximum of \$125,000; (iii) Diversy will not be entitled to full reimbursement until the Fund has raised \$3,000,000 from the sale of Fund shares; and (iv) if the Fund raises more than \$1,000,000 but less than \$3,000,000 from the sale of Fund shares, the reimbursement in excess of \$125,000 will be pro rated.

Estimate: Diversy currently estimates that its total expenses for the Offering, before the Offering is qualified, will be approximately \$75,000.

Organization & Offering Expense Reimbursement:

The Company will reimburse the Sponsor for direct expenses incurred by the Sponsor and its affiliates to organize and operate the Company and conduct the Offering, including:

- Marketing expenses paid to vendors, contractors, and consultants;
- Payroll expenses of marketing employees;
- Software costs;

- Fees paid to vendors, contractors, and consultants relating to the Sponsor's online fintech platform and smartphone applications; used to market and operate the Company; and
- Payroll expenses and software costs from product and tech employees working on the fintech platform and smartphone applications.

The Organization & Offering Expense Reimbursement may not exceed 10% of the capital raised from the sale of Class A Investor Shares.

Estimate: The amount of the organization and offering fee depends on the amount of capital raised. We cannot make a reasonable estimate at this time.

Co-Investment

The Sponsor and its affiliates might purchase Fund shares. If so, they will be entitled to the same distributions as other Investors.

Promoted Interest

The Sponsor is entitled to receive Promoted Interest. The Promoted Interest is paid in two levels: first, after Investors have received a (i) 7% IRR preferred return on their investment, the Sponsor is entitled to a catchup return equal to approximately (ii) 53.85% of the preferred return paid to Investors; and second, after Investors have received their preferred return and the Sponsor has received its catchup return, the Sponsor is entitled to (iii) 35% of the remaining profits until the investors have received a 12% IRR preferred return on their investment and (iv) thereafter 50% of the remaining profits.

How much money the Sponsor ultimately receives as a Promoted Interest therefore depends on a number of factors, including:

- How much capital is raised in the Offering;
- The investment returns the Fund is able to achieve;
- When those returns are achieved (the Fund might not achieve the same return every year);
- When the Fund distributes money to Investors; and
- The amount of expenses the Fund incurs.

Property Level Fees

Acquisition Fee:

Diversy will charge each Project Entity (or the Funds themselves, if the Funds owns real estate directly) a sponsor fee of between (i) 1% and 4% of the total project costs, including both "hard" costs (e.g., purchase price and renovation costs on the property) and "soft" costs (e.g., professional fees).

Where property is owned by an entity in which there is another financial partner – a joint venture – the Sponsor might be entitled to a similar acquisition fee to the extent negotiated with the financial partners in such joint venture (which could be higher than the 1-4% acquisition fee for direct investment). However, the Company's share of the fee will not exceed 1-4% of the Company's share of the total sale price.

Estimate: If the Company raises the full \$75,000,000 and maintains an average leverage ratio (borrowing) of 55%, the sponsor fee would range between \$1,666,667 and \$6,666,667.

Property Disposition Fee:

Where the Funds own property directly or is the sole owner of a Project Entity, the Sponsor will receive a property disposition fee equal to (i) 1% of the total sale price of each property.

Where property is owned by an entity in which there is another financial partner – a joint venture – the Sponsor might be entitled to a similar disposition fee to the extent negotiated with the financial partners in such joint venture (which could be higher than the (ii) 1% disposition fee for direct investment). However, the Fund's share of the fee will not exceed (iii) 1% of the Fund's share of the total sale price.

Estimate: The amount of the disposition fee will depend on the selling price of assets by the Funds and any joint ventures and, in the case of joint ventures, the terms our Sponsor negotiates with joint venture partners. We cannot make a reasonable estimate at this time.

Financing Fee:

Where the Funds own property directly, or is the sole owner of a Project Entity, the Sponsor will receive a financing fee equal to (i) 1.0% of the amount of each loan placed on a property, whether at the time of acquisition or pursuant to a refinancing. This financing fee will be in addition to any fees paid to third parties, such as mortgage brokers.

Where property is owned by an entity in which there is another financial partner – a joint venture – the Sponsor might be entitled to a similar financing fee to the extent negotiated with the financial partners in such joint venture (which could be higher than the (ii) 1% financing fee for direct investment). However, the Sponsor's share of the fee will not exceed (iii) 1% of the Fund's share of the loan.

Estimate: The amount of the financing fee will depend on the selling price of assets by the Funds and any joint ventures and, in the case of joint ventures, the terms our Sponsor negotiates with joint venture partners. We cannot make a reasonable estimate at this time.

Construction Management Fee:

The Sponsor might provide construction management services. If so, the Sponsor be entitled to a construction management fee equal to (i) 7.5% of actual construction costs.

Estimate: The amount of the construction management fee will depend on the nature and cost of the construction services the Manager provides. We cannot make a reasonable estimate at this time.

Guaranty Fee:

If the Sponsor or an affiliate guaranties indebtedness of the Funds or a Project Entity, including guaranties of any so-called "bad boy" carveouts, the guarantor will be entitled to a guaranty fee equal to (i) 0.5% of the loan.

Estimate: The amount of the guaranty fee will depend on the amount of loans requiring a guaranty. We cannot make a reasonable estimate at this time.

Other Fees:

The Funds or Project Entities might engage the Sponsor or its affiliates to perform other services. The compensation paid to the Sponsor or its affiliates in each case must be (i) fair to the Funds and the Project Entities, (ii) comparable to the compensation that would be paid to an unrelated party, and (iii) disclosed to Investors.

Estimate: We cannot make a reasonable estimate of other fees at this time.

Termination

At any time prior to the last day of a distribution period, a Client may adjust or terminate his/her Plan, and may cancel their monthly Auto-investment at any time. However, there can be no guarantee that such requests to withdraw will be honored by the Funds.

9. Losses. To the maximum extent permitted under applicable law, Client understands and agrees that DA Services will not be liable to Client for any losses incurred by Client that arise out of or are in any way connected with any Securities transaction or other act or failure to act of DA Services under this Agreement, including, but not limited to, any loss that Client may suffer by any reason of any investment decision made or other action taken or omitted in good faith by DA Services, any loss arising from DA Services' adherence to Client's instructions, any tax liability asserted against Client by any federal, state or local authority with respect to the Securities, so long as such act or failure to act does not constitute a breach of DA Services' fiduciary duty to Client. Client (and in addition, for entity accounts, Client Representative) shall indemnify and defend DA Services and DA Services' directors, officers, shareholders, employees and affiliates and hold them harmless from and against any and all claims, losses, damages, liabilities and expenses, as they are incurred, by reason of any act or omission of Client or any custodian, broker, agent or other third party selected by DA Services in a commercially reasonable manner or selected by Client, except such as arise from DA Services' breach of fiduciary duty to Client. In addition to the above indemnities, for entity Clients, the Client Representative shall further indemnify and defend DA Services and DA Services' directors, officers, shareholders, employees and affiliates and hold them harmless from and against any and all claims, losses, damages, liabilities and expenses, as they are incurred, resulting from or in connection to Client's assertion of Client Representative's lack of proper authorization from Client to enter into this Agreement. Anything in this Section 10 or otherwise in this Agreement to the contrary notwithstanding, however, nothing herein shall constitute a waiver or limitation of any rights that Client may have under any federal or state securities laws.

Client acknowledges that the recommendations given via the Interactive Website or provided as part of the Plan are valid only as of the date the recommendations are provided and are not valid for any period beyond such date. Client acknowledges that DA Services does not furnish actuarial, accounting, tax, or legal advice. DA Services is not a law firm, does not practice law, and cannot and does not furnish legal or tax opinions. DA Services is not an accounting firm, does not practice accounting or auditing, and does not prepare tax returns or financial statements. DA Services is not an actuarial firm, does not provide actuarial advice, and does not administer retirement plans. Client should retain, separately, Client's own attorneys, accountants, and other financial services professionals. Client agrees that Client's own attorneys, accountants and other financial services professionals shall be solely responsible for the accuracy of legal advice, legal opinions, legal documents, accounting documents, tax opinions and tax returns. Client acknowledges that DA Services is not responsible for the accuracy or completeness of information furnished to DA Services by Client or by any other party.

10. Termination; Withdrawals. This Agreement may be terminated by either party with or without cause by notice to the other party, which notice shall be provided by Client to DA Services through the Interactive Website and by DA Services to Client through the primary email address as Client shall update from time to time. Client may redeem the Securities only in accordance with the redemption plans of the various issuers, if any, which are described in each issuer's offering circular, available at www.diversyfund.com/offeringcirculars. Client's redemption of all of the Securities will terminate this Agreement. Upon termination of this Agreement, Sections 4, 9 (only as to fees accruing prior to termination), 9, 15, 16 and 17 shall survive such termination.

Client's death, disability or incompetence will not automatically terminate or change the terms of this Agreement. However, Client's executor, guardian, attorney-in-fact or other authorized representative may cancel

this Agreement by giving written notice to DA Services. Upon termination, DA Services agrees to refund to Client that portion of any prepaid fee for which no services have been provided.

11. Securities Information. Client may obtain information on his/her Securities on the Interactive Website. The official records of the Securities held by Client are maintained by each issuer's transfer agent, from which electronic statements may be obtained upon written request.

12. Independent Contractor. DA Services is and will hereafter act as an independent contractor and not as an employee of Client, and nothing in this Agreement may be interpreted or construed to create any employment, partnership, joint venture or other relationship between DA Services and Client.

13. Assignment. DA Services may not assign this Agreement without the prior consent of Client, and, if applicable, the consent of any additional authorized signatories on behalf of Client, if and to the extent that such consent is required under the Investment Advisers Act of 1940, as amended. In the event of an assignment by DA Services, DA Services shall request written consent(s) of Client within a specified reasonable time (which shall not be less than thirty (30) days). If Client does not respond to such request within the time specified, DA Services shall inform Client that the proposed assignee will continue the advisory services of DA Services for a specified reasonable time (which shall not be less than thirty (30) days), and if Client does not respond to such second notice from DA Services, Client's continued acceptance of investment management services from the proposed assignee shall constitute Client's consent(s) to the assignment. This Agreement shall bind and inure to the benefit of and be enforceable by the parties and their respective successors and assigns.

14. Delivery of Information. Client acknowledges electronic delivery of DA Services' brochure that would be required to be delivered under the Advisers Act (including the information in Part 2 of DA Services' Form ADV), which is available on the Interactive Website and provided here by link: www.diversifyfund.com/formadv. On written request by Client, DA Services agrees to annually deliver electronically, without charge, DA Services' brochure required by the Advisers Act.

15. Governing Law. This Agreement shall be governed by and construed and interpreted in accordance with the laws of the State of Delaware.

16. Arbitration.

(a) Either party may, at its sole election, require that the sole and exclusive forum and remedy for resolution of a Claim be final and binding arbitration pursuant to this Section 16 (this "Arbitration Provision"). The arbitration shall be conducted in Wilmington, Delaware. As used in this Arbitration Provision, "Claim" shall include any past, present, or future claim, dispute, or controversy involving Client (or persons claiming through or connected with Client), on the one hand, and DA Services (or persons claiming through or connected with DA Services), on the other hand, relating to or arising out of this Agreement, any Security, the Interactive Website, and/or the activities or relationships that involve, lead to, or result from any of the foregoing, including (except to the extent provided otherwise in the last sentence of Section (d) below) the validity or enforceability of this Arbitration Provision, any part thereof, or the entire Agreement.

(b) The party initiating arbitration shall do so with the American Arbitration Association (the "AAA") or JAMS. The arbitration shall be conducted according to, and the location of the arbitration shall be determined in accordance with, the rules and policies of the administrator selected, except to the extent the rules conflict with this Arbitration Provision or any countervailing law. In the case of a conflict between the rules and policies of the administrator and this Arbitration Provision, this Arbitration

Provision shall control, subject to countervailing law, unless all parties to the arbitration consent to have the rules and policies of the administrator apply.

(c) In the event any suit or action is filed to enforce or interpret the terms and obligations of this Agreement, the prevailing party shall be entitled to its reasonable attorney fees and costs, including reasonable post-judgment attorney fees incurred in collection efforts.

(d) DA Services agrees not to invoke our right to arbitrate an individual Claim that Client may bring in Small Claims Court or an equivalent court, if any, so long as the Claim is pending only in that court. EXCEPT AS EXPRESSLY PROVIDED IN THIS AGREEMENT, NO ARBITRATION SHALL PROCEED ON A CLASS, REPRESENTATIVE, OR COLLECTIVE BASIS (INCLUDING AS PRIVATE ATTORNEY GENERAL ON BEHALF OF OTHERS), EVEN IF THE CLAIM OR CLAIMS THAT ARE THE SUBJECT OF THE ARBITRATION HAD PREVIOUSLY BEEN ASSERTED (OR COULD HAVE BEEN ASSERTED) IN A COURT AS CLASS REPRESENTATIVE, OR COLLECTIVE ACTIONS IN A COURT.

(e) Unless otherwise provided in this Agreement or consented to in writing by all parties to the arbitration, no party to the arbitration may join, consolidate, or otherwise bring claims for or on behalf of two or more individuals or unrelated corporate entities in the same arbitration unless those persons are parties to a single transaction. Unless consented to in writing by all parties to the arbitration, an award in arbitration shall determine the rights and obligations of the named parties only, and only with respect to the claims in arbitration, and shall not (i) determine the rights, obligations, or interests of anyone other than a named party, or resolve any Claim of anyone other than a named party, or (ii) make an award for the benefit of, or against, anyone other than a named party. No administrator or arbitrator shall have the power or authority to waive, modify, or fail to enforce this sub-section (e), and any attempt to do so, whether by rule, policy, arbitration decision or otherwise, shall be invalid and unenforceable. Any challenge to the validity of this sub-section (e) shall be determined exclusively by a court and not by the administrator or any arbitrator.

(f) This Arbitration Provision shall survive (i) suspension, termination, revocation, closure, or amendments to this Agreement and the relationship of the parties; (ii) the bankruptcy or insolvency of any party hereto or other party; and (iii) any transfer of any loan or Security or any amounts owed on such loans or notes, to any other party. If any portion of this Arbitration Provision other than sub-section (e) is deemed invalid or unenforceable, the remaining portions of this Arbitration Provision shall nevertheless remain valid and in force. If arbitration is brought on a class, representative, or collective basis, and the limitations on such proceedings in sub-section (e) are finally adjudicated pursuant to the last sentence of sub-section (e) to be unenforceable, then no arbitration shall be had. In no event shall any invalidation be deemed to authorize an arbitrator to determine Claims or make awards beyond those authorized in this Arbitration Provision.

17. Waiver of Court & Jury Rights. THE PARTIES ACKNOWLEDGE THAT THEY HAVE A RIGHT TO LITIGATE CLAIMS THROUGH A COURT BEFORE A JUDGE, BUT WILL NOT HAVE THAT RIGHT IF ANY PARTY ELECTS ARBITRATION PURSUANT TO THIS ARBITRATION PROVISION. THE PARTIES HEREBY KNOWINGLY AND VOLUNTARILY WAIVE THEIR RIGHTS TO LITIGATE SUCH CLAIMS IN A COURT UPON ELECTION OF ARBITRATION BY ANY PARTY. THE PARTIES HERETO WAIVE A TRIAL BY JURY IN ANY LITIGATION RELATING TO THIS AGREEMENT, THE NOTES OR ANY OTHER AGREEMENTS RELATED THERETO.

18. Notices. All notices and communications under this Agreement must be made through the Interactive Website or by email. DA Services' contact information for this purpose is hello@diversyfund.com and Client's

contact information for this purpose is contained in Client's user account on the Interactive Website and the primary email address(es) in Client's Account as Client shall update from time to time.

19. Severability and Amendment. The invalidity or unenforceability of any provision hereof shall in no way affect the validity or enforceability of any and all other provisions hereof. Client acknowledges that DA Services may amend this Agreement from time to time by notifying Client by email or message to Client's DA Services user account, which amendment will be effective immediately.

20. Waiver or Modification. DA Services' waiver or modification of any condition or obligation hereunder shall not be construed as a waiver or modification of any other condition or obligation, nor shall DA Services' waiver or modification granted on one occasion be construed as applying to any other occasion.

21. Entire Agreement. This Agreement is the entire agreement of the parties regarding the subject matter hereof and supersedes all prior or contemporaneous written or oral negotiations, correspondence, agreements and understandings (including any and all preexisting client account agreements, which are hereby cancelled). However, the parties may choose to enter into separate agreements between them regarding different subject matters or investment programs.

22. No Third-Party Beneficiaries. Neither party intends for this Agreement to benefit any third party not expressly named in this Agreement.

DA Services

Electronic Agreement and Disclosure Statement

BY CONTINUING WITH THIS ONLINE AGREEMENT, YOU AGREE THAT UNLESS INDICATED OTHERWISE THE AGREEMENT AND THE DISCLOSURES REQUIRED TO BE PROVIDED AT THE TIME OF THE AGREEMENT AND ALL FUTURE DISCLOSURES WILL BE PROVIDED ELECTRONICALLY. READ THE INFORMATION BELOW CAREFULLY BEFORE CONSENTING TO RECEIVE INFORMATION ELECTRONICALLY AT THIS WEBSITE AND VIA ELECTRONIC MAIL ("EMAIL"). YOU SHOULD PRINT OR SAVE THIS STATEMENT BY USING THE "PRINT" OR "FILE SAVE" OPTIONS ON YOUR INTERNET BROWSER.

In this Electronic Agreement and Disclosure Statement ("Statement"), please remember that "you" and "your" refer to the person who is establishing a Plan(s), as well as any future plans, and "we", "us" and "our" refer to Diversy Advisory Services, LLC ("DA Services"). Agreements and other information will be provided to you electronically unless indicated otherwise. Included in those agreements and other information will be disclosures required by the Investment Advisers Act of 1940, as amended (the "Act") and other laws (the "Disclosures"). The agreements and other disclosures to be provided to you electronically include:

- DA Services Client Agreement and all amendments, notices and other agreements which supplement the DA Services Client Agreement;
- Any other DA Services agreements pertaining to future plans that you may establish and all amendments, notices and other agreements which supplement those agreements;
- DA Services' Form ADV Part 2, Form CRS (Client Relationship Summary) (both available at <https://diversyfund.com/disclosures-circulars/>), Privacy Policy (available at <https://diversyfund.com/privacy-policy/>), Terms of Use (available at <https://diversyfund.com/terms-of-service/>) and other required and permitted legal disclosures; and
- Account statements, fee calculation statements and/or performance reports.

By establishing a Plan(s), and signing this agreement via Docusign or similar online electronic signing service, you are accepting this Statement and you are agreeing to receive electronically the agreements and other information listed in the first and second bulleted paragraphs above, including the Disclosures. Your consent to receive information electronically will apply only to the agreements and other information listed in the first and second bulleted paragraphs above, including the Disclosures. Information regarding your Plan(s), including the Disclosures, will be available on the website, www.diversyfund.com or DA Services' interactive website (collectively, the "Interactive Website"). In addition, the information will be available upon request by contacting us at hello@diversyfund.com. When revised or new Disclosures are available on the Interactive Website, we will send a message to your DA Services account, or otherwise notify you of their availability. You are responsible for maintaining a valid email address and software and hardware to receive, read and send email. You must provide us with your current email address and promptly notify us of any changes to your email address in your DA Services account on the Interactive Website. To receive electronically the agreements and other information listed in the first and second bulleted paragraphs above, including the Disclosures, you will need a compatible operating system and web browser, and you will need access to a printer or the ability to download information in order to keep copies for your records. Changes, if any, to these system hardware and software requirements will be updated on the Interactive Website. You must periodically refer to the website for current system requirements. By establishing and then accessing a Plan(s), you are indicating that you have the

capability to access the agreements and other information, including the Disclosures, and download or print copies for your records.

For client support or technical assistance regarding your Plan(s), including the Disclosures, you may send an email to hello@diversyfund.com. You may obtain a paper copy of the agreements and other information listed in the first and second bulleted paragraphs above, including the Disclosures, at any time by notifying us using any of the methods described in the immediately preceding paragraph for client support. We will not charge you a fee for the paper copy. This consent will apply on an ongoing basis unless you withdraw your consent. You may withdraw your consent to receive electronically the agreements and other information listed in the first and second bulleted paragraphs above, including the Disclosures. To withdraw your consent, please notify us by sending an email to hello@diversyfund.com. By establishing a Plan(s), and signing this agreement via DocuSign or similar online electronic signing service, you are indicating that you have reviewed our privacy and security policies on the Interactive Website. You are also acknowledging that your initial use of your DA Services account will constitute your agreement to be bound by the terms and conditions of the agreements and other information listed in the first and second bulleted paragraphs above, including the Disclosures. In addition to providing your signature via DocuSign or similar online electronic signing service, by checking the acknowledgement box and submitting such acknowledgement electronically to DA Services, you acknowledge that you have read, understand, and agree to be bound by the terms above. If you do not agree to be bound by the terms above but would like to establish a Plan(s), DO NOT continue with the online process. Instead, please email us at hello@diversyfund.com. Because the DA Services Client Agreement relates to the functionality of the DA Services website, DA Services reserves the right to refuse to establish a Plan(s) that is not subject to this Statement. You agree that the agreement and disclosures required to be provided at the time of application and any supplemental agreements or subsequent notices of changes will be provided electronically, and you confirm that you will download or print all electronically-provided documents for your records. You acknowledge that you can access the Disclosures, agreements and information that are provided electronically on the Interactive Website and via email.

Important Considerations

DA Services is an Internet Investment Adviser as defined under Rule 203A-2(e) of the Investment Advisers Act of 1940 and is authorized to provide Clients investment advisory services only through the use of the Interactive Website. DA Services, through the Interactive Website, plans to advise Clients on investment opportunities solely in relation to real estate investments. All DA Services clients will be investing in its affiliates, DF Growth REIT, LLC and DF Growth REIT II LLC (the "Funds") and other Regulation A+ real estate funds not yet created. The Funds are is managed by DF Manager LLC, a Delaware limited liability company, (the "Manager") that controls all of the aspects of the Funds' business and operations, including investment decisions (that is, deciding which properties to buy and sell and when to buy and sell them).

DA Services will advise its clients, through the Interactive Website, to invest in the Funds which bear certain aforementioned fees that will benefit affiliates of DA Services. DA Services may receive fees for its advisory services and related persons working on behalf of DA Services' affiliates will receive compensation through fees paid by the Funds in connection with real estate management.

BY SIGNING THIS AGREEMENT, YOU, CLIENT, UNDERSTAND THAT DA SERVICES, IN ITS CAPACITY AS AN INVESTMENT ADVISER, SHALL DIRECT CLIENT FUNDS TO INVEST ONLY IN THE FUNDS, WHICH ARE AFFILIATED WITH DA SERVICES AND THROUGH WHICH RELATED PERSONS WORKING ON BEHALF OF DA SERVICES' AFFILIATES WILL RECEIVE COMPENSATION. DA SERVICES WILL NOT BE INVESTING CLIENT FUNDS INTO ANY NON-AFFILIATED INVESTMENT VEHICLES. FURTHER, CLIENT UNDERSTANDS THAT DA SERVICES SHALL ONLY PROVIDE INVESTMENT ADVICE THROUGH THE USE OF THE INTERACTIVE WEBSITE. FOR ALL OF THE AFOREMENTIONED REASONS, ENTERING INTO AN INVESTMENT ADVISORY RELATIONSHIP WITH DA SERVICES MAY NOT BE SUITABLE FOR ALL INVESTORS.

FOR A COMPLETE DESCRIPTION OF POTENTIAL CONFLICTS, PLEASE REFER TO DA SERVICES' FORM ADV PART 2 AND FORM CRS.

CLIENT AGREEMENT SIGNED:

DIVERSY ADVISORY SERVICES, LLC

**By: DiversyFund, Inc.
Its Manager**

By: /s/ Alan Lewis

Name: Alan Lewis

Title: Chief Investment Officer

CLIENT:

If Individual:

Signature: _____

Name: _____

If Joint Account:

Second Signature: _____

Second Name: _____

If Trust/Entity/IRA Account:

Name of Trust/Entity/IRA Account: _____

Signature: _____

Signer Name: _____

Signer Title: _____

Division of Enforcement's Exhibit 21

LA-05266

***Cecilio, Craig - Vol.
I.20220315.378881-LA***

3/15/2022 10:39 AM

Condensed Transcript

Prepared by:

Jamar Smith
LA-05266

Wednesday, April 13, 2022

Page 1

1 UNITED STATES SECURITIES AND EXCHANGE COMMISSION
 2
 3 In the Matter of:)
 4) File No. LA-05266-A
 5 DIVERSYFUND, INC.)
 6
 7 WITNESS: Craig Cecilio
 8 PAGES: 1 through 181
 9 PLACE: Securities and Exchange Commission
 10 444 South Flower Street, Suite 900
 11 Los Angeles, California 90072
 12 DATE: Tuesday, March 15, 2022
 13
 14 The above-entitled matter came on for hearing,
 15 via WebEx, pursuant to notice, at 10:39 a.m.
 16
 17
 18
 19
 20
 21
 22
 23
 24 Diversified Reporting Services, Inc.
 25 (202)467-9200

Page 2

1 APPEARANCES:
 2
 3 On behalf of the Securities and Exchange Commission:
 4 WILLIAM M. ROSENTHAL, ESQ.
 5 VICTORIA A. LEVIN
 6 LYNN DEAN
 7 Division of Enforcement
 8 444 South Flower Street, Suite 900
 9 Los Angeles, CA 90072
 10 Tel: 323.965.3998
 11 Email: rosenthal@sec.com
 12
 13
 14
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Page 3

1 APPEARANCES(CONT.):
 2
 3 On behalf of the Witness:
 4 SANJAY BHANDARI, ESQ.
 5 RYAN STASELL, ESQ.
 6 BUCHALTER
 7 655 West Broadway, Suite 1600
 8 San Diego, CA 92101
 9 Tel: 619.219.5376
 10 Sbhandari@buchalter.com
 11 Rstasell@buchalter
 12
 13 Also Present:
 14 A. Pasha Salimi
 15
 16
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Page 4

C O N T E N T S

3 WITNESS	EXAMINATION
4 Craig Cecilio	5
6 EXHIBITS	DESCRIPTION IDENTIFIED
7 1	Commission Supplemental 6
8	Investigation Form 1662
9 2	Procedures for Testimony 9
10 3	Letter dated 1/26/22 with subpoena 11
11 5	Form 1-A Regulation A offering 146
12	statement
13 6	Offering Circular Supplement No. 1 170
14 7	Form 1-SA 106
15 15	Excel spreadsheet, list of REIT II 112
16	investors
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<p style="text-align: right;">Page 5</p> <p>1 PROCEEDINGS</p> <p>2 MR. ROSENTHAL: On the record at 10:39 a.m. on March</p> <p>3 15th, 2022. Mr. Cecilio, do you consent to taking an oath</p> <p>4 to tell the truth remotely via WebEx rather than in</p> <p>5 person?</p> <p>6 THE WITNESS: Yes, I do.</p> <p>7 MR. ROSENTHAL: Okay. And please raise your right hand.</p> <p>8 Do you swear to tell the truth, the whole</p> <p>9 truth and nothing but the truth?</p> <p>10 THE WITNESS: Yes, I do.</p> <p>11 Whereupon,</p> <p>12 CRAIG XANDER CECILIO</p> <p>13 was called as a witness and, having been first duly sworn,</p> <p>14 was examined and testified as follows:</p> <p>15 EXAMINATION</p> <p>16 BY MR. ROSENTHAL:</p> <p>17 Q Please state and spell your full name for</p> <p>18 the record.</p> <p>19 A Craig Xander Cecilio.</p> <p>20 Q Can you spell your name?</p> <p>21 A C-R-A-I-G, X-A-N-D-E-R, C-E-C-I-L-I-O.</p> <p>22 MR. BHANDARI: You can lower your hand, Craig.</p> <p>23 THE WITNESS: Thanks.</p> <p>24 BY MR. ROSENTHAL:</p> <p>25 Q My name is William</p>	<p style="text-align: right;">Page 7</p> <p>1 Q And prior to the opening of the record, you</p> <p>2 were also provided with a copy of Commission</p> <p>3 Supplemental Investigation, Form 1662, which has been</p> <p>4 marked as Exhibit Number 1.</p> <p>5 Have you had an opportunity to read Exhibit</p> <p>6 Number 1?</p> <p>7 A I've had an opportunity, yes, I have.</p> <p>8 Q Okay. And this is Exhibit 1 on the screen.</p> <p>9 Do you have any questions about this</p> <p>10 exhibit, Mr. Cecilio?</p> <p>11 A No, I don't.</p> <p>12 Q Okay. Are you represented by counsel?</p> <p>13 A Yes, I am.</p> <p>14 MR. ROSENTHAL: And would counsel please</p> <p>15 identify themselves for the record and confirm that</p> <p>16 they're representing Mr. Cecilio.</p> <p>17 MR. BHANDARI: Yes. Mr. Cecilio is</p> <p>18 represented by Buchalter Professional Corporation and</p> <p>19 from Buchalter, present today are Sanjay Bhandari,</p> <p>20 me, and my colleague Ryan Stasell.</p> <p>21 Q (By Mr. Rosenthal) Mr. Cecilio, can you</p> <p>22 please confirm that they're representing you?</p> <p>23 A Yes, they are representing me.</p> <p>24 MR. ROSENTHAL: And Mr. Cecilio and</p> <p>25 Counsel, can you please confirm for the record that</p>
<p style="text-align: right;">Page 6</p> <p>1 Rosenthal. I'm an attorney in the office of</p> <p>2 enforcement, Los Angeles Regional Office of the</p> <p>3 United States Securities and Exchange Commission.</p> <p>4 With me today is assistant regional</p> <p>5 director Victoria Levin. We're officers of the</p> <p>6 commission for the purposes of this proceeding.</p> <p>7 Also present today are Attorney Lynn Dean</p> <p>8 and accountant Pasha Salimi.</p> <p>9 This is an investigation by the United</p> <p>10 States Securities and Exchange Commission in the</p> <p>11 matter of DiversyFund, Inc. LA-5266, to determine</p> <p>12 whether there have been violations of certain</p> <p>13 provisions of the federal securities law.</p> <p>14 However, the facts developed in this</p> <p>15 investigation might constitute violations of other</p> <p>16 federal or state, civil or criminal laws.</p> <p>17 Mr. Cecilio, prior to the opening the</p> <p>18 record, you were provided with a copy of the formal</p> <p>19 order of investigation in this matter. It will be</p> <p>20 available for your examination during the course of</p> <p>21 the proceeding.</p> <p>22 Have you had an opportunity to review the</p> <p>23 formal order?</p> <p>24 A Yes, we have.</p> <p>25 (SEC Exhibit No. 1 was introduced.)</p>	<p style="text-align: right;">Page 8</p> <p>1 no one else is in the room with you?</p> <p>2 MR. BHANDARI: Confirmed.</p> <p>3 THE WITNESS: Confirmed.</p> <p>4 MR. STASELL: Confirmed.</p> <p>5 Q (By Mr. Rosenthal) Everything we say today</p> <p>6 is recorded by the court reporter and will return in</p> <p>7 the form of a transcript. To help make our reporter</p> <p>8 an accurate transcript, I'm going to go over some</p> <p>9 guidelines.</p> <p>10 First, please provide complete verbal</p> <p>11 responses to our questions. The reporter is unable</p> <p>12 to record an answer if you shake your head or make</p> <p>13 other movements.</p> <p>14 Do you understand that?</p> <p>15 A Yes, I do.</p> <p>16 Q And the reporter can't record all of us</p> <p>17 speaking at the same time. So please let us finish</p> <p>18 our questions before you answer, and we'll try to do</p> <p>19 the same and let you finish your responses.</p> <p>20 Do you understand?</p> <p>21 A Yes, I do.</p> <p>22 Q If you do not understand a question, please</p> <p>23 tell us and we will try to rephrase it.</p> <p>24 I will control the record and when the</p> <p>25 reporter is on the record or off the record. If you</p>

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1 wish to go off the record at any time to take a break
2 or consult with your attorney, please indicate this
3 to me and we'll ask the reporter to go off the record
4 when it's an appropriate time to do so.
5 Even though we're taking your testimony via
6 WebEx, you should consider yourself testifying in a
7 court. The oath you took to tell the truth is the
8 same as the one used in court and the Commission may
9 submit today testimony as to evidence to a court in a
10 later proceeding. For this reason, you should make
11 every effort to give the best, most complete and
12 honest answers to our questions.
13 Do you understand?
14 A Yes, I do.
15 Q A transcript of your testimony via WebEx
16 may be used for all the routine use as set forth in
17 SEC Form 1662 marked as Exhibit Number 1.
18 Since you're testifying today via WebEx,
19 there are some additional procedures that apply.
20 Prior to the opening of the record, you were provided
21 with a copy of Securities & Exchange Commission
22 Procedures for Testimony by audio-visual means, which
23 has been marked as Exhibit Number 2.
24 I'll show that on -- Exhibit Number 2 on
25 the screen now.

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1 (SEC Exhibit No. 2 was introduced.)
2 Mr. Cecilio, do you understand and agree to
3 abide by the procedures as set forth in Exhibit
4 Number 2?
5 A Yes, I do.
6 MR. ROSENTHAL: Counsel, do you understand
7 and agree to abide by the procedures in Exhibit
8 Number 2?
9 MR. BHANDARI: Yes.
10 MR. STASELL: Yes.
11 Q (By Mr. Rosenthal) Mr. Cecilio, is there
12 any reason you would be unable to give your best
13 testimony here today?
14 A No reason.
15 MR. BHANDARI: Are you asking, Will, if
16 he's under any medication or any such thing? I mean,
17 because obviously he has no idea what you're going to
18 ask about. No exhibits have been shared. So those
19 are obviously reasons why he could give as complete
20 testimony. But he's of sound mind, if that's what
21 you mean.
22 MR. ROSENTHAL: Yes, I'm just asking to
23 confirm that he's not under any medication and
24 there's no other reason he has that he wouldn't be
25 able to give his best testimony, his best

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1 understanding of the facts.
2 MR. BHANDARI: Okay. I think he's
3 confirmed that.
4 MS. LEVIN: Actually, Counsel, I think you
5 confirmed it. If we could just get Mr. Cecilio to
6 say -- to respond to the question, that would be
7 great.
8 MR. BHANDARI: Craig, you're of sound mind,
9 there's no medical reason why you can't give complete
10 and accurate testimony?
11 THE WITNESS: I'm of sound mind and body to
12 give accurate information.
13 Q (By Mr. Rosenthal) And there's no other
14 reason you'll be unable to give your best testimony
15 here today?
16 A Correct.
17 MR. BHANDARI: Other than the reasons I
18 noted.
19 (SEC Exhibit No. 3 was introduced.)
20 Q (By Mr. Rosenthal) I'll now show you what
21 has been marked as Exhibit Number 3. This is a
22 multiple-page document consisting of a letter
23 addressed to Craig Cecilio, dated January 26, 2022,
24 with accompanying subpoena and attachment to
25 subpoena.

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1 To clarify for the record, when we show you
2 exhibits during your testimony via WebEx today, we
3 are showing you exhibits -- copies -- electronic
4 copies of the exhibits on the WebEx screen.
5 Please take whatever time you need to
6 review these exhibits. I can scroll through it for
7 you.
8 Mr. Cecilio, do you recognize Exhibit
9 Number 3?
10 MR. BHANDARI: Can I pause you for a sec,
11 Will. Could you go back to the document request?
12 When you scrolled past that, I --
13 MR. ROSENTHAL: Sure.
14 MR. BHANDARI: -- I just wasn't sure if it
15 was the right one.
16 Okay. And just go down a little bit. To
17 the next page.
18 Yes, thank you.
19 It looks accurate to me.
20 Q (By Mr. Rosenthal) Mr. Cecilio, do you
21 recognize Exhibit Number 3?
22 A Yes, I do.
23 Q Is the subpoena in Exhibit Number 3 a copy
24 of the subpoena you're appearing pursuant to here
25 today?

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1 A Is that a question for me? Yes.
2 Q So you understand that you're appearing
3 here today pursuant to the subpoena?
4 A Correct.
5 Q And the subpoena here calls for the
6 production of certain documents.
7 Have you tendered to the staff all
8 documents called for by the subpoena?
9 MR. BHANDARI: I'm going to -- I'm going to
10 object here. We've been -- counsel has been working
11 to produce these documents. We have had a number of
12 discussions with him. We've made representations to
13 the staff. And, ultimately, if there are -- if there
14 needs to be a certificate of completion, he'll do it,
15 but I'm not sure where we are.
16 I need to check with Ryan and see whether
17 we feel that we have completed this. So I don't know
18 if he knows that information.
19 He's relying on us to have produced
20 documents over a period of time in consultation with
21 the staff about what some of these things mean. So I
22 just don't know if he's able to answer that question
23 yet.
24 MR. ROSENTHAL: Okay.
25 Q (By Mr. Rosenthal) Mr. Cecilio, have you

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1 tendered to the staff all documents called for by the
2 subpoena?
3 MR. BHANDARI: If you can answer that
4 question, great.
5 A Yeah, I can't answer the question.
6 Anything that my counsel has asked for us, we have
7 provided.
8 Q (By Mr. Rosenthal) Okay. Can you -- can
9 you describe the search that was conducted for the
10 subpoenaed documents and state who conducted that
11 search?
12 A The search for the documents?
13 Q Yes.
14 A You mean the -- okay. Those -- anything
15 that was requested by our counsel was done by my
16 cofounder and our staff to get the documents. And I
17 believe we provided much of the documents, but I do
18 not know if a hundred percent has been supplied.
19 Q Okay. And have you searched for documents?
20 A Personally, anything that I was asked to
21 get -- all -- most of the documents, I would say,
22 are -- clarify that question. Because I don't really
23 understand that.
24 Q The subpoena calls for documents to be
25 produced. I'm asking have you searched for documents

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1 that are responsive to the subpoena?
2 A Myself, personally, I have not -- I have
3 not supplied documents. The documents have been
4 provided by my staff. Anything that related to
5 DiversyFund was provided by my staff with my
6 permission to access any of those documents that was
7 requested.
8 Q Did you ask your staff to provide those
9 documents?
10 A I am working with my cofounder, who is
11 doing the majority of the work himself to provide the
12 documents. Anything that he needs from me, I provide
13 to him to provide to counsel.
14 Q Okay. And who is your cofounder?
15 A Alan Lewis.
16 Q Okay. Were there any other staff that you
17 asked or that assisted you in your search for
18 documents?
19 A Directly, not me. I'm going through Alan
20 and Sanjay.
21 Q I will note for the record then that the --
22 the production is not complete. The requests remain
23 outstanding. We can follow up at a later time with
24 your counsel.
25 Mr. Cecilio, have you withheld any

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1 documents called for by the subpoena based on any
2 claim of privilege?
3 MR. BHANDARI: Same objection. I don't
4 know that he knows that. That would be something
5 that would be best addressed with counsel providing a
6 privilege log to you. So no log has been provided.
7 Q (By Mr. Rosenthal) Mr. Cecilio, do you
8 know -- have you withheld any documents called for by
9 the subpoena based on any claim of privilege?
10 A Again, I don't know what that means by
11 "privilege." Can you clarify that? Anything that
12 was requested that was -- by my attorney, I gave it
13 to him. So I'm kind of not understanding exactly.
14 Q So if there's any documents that were
15 responsive but you decided -- that you decided to
16 withhold because the documents were privileged, I'm
17 asking if you know of any documents that you have
18 that are responsive that you have withheld because
19 they -- you believe they're privileged?
20 A Yeah, I haven't withheld anything that -- I
21 haven't withheld anything that's been requested by
22 counsel for me to provide.
23 MS. LEVIN: And, Counsel, we do request a
24 privilege log if any documents have been withheld on
25 the basis of privilege, work product, et cetera.

<p style="text-align: right;">Page 17</p> <p>1 Thank you.</p> <p>2 Q (By Mr. Rosenthal) Okay. Were any</p> <p>3 documents called for by the subpoena not produced for</p> <p>4 any reason other than privilege?</p> <p>5 A I have provided every document that was</p> <p>6 required through -- that counsel has asked of me.</p> <p>7 Q Okay. Do you know of any documents</p> <p>8 responsive to the subpoena but not provided that were</p> <p>9 in your possession at a prior time or that were lost,</p> <p>10 destroyed or otherwise disposed of?</p> <p>11 A Again, every document that Sanjay required</p> <p>12 us to produce, we produced for him. I believe that</p> <p>13 we have delivered that information to Sanjay.</p> <p>14 Q Okay. Have you spoken with anyone other</p> <p>15 than counsel regarding your appearance for testimony</p> <p>16 today?</p> <p>17 A Yes, I have.</p> <p>18 Q Who?</p> <p>19 A My wife, and I believe my -- I think my</p> <p>20 leadership team knows.</p> <p>21 Q Who is on your leadership team?</p> <p>22 A That would be Alan Lewis, Fateh Kamal,</p> <p>23 Issac Dixon, David Legacki. And I'm not positive,</p> <p>24 because one person was out of town, Navid Firoozi.</p> <p>25 Q Who are they?</p>	<p style="text-align: right;">Page 19</p> <p>1 A That I would be having a testimony today, a</p> <p>2 deposition.</p> <p>3 Q Was the substance of your testimony</p> <p>4 discussed?</p> <p>5 A No, it was not.</p> <p>6 Q Did you have any other conversations</p> <p>7 with -- with them regarding your appearance for</p> <p>8 testimony today?</p> <p>9 A Let me clarify the question. I'm not</p> <p>10 certain what you're asking.</p> <p>11 Q Sorry. Yeah.</p> <p>12 You mentioned you had one meeting</p> <p>13 yesterday. Were there other meetings you had or</p> <p>14 conversations you had with the people you mentioned?</p> <p>15 A Yeah. Well, Alan's my cofounder, so, yeah,</p> <p>16 we've had a couple of conversations.</p> <p>17 MR. BHANDARI: But you're, Will, about</p> <p>18 conversations about the testimony?</p> <p>19 MR. ROSENTHAL: Correct, yeah.</p> <p>20 MR. BHANDARI: Okay. And you're excluding</p> <p>21 his wife, obviously.</p> <p>22 MR. ROSENTHAL: Yes. And excluding</p> <p>23 counsel.</p> <p>24 MR. BHANDARI: And counsel.</p> <p>25 Do you understand the question, Craig?</p>
<p style="text-align: right;">Page 18</p> <p>1 A One is our -- Fateh Kamal is our COO.</p> <p>2 David Legacki is our head of product. Navid Firoozi</p> <p>3 is our chief marketing officer, Issac Dixon is our</p> <p>4 head of real estate.</p> <p>5 MR. BHANDARI: Would you like those names</p> <p>6 spelled?</p> <p>7 MR. ROSENTHAL: Yes, please. I think that</p> <p>8 would make it easier for the reporter.</p> <p>9 MR. BHANDARI: Sure. Craig.</p> <p>10 THE WITNESS: Okay. Fateh F-A-T-E-H. I</p> <p>11 believe K-A-M-A-L. I'm not looking at anything</p> <p>12 online, so if I get it wrong, excuse me.</p> <p>13 David is David, D-A-V-I-D, Legacki</p> <p>14 L-E-G-A-C-K-I. Isaac Dixon, pretty easy I-S-A-A-C</p> <p>15 (sic) D-I-X-O-N. Alan Lewis, A-L-A-N, L-E-W-I-S.</p> <p>16 Navid Firoozi, N-A-V-I-D. Firoozi is F-R-O-O-Z-I</p> <p>17 (sic). That's everybody. That's six of us.</p> <p>18 Q (By Mr. Rosenthal) Okay. And when did you</p> <p>19 discuss your appearance for testimony with them?</p> <p>20 A Oh, we had a leadership meeting yesterday</p> <p>21 at 11:00 a.m., Monday at 11:00 a.m.</p> <p>22 Q And what was discussed at that meeting?</p> <p>23 A As it pertains to this or it pertains</p> <p>24 overall the whole meeting?</p> <p>25 Q As it pertains to your testimony.</p>	<p style="text-align: right;">Page 20</p> <p>1 Q (By Mr. Rosenthal) With Mr. Lewis, when</p> <p>2 else did you discuss your testimony with him?</p> <p>3 A Just now going into this meeting today.</p> <p>4 Q Have you discussed the substance of your</p> <p>5 testimony with Mr. Lewis?</p> <p>6 A No.</p> <p>7 Q Okay. Have you discussed the substance of</p> <p>8 your testimony with anyone other than counsel or your</p> <p>9 wife?</p> <p>10 A No, no. Just that I'm going to be asked</p> <p>11 questions by you guys.</p> <p>12 Q Okay. Did you do anything to prepare for</p> <p>13 testimony today?</p> <p>14 A Clarify the question. Prepare, it's a very</p> <p>15 broad question.</p> <p>16 Q Did you -- did you do anything to get</p> <p>17 ready, to look at documents, to meet with anyone?</p> <p>18 MR. BHANDARI: Are you asking him also</p> <p>19 about meetings with counsel, or are you excluding</p> <p>20 those?</p> <p>21 MR. ROSENTHAL: So I'm not asking to reveal</p> <p>22 the substance of any conversations with counsel.</p> <p>23 MR. BHANDARI: But if he did talk to me</p> <p>24 about it, you want him to go ahead and mention that?</p> <p>25 Q (By Mr. Rosenthal) Yeah. Did you meet with</p>

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1 counsel?
2 A Yeah, we met. Yes, of course.
3 Q Was anyone besides counsel present at your
4 meeting with counsel?
5 A Did we meet Alan? Was Alan at our meeting
6 yesterday?
7 MR. BHANDARI: It was a joint meeting, yes.
8 Alan and Craig both, both represented by counsel.
9 Q (By Mr. Rosenthal) Okay. Was there anyone
10 else other than counsel?
11 A Nope.
12 Q Did you review any documents in preparation
13 for testimony today?
14 A Be more specific, because I've seen a lot
15 of papers come across during this whole process, so
16 I've been, of course, reviewing those papers, of
17 course, the whole process.
18 But, specifically, the specific, I don't --
19 so, yes, I've been reviewing paperwork from inception
20 of the investigation on.
21 Q Okay. Did you review any documents to
22 prepare for testimony today?
23 A I mean, if it was -- literally, the answer
24 to your question is, if I've been reviewing documents
25 since the investigation, I've been reviewing

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1 documents over the -- through the three-month time
2 period, three-, four-month time period.
3 MS. LEVIN: What we're asking, Mr. Cecilio,
4 is when you met with your counsel and Mr. Lewis, did
5 you review documents? And we're not asking you what
6 documents you reviewed. We're just asking if you
7 reviewed documents when you had that meeting.
8 MR. BHANDARI: I'm going to object to that
9 too as invading the privilege.
10 MS. LEVIN: Okay.
11 MR. BHANDARI: You can't ask about
12 substance of meetings with counsel.
13 MS. LEVIN: Okay. Well, we note your
14 objection. We don't agree with it, but that's fine.
15 MR. BHANDARI: You're instructed not to
16 answer, Craig.
17 THE WITNESS: Understood. Yes.
18 Q (By Mr. Rosenthal) So aside from your
19 meetings with counsel, what documents have you been
20 reviewing that you said?
21 A The documents I reviewed were, I believe,
22 the documents that you sent us in the whole
23 investigation process.
24 MR. BHANDARI: Let me -- well, if I might
25 just see if this might help. Maybe just put a time

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1 limit, within the last week perhaps what has he
2 reviewed, because I don't think he would have
3 prepared for testimony earlier than that.
4 Q (By Mr. Rosenthal) Sure. In the last week,
5 what documents have you reviewed?
6 A I mean, it would be the package that I got
7 on -- I think it was four screenshots, I believe, of
8 the website and an Excel spreadsheet on how we
9 calculate returns. I think that's it.
10 MR. BHANDARI: To clarify, Will, the
11 screenshots are the ones that you shared with us and
12 the spreadsheets are the ones that are produced in
13 relation to the question about rates of return.
14 Is that right, Craig, that spreadsheet?
15 THE WITNESS: Yeah, yes, yes. A hundred
16 percent.
17 Q (By Mr. Rosenthal) Mr. Cecilio, what is the
18 date and place of your birth?
19 A 6/18/1973. I was born in Fairfield,
20 Connecticut, birth certificate will most likely say
21 Bridgeport, Connecticut because that's where the
22 hospital was.
23 Q Okay. And what's the country of your
24 citizenship?
25 A U.S., United States.

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1 Q Have you ever been known by any other name?
2 A Yes. I've been known as Charles Craig
3 Cecilio. And I was raised as C. Craig Cecilio. So
4 most of my documents had a C. Craig Cecilio.
5 Q And you are married?
6 A Yes, I am.
7 Q What is your home address?
8 A [REDACTED]
9 [REDACTED]
10 Q And that's your primary residence?
11 A Yes, we rent.
12 Q Have you had any other addresses in the
13 last three years?
14 A I believe before this we lived in
15 apartments. [REDACTED]
16 [REDACTED].
17 Q Okay. And when did you live there?
18 A I believe that was -- I think that was '15
19 until -- we moved in here December of '19, so it
20 would be 2015 to 2019.
21 Q What is the highest educational degree you
22 have attained?
23 A My bachelor's degree from University of
24 Colorado.
25 Q And what -- what year was that?

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1 A '96 I graduated. 1996.
2 Q What was your major?
3 A I graduated with a major in kinesiology.
4 Q Is there any other education -- well,
5 institutions you have attended since high school?
6 A Schooling, accredited schooling, I would
7 say no.
8 Q Have you attended uncredited education --
9 A Various courses and stuff that's -- it
10 would be uncredited education. It's not a credit
11 school. It's just courses of -- vast amounts of
12 courses to learn whatever I wanted to learn at those
13 points in time.
14 Q Do you have any degrees from those places?
15 A They're not accredited. They wouldn't be
16 prevalent to this question.
17 Q What is your telephone number?
18 A My cell phone number is 619-301-2795.
19 Q Do you have any other telephone numbers?
20 A I do have an inactive Google number, which
21 I don't even know if -- it's a 949 number, but I
22 don't use it at all. I believe it's on my signature,
23 just to have a work number. It goes to my cellphone,
24 but I don't really use that number.
25 Q When was the last time you used that

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1 number?
2 A I don't use it. Because the way it works
3 it your outgoing calls comes from your cellphone, so
4 it's more of an incoming call.
5 We don't have a phone system anymore
6 because we're a work-from-home environment at the
7 office.
8 Q What is your email address?
9 A The business one is
10 craig@diversityfund.com.
11 Q Do you have a personal email address?
12 A Yes, [REDACTED]
13 Q Are there any other email addresses you've
14 used in the last three years?
15 A I have one that's called
16 craigc@diversityfund.com. That's for, I guess,
17 marketing purposes.
18 Q What do you mean by marketing purposes?
19 A Well, marketing sends out emails and so I
20 don't get inundated with those emails bouncing back
21 to my main email box.
22 Q So it can send outgoing emails, but it
23 cannot receive ingoing?
24 A I mean, technically speaking, it can do
25 both. It's just a -- direct to answer the question,

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1 you asked me if I had an email address, so I'm saying
2 yes, I do, and they use it for marketing to send
3 stuff out. And this firm, they filter the leads and
4 they send them over to me if there's someone
5 worthwhile for me to talk to, so business
6 development.
7 Q And do you review that email address?
8 A It just started within the last week.
9 Q Have you reviewed it in the last week?
10 A I haven't reviewed anything yet. I haven't
11 received anything yet.
12 Q Do you have access to that email address?
13 A Yes, I have access -- Gmail accounts I
14 access to, yes.
15 Q Have you used any social network accounts
16 in the last three years?
17 A Excuse me, I didn't hear that.
18 Q Have you used any social networking
19 accounts in the last three years?
20 A Social media? Yes.
21 Q Social media, yes.
22 Which ones?
23 A LinkedIn, Instagram, Twitter, Facebook, I
24 have YouTube. I haven't been active on YouTube.
25 What else is there?

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1 LinkedIn, Twitter, Facebook. I know I'm
2 probably missing one here. Twitter, LinkedIn,
3 Facebook, Instagram -- I said Instagram, right?
4 So YouTube, I don't really use. I don't
5 use TikTok. I don't use the other ones.
6 Yeah, that's basically most of it.
7 Q Okay. Are the accounts in your name, or
8 are they in -- do you have like user names?
9 A The accounts are in my name. It will say
10 Craig Cecilio or it might have a CXC in there. It's
11 my middle initial.
12 Q Sorry, can you repeat the last part?
13 A The accounts are in my name. You might see
14 a CXC for my initials as well. But there's no alias
15 name if that's -- if that's the question, there's no
16 aliases.
17 Q Okay. Are there any websites or blogs that
18 you established or have authority to control in the
19 last three years?
20 A I have a craigcecilio.com website. It's my
21 personal website for my personal brand. It's been
22 dormant for probably about a year and a half. And
23 it's starting to -- I have a firm now working on it
24 to get it activated.
25 Q And what's on that a website?

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1 A It'd be some old blog articles.
2 Q What is your current occupation?
3 A I am the CEO and founder of DiversyFund.
4 Q What is your work address and phone number?
5 A 750B Street, Suite 1930, San Diego,
6 California 92101.
7 As I was saying, we don't have any phone
8 system anymore. It's a work-from-home environment.
9 And occasionally I still go into the office. I use
10 my cellphone and my outgoing emails that has that
11 Google number.
12 Q How long have you been in your current
13 occupation?
14 A I believe we incorporated August of '16.
15 Q Did you have other employment before that?
16 A I owned a company called CCFG Investments
17 since about 2004.
18 Q CCFG?
19 A Yes.
20 Q And when was that?
21 A 2004 to about 2016.
22 Q And what was your title or role with that?
23 A It was basically the CEO and owner, sole
24 owner of the company.
25 Q And what kind of business was it?

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1 A Real estate lending, mortgage broker
2 services.
3 Q Okay. Is it still active?
4 A No, it's not active.
5 Q So it's shut down?
6 A Yeah. Officially, I think -- I believe the
7 paperwork was filed in early 2017. What's that
8 called? The -- what's the name when you have to
9 deactivate it. I forget the name off the top of my
10 head.
11 Q Did you have other employment before that?
12 A Before that, I was a 1099. I would say you
13 categorize yourself as a -- I mean, technically
14 speaking, it would be a real estate agent loan
15 officer. That was before the loan officer
16 credentials, you had to certain certification to be a
17 loan officer. Back then, you just needed a -- in my
18 case, it was a California real estate license.
19 Q Okay. So did you have -- sorry, did you
20 have a California real estate license?
21 A Yes.
22 Q And when did you obtain that?
23 A I believe -- I'm not a hundred percent
24 certain, but I believe it was 1999 I got that.
25 Q Okay. Is it still active?

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1 A Yeah. I believe so, yes. It's a broker's
2 license today.
3 Q Have you held any other professional
4 licenses?
5 A I think those would be the main ones.
6 Q Okay. Have you ever been an employee of a
7 broker-dealer investment advisor, investment company,
8 municipals securities dealer, municipal advisor,
9 transfer agent or nationally recognized statistical
10 rating organization?
11 A No. The only place I hung my license is
12 underneath the California real estate broker.
13 Q Are you now or have you ever been an
14 officer or director of any publically held company?
15 A No.
16 Q Have you ever been the beneficial owner of
17 5 percent or more of any class of equity securities
18 of any publically held company?
19 A No.
20 Q Are you now or have you ever been an
21 officer or director of any privately held company?
22 A What's the definition of privately held
23 company?
24 Q Any type of company, an LLC, you know, a
25 corporation, any type of company?

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1 A Yeah, over -- over my lifespan, I have an
2 LLC on the side that I have, and it's a Delaware
3 corporation. I've always -- I don't believe for
4 that. I've had a couple in the past just -- but
5 they're just to own a property in or a case -- years
6 and years ago another company I had, but was just a
7 small, you know, couple of people doing business type
8 situation. We're talking like way, way back.
9 Q Okay. Can you provide the names of those
10 companies?
11 A Yeah, I have that's CCSB Katalyst, Inc.
12 Q Can you spell that?
13 A C-C-S-B, and Katalyst with -- I think it's
14 a K, K-A-T-A-L-Y-S-T.
15 Q Okay. And when were you an officer or
16 director of that company?
17 A Currently, yes. But there's no -- yeah,
18 business -- we don't do any business with that
19 company. It was set up three or four years ago.
20 Q Any other companies that you've been an
21 officer or director of?
22 A It would be a company called -- well,
23 that -- DiversyFund owns that one, but before that
24 would be the Sardinia Group, which I just held
25 property in.

<p style="text-align: right;">Page 33</p> <p>1 Q What was your title? 2 A I guess the president of that one. 3 Q And when did that start? 4 A That was, I think, like 2003. 2003 -- 5 yeah, it was 2003. 6 Q And how long did you hold that position? 7 A I guess for -- until we -- I think 8 DiversyFund took it over because we had a property 9 that was under that LLC or it was an S Corp. I'm not 10 really sure. 11 I think it held just one property at the 12 end of the day. There weren't employees. There was 13 no doing business as. It was for purposes of holding 14 property. 15 Q Any other companies you've been an officer 16 or director? 17 A I believe way back in like '97, '98 a 18 friend of mine and I developed a company -- this is 19 when we were working with professional athletes, and 20 that was called AAIS. It didn't really work out for 21 us, so that got disbanded. 22 Q And when was that? 23 A It's got to be like -- somewhere between 24 '97 and '98 to like 2000. 25 Q And what was your title or position?</p>	<p style="text-align: right;">Page 35</p> <p>1 Q Do you know how many -- you said there's 2 other DiversyFund entities. Do you know how many 3 there are? 4 A Not off the top of my head, I can't give 5 you an accurate answer how many there are. But each 6 property is owned in some LLC. 7 Q Okay. What are -- what are some of the -- 8 those companies? 9 A I mean, I'm sure it was all provided to you 10 guys. I would just be -- I'm not going to get it 11 right if I say it. So I don't know the specific 12 names off the top of my head. I can't recall what 13 that is. It's just -- it's all been provided though. 14 MR. BHANDARI: Do you remember maybe one 15 example that you could give of such an entity? 16 THE WITNESS: I'm not sure if the name is 17 going to be accurate, but I remember one property we 18 had full cycle, like DiversyFund Summerlin, LLC. I 19 think that's one of the properties we had go full 20 cycle where we bought it, renovated it and sold the 21 property. I think we sold it in summer of 2021. 22 So usually it has the name of the address 23 or the name of the property that we purchased, and 24 it's like DiversyFund -- you know, DiversyFund 25 Summerlin or DiversyFund, whatever that property is,</p>
<p style="text-align: right;">Page 34</p> <p>1 A I don't recall what I was. I know it was 2 me and my roommate were business partners to try to 3 do these preNFL draft camps and do seminars regarding 4 preparing people for the NFL draft. And we had -- we 5 did speaking engagements around town of how to help 6 people out with health and fitness and all that 7 stuff. 8 Q Okay. Any other companies you've been an 9 officer or director of? 10 A Let me think. No, no, no. I mean, that's 11 it. And underneath the DiversyFund umbrella, 12 DiversyFund has a lot of entities that we do business 13 as, so all those entities -- I believe that Sanjay 14 disclosed all the affiliate partnerships. I believe 15 that, on the paperwork, it would say that -- I'm not 16 sure how that works exactly, how I am on all that 17 paperwork. 18 But DiversyFund has various entities with 19 each property that's owned, it's owned under its own 20 entity at the end of the day. 21 Q Okay. Are you an officer or director at 22 DiversyFund, Inc.? 23 A Yes. 24 Q What is your title? 25 A DiversyFund, CEO and Founder.</p>	<p style="text-align: right;">Page 36</p> <p>1 LLC. 2 So it's standard operating procedure for 3 purchasing real estate in its own LLC. 4 Q Okay. And what was your title with that 5 company? 6 A I am not a hundred percent certain of how 7 the documents are done. I rely upon my cofounder, 8 who happens to be a former attorney, to do all the 9 structuring where he has all these entities on top of 10 each other. But all that stuff I believe has been 11 disclosed by Sanjay and you guys should have that 12 information. But I don't know the specific details 13 of all that stuff. 14 Q Okay. Are there any other privately held 15 companies that you've been a manager or member of? 16 A No. 17 Q Are you now or have you ever been the 18 beneficial owner, directly or indirectly, of any 19 privately held company? 20 A No. 21 Q You're not the owner of any privately held 22 companies? 23 A Just that one I have set up, that CCSB one 24 that is just myself on the paperwork. 25 So, technically speaking, that's a private</p>

<p style="text-align: right;">Page 37</p> <p>1 company because I set up a Delaware Corp, so that 2 would be -- 3 Q Do you have an ownership interest in 4 DiversyFund, Inc.? 5 A Yes, I do. 6 Q And what is your ownership interest? 7 A It's somewhere around 35 to 40 percent. 8 Q How did you acquire that interest? 9 A How did I acquire the interest in 10 DiversyFund? 11 Q Right. 12 A I founded the company with Alan Lewis, and 13 we negotiated our share. And we took on 14 shareholders. And as we took on shareholders, it 15 dilutes my percentage of ownership. 16 Q Have you invested money in DiversyFund, 17 Inc.? 18 A Clarify the question a little bit there. 19 Because that's -- 20 Q Have you invested your own money into 21 DiversyFund, Inc.? 22 A I'm going to answer that to the best of my 23 ability here. Since I previously owned a business 24 and that business is business credit and business 25 lease, I rolled that into DiversyFund, so we</p>	<p style="text-align: right;">Page 39</p> <p>1 years? 2 A I opened up a Robinhood account I believe 3 like three months ago. 4 Q What type of account is it? 5 A I'm really not certain. I just hit the 6 button and I got -- I think I signed up for some 7 Crypto, some Bitcoins, Ethereum, some EFTs. Just -- 8 Q Is it just a general brokerage account or 9 is it a retirement account or -- 10 A It's a general brokerage account, yeah. 11 Q Okay. 12 A Very tough to understand when you're doing 13 when you're hitting a button on Robinhood. 14 Q Do you know the account number for that, 15 Robinhood account? 16 A I could get it. Not off the top of my 17 head. Not memorized. 18 Q Are there other brokerage accounts you've 19 held in your name in the last three years? 20 A No. I got a money market account with my 21 bank, but that's not a brokerage account. But I 22 wanted to clarify that. I'm not positive, so I'm 23 giving that information. But no. 24 Q Have you had any control or direct or 25 indirect beneficial interest in any other securities</p>
<p style="text-align: right;">Page 38</p> <p>1 didn't -- there's a value to doing that, so that is 2 what I did. And I don't -- I'm not -- I can't tell 3 you what that value is. 4 And then secondly, I did invest my money 5 personally in some investments -- into specific 6 investments into DiversyFund, but not into the parent 7 company itself, into specific investments. 8 Q Okay. Are there other 9 DiversyFund-Fund-related entities that you have an 10 ownership interest in? 11 A Today, no. 12 Q Did you in the past? 13 A Yes, I did. Yes. 14 Q What are those? 15 A It would be the Income Fund, I believe 16 Granito and Park Boulevard. 17 Q And what happened to your ownership 18 interest? 19 A My interest, I got -- what's the word. I 20 got -- I got taken out. My money got taken out and 21 delivered back to me. 22 Q Okay. Are those companies still active? 23 A Yes, they are. 24 Q Okay. What securities or brokerage 25 accounts have you held in your name in the last three</p>	<p style="text-align: right;">Page 40</p> <p>1 or brokerage accounts in the last three years? 2 A No, no. 3 Q Have you ever testified in any proceeding 4 conducted by the staff of the SEC, a U.S. or foreign, 5 federal or state agency, a U.S. or foreign federal or 6 state court, stock exchange, FINRA or any 7 self-regulatory organization or in any arbitration 8 proceeding related to securities transactions? 9 A No, I have not. 10 Q Have you ever been deposed in connection 11 with any court proceeding? 12 A Yes, I have. 13 Q What was the proceeding? 14 A Oh, geez, years ago. It might have been 15 somewhere between '08 and '09, I think -- I'm not 16 sure of the dates exactly. With my previous 17 business, there was -- it was pretty bad. There was 18 some kind of murder case going on, and the -- one of 19 the members of the group of people who did the murder 20 did a loan through our organization, through a 21 broker, and it was quite an ordeal. So I was -- 22 testified on the loan. It was an illegal loan done 23 with a fake deeds of trust and transfers and stuff. 24 And the people used that money to finance their 25 lifestyle, and just -- a very ugly case.</p>

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1 Q When did -- when were you deposed?
2 A It's somewhere between -- I remember it
3 happening in the downturn, so it was like 2008, 2009,
4 2010. I'm not positive on that one.
5 Q Have you ever been named as a defendant or
6 respondent in any action or proceeding brought by the
7 SEC, any U.S. or foreign federal agency, a state
8 securities agency, FINRA, a self-regulatory
9 organization or any exchange?
10 A Well, this is our second audit with you
11 guys. So I would say, since that is, so does the
12 first audit count?
13 Q So the question is just if you've been
14 named as a defendant or respondent in any action?
15 A If that first audit is considered that,
16 then I would say yes. I don't know. I'm not really
17 certain what the legal language that is.
18 Q Aside from that?
19 A No.
20 Q Have you ever been a defendant in any
21 action alleging violations of the federal securities
22 laws?
23 A No.
24 Q Have you ever been a defendant in any
25 criminal proceeding other than one involving a minor

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1 traffic offense?
2 A No.
3 Q Did you provide a list of all your bank
4 accounts to us?
5 A Yeah, I provided that document.
6 THE WITNESS: Sanjay, I provided that
7 document to you guys. Did we deliver that over?
8 MR. BHANDARI: It's been provided to the
9 SEC.
10 Q (By Mr. Rosenthal) Okay. And that included
11 all of your bank accounts?
12 A Yes.
13 MR. ROSENTHAL: Let's go off the record at
14 11:35.
15 (Recess from 11:35 a.m. to
16 11:47 a.m.)
17 MR. ROSENTHAL: On the record at 11:47 a.m.
18 Q (By Mr. Rosenthal) When was DiversyFund,
19 Inc. founded?
20 A August of 2016.
21 Q Okay. Have you been the CEO the whole
22 time?
23 A Correct, yes.
24 Q And who are the other principals of
25 DiversyFund, Inc.?

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1 A It would just be Alan Lewis, CIO, chief
2 investment officer, and cofounder.
3 Q How did you come up with the idea for
4 DiversyFund, Inc.?
5 A The idea? Well, I heard something in the
6 industry due to the jobs in the past. I've worked
7 with institutional high net worth individuals my
8 entire life. And I saw an opportunity to take an
9 asset class that was for the privileged and give it
10 to everybody else.
11 I came from a working class family. Both
12 my parents were -- both worked, worked really hard.
13 They never really went up the wealth ladder. I found
14 out recently my dad never made more than 60,000 in
15 his life. He told me this a few weeks ago and he's
16 85 years old.
17 And it really kind of built a fire
18 underneath myself to kind of deliver that to
19 everybody else. And the rest was, okay, how do I do
20 it?
21 Q Okay. And what is the business of
22 DiversyFund, Inc.?
23 A You asked me -- so I'm going to start and
24 then ask me some questions.
25 So I always believed DiversyFund was

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1 created to allow access to private markets to a
2 nonaccredited investor.
3 We do that today through multifamily real
4 estate. So we aggregate the funds from a lot of
5 nonaccredited investors. A lot of it's
6 microinvesting, small amounts, \$500, to really
7 \$3,000. Our averages are about around 1500 to 2000.
8 And we aggregate together, go out, and we
9 buy value-add real estate. And when that real estate
10 goes full cycle, it should produce a higher return
11 than other investment vehicles. And we divide up
12 those profits and give it back to the nonaccredited
13 individuals who are our customers.
14 Q Okay. And what type of real estate?
15 A We predominantly focus on multifamily
16 value-add.
17 Q Okay. Because -- what does that mean?
18 A Multifamily, you're generally speaking
19 between 100 and 300 units. You can always go lower
20 or always go higher. It's kind of institutional
21 quality. Mostly institutions, stick with that, and a
22 little bit higher unit count.
23 The value-add component means it's a
24 distressed asset. And what do you mean by
25 distressed? It could be that the rents are below

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1 market. It could be a little bit older, needs a
2 little TLC. And value-add is not ground-up
3 construction, it means minimal amount of renovation
4 done.
5 And what we do is we reposition the asset,
6 which is we clean it up, whether that is redoing the
7 leases, redoing parts of the property itself. Do
8 that. Bring the rents up to market rate. Let that
9 season for a while. And then you sell the property.
10 And how you sell the property depends on
11 those market conditions. We all know in this meeting
12 today at this date, March 15, 2022, I like to say
13 that, is we live in an environment where the asset
14 has really appreciated through the roof, and so we
15 were fortunate enough that our customers are really
16 going to benefit from the appreciated -- from this
17 environment today.
18 Q What are your responsibilities with
19 DiversyFund, Inc.?
20 A My responsibilities? Well, I would say my
21 number one responsibility is to try to put -- you
22 know, put the best team in place to run the business
23 at the end of the day, so we can execute our vision.
24 And as a company that's kind of still in
25 the start-up phase, you're doing whatever -- whatever

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1 else to support people and to kind of contribute to
2 the overall vision of the company.
3 Q Okay. Do you have any specific
4 responsibilities?
5 A As a CEO, specifically everything is on my
6 plate across the board. And as the -- so as -- my
7 role is to be the best CEO possible, and to be
8 that -- in my mind, what that is, everyone has their
9 own definition, is to really build the best team
10 possible and put the experts in place to make the
11 decisions and to do the day-to-day activities.
12 Now, granted, when you're building a
13 company from the ground up, you do your best to hire
14 the best as you can with the limited resources you
15 have.
16 Q Okay. How do you communicate about your
17 business?
18 A Can you clarify the question? Communicate
19 to?
20 Q To -- anyone -- to others in your business,
21 either internally or externally, how do you
22 communicate?
23 A It just depends on the audience, who the
24 audience is. It's probably a different message upon
25 who you're talking to.

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1 There's a variety of different people in
2 this -- in tech world. It's moving so fast with
3 technology, with artificial intelligence, with social
4 media. There's a lot of components moving. Every
5 single day you have to keep update with the latest
6 and greatest, which is out there, as you're
7 constantly learning new things all the time.
8 Constantly having to recruit new people. It's a
9 landscape. Again, this day and age, there's a lot of
10 influences there with what's going on.
11 So it just depends on who I'm talking to.
12 Each message is different.
13 Q Okay. How about your cofounder, Alan
14 Lewis, how do you communicate with him?
15 A What do you mean how? Through what
16 mediums?
17 Q Yeah.
18 A Like text or Slack or phone calls?
19 Q In what form --
20 A (inaudible) -- than normal.
21 (CLARIFICATION BY THE REPORTER.)
22 Q Was that an answer or question, do you use
23 text messages --
24 A Today's day and age, all modalities. It's
25 Slack, it's text, it's email, it's phone, it's video

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1 meetings. It's -- now, we're starting to do a little
2 bit more face to face.
3 Q Okay.
4 A So again -- I'll slow down. Slack, text,
5 phone, video meetings, face-to-face. Those five
6 major ways.
7 MS. LEVIN: Well, what about email? Do you
8 and Alan email each other?
9 THE WITNESS: Email -- email is more for
10 delivery of documents than anything else. It's not
11 really a form of communication to discuss things.
12 It's more just, hey, we need to deliver this document
13 or put this on record, so it's more -- that's what
14 email serves, that purpose, or to follow up a
15 conversation. You want to say "per our conversation
16 blah-blah-blah," and deliver it through email.
17 Q (By Mr. Rosenthal) Do you meet in person
18 with Alan Lewis?
19 A A lot less than we did prepandemic.
20 Again -- and now we're starting to tick up a little
21 bit more. But, really, we're a work-from-home --
22 officially we're a work-from-home environment.
23 Q Okay. Are there any other sort of
24 messaging apps you use to communicate with Alan
25 Lewis?

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1 A No, that's it.

2 Q Okay. And what about the other employees

3 at DiversyFund, do you use the same forms or methods

4 to communicate with them?

5 A We -- to start, I would say Slack is the

6 first one, video meetings is the second one. Like I

7 said, with email, email is more of a formal -- either

8 a formal request, document sharing, or to wrap up

9 something that we discussed.

10 Text occasionally. It's a little intrusive

11 to do -- text too much, so we prefer slack.

12 Face-to-face, we try to get together at

13 least -- because we do have people out of state, at

14 least once a quarter, all of us of the leadership

15 team gets together.

16 Granted, we're starting to tick a little

17 bit more face-to-face due to the pandemic

18 transforming.

19 Q Okay. How many employees does DiversyFund,

20 Inc. have currently?

21 A I consider like go-to contractors,

22 employees, ones that we would -- otherwise an

23 employee for, so I think there's 18 to 19 W-2s and

24 about seven or eight main contractors. So somewhere

25 between 25 and 30, we're always floating around.

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1 My definition of a main contractor is

2 someone that, if we weren't using as a contractor,

3 we'd have to have them as an employee.

4 Q Sorry. So is that all the people that work

5 for DiversyFund, Inc., or is that what you consider

6 the main?

7 A That's the core. There's a lot of

8 auxiliary services we do part-time, people we use,

9 depending on what part of the business it is.

10 Q Okay. How many people in total work for

11 DiversyFund, Inc.?

12 A I mean, I don't believe you can count some

13 of these external people that you do. So let's just

14 say 30.

15 However, if you're like renovating a

16 property, you're going to employ a construction

17 manager and construction personnel and subcontractors

18 to work on that project. If you're doing some, let's

19 say, graphic design, you might go out there and get a

20 couple graphic design consultants. If you're writing

21 content articles, you might hire five freelancers to

22 do stuff.

23 We're in kind of that digital age where you

24 hire a lot of people four 10 hours a week of work.

25 So there's a lot of those subcontractors out there.

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1 With that number, it could build up to 50, 60, maybe

2 even 70 people working.

3 Q Okay. Has the number of people working for

4 DiversyFund changed since it started?

5 A It's been -- I would say the first three

6 years, and then it kind of got steady after that.

7 About the same size. Last three years. More

8 external people than ever before.

9 Q What was the change in the last three

10 years?

11 A The inflexion point to get more employees

12 going. It's the maturation of the business, the

13 business getting more mature to understand what

14 works. The business bringing in revenues so it can

15 hire people. The first few years you're just kind of

16 just striking out, not bringing in revenue.

17 Q How many employees did you have when

18 DiversyFund, Inc. started?

19 A It would be just myself and Alan the first

20 day.

21 Q Okay. So then you expanded after that

22 gradually or sort of at a specific time?

23 A Yeah. I mean, we started to recruit a

24 chief marketing officer. I believe we got a local

25 kind of generalist associate level and started adding

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1 pieces here and there.

2 Q Okay. What are the employees'

3 responsibilities at DiversyFund, Inc.?

4 A What -- okay. That's a very general

5 question. How do you want me to --

6 Q Just to the best you can.

7 MR. BHANDARI: Any specific employee or

8 department?

9 Q (By Mr. Rosenthal) What role do employees

10 have at DiversyFund, Inc. and what do they do?

11 A I can go high level and say we are -- our

12 departments -- I'm a big org chart guy, so you have

13 CEO, right, myself, and then you have your CMO, chief

14 marketing officer in charge of your marketing. You

15 have your head of product in charge of product.

16 We don't have a head of technology, which

17 we're missing. So that would be another department

18 that we don't have that someone holds two jobs over.

19 We a COO, who's kind of the right hand to

20 the CEO. We have a head of real estate, and we have

21 a finance department as well.

22 And so then underneath, is you got more of

23 the associate-level employees underneath that.

24 Q Do all of those people you mentioned, they

25 all have associate level employees underneath them?

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1 A Yeah. Everyone, I believe so, has
2 associate levels below them.
3 Q There are any other sort of departments?
4 A I would say those are the majority of the
5 heads. We don't have a head of finance, so kind of
6 our COO goes on top of that department.
7 We don't have a head of -- I would say our
8 chief investment officer, Alan, is the investment
9 officer, in-house legal and he does compliance. So
10 he's kind of wearing three hats right now.
11 And then the technology start is my head of
12 product, my COO and myself try to help out with the
13 technology components a little bit. Very minimal
14 amounts.
15 Q Okay. How are employees compensated?
16 A Right now, they're compensated with a
17 salary. Plus we give them a profit sharing plan we
18 have.
19 Q Okay. And can you describe the profit
20 sharing plan?
21 A I can't accurately describe the profit
22 sharing plan because it's not fully documented yet.
23 That would be -- that's the responsibility of the
24 chief investment officer. And so that wasn't come --
25 that hasn't been documented fully to its fullest.

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1 But I can say on a high level people get a
2 portion of equity in the company.
3 Q Okay. So, currently, how do they get that
4 equity?
5 A It would be negotiated when they get their
6 job offer.
7 Q Okay. Is it in the agreement they sign?
8 A Yeah, it would be in the offer, yes.
9 Q Okay. And do all the employees have that
10 profit sharing plan?
11 A I believe a couple don't, but most do.
12 Most do.
13 Q Okay. And for the salaries, how are they
14 paid? Are they paid through a payroll company, or
15 how do they get their salary?
16 A It's all payroll through just works is our
17 provider. So it's called PEO. It's called PEO, I
18 believe.
19 Q Sorry, could you repeat that?
20 A I believe it's called a PEO. It's called
21 Justworks.
22 Q Okay. Is that just J-U-S-T-W-O-R-K-S?
23 A Yes.
24 Q And that company handles the payroll?
25 A They're -- yes, they handle it, and we have

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1 an HR director as well. They work in concert with
2 each other.
3 Q Do employees receive any other compensation
4 or benefits from DiversyFund, Inc.?
5 A I mean, we do care packages here and there.
6 Gift certificates. A few people have gotten bonuses
7 over the year, case-by-case, circumstances.
8 Q What was your total compensation in all
9 forms last year?
10 A I believe it's close to 305,000.
11 Q And from what sources?
12 A That would be through -- through payroll,
13 through what I get paid on a monthly basis.
14 Q From DiversyFund, Inc.?
15 A That's through DiversyFund, correct.
16 Q Did you receive compensation from any other
17 sources or entities?
18 A I think last year, I think it's the first
19 year where all my investments were liquidated. So I
20 didn't get anything and my stocks didn't produce
21 anything that I bought last year.
22 MR. BHANDARI: I don't think he's asking
23 about returns on your brokerage account. I think
24 he's -- maybe you can clarify, Will. I think you're
25 asking about compensation for services?

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1 MR. ROSENTHAL: Correct.
2 Q (By Mr. Rosenthal) Yeah. Did you get
3 compensation for any other services?
4 A No.
5 Q Okay. Okay. And DiversyFund, Inc., did
6 you get any other benefits or compensation from
7 DiversyFund or related entities?
8 A I think that -- in 2021, I think that's the
9 first year that I just -- that's all I got, yeah.
10 Q In the past years did you get other forms
11 of --
12 A I had some money invested in the company.
13 I was getting interest on that money until it was due
14 back to me.
15 Q Can you describe that in more detail?
16 A Yeah. I believe I had to loan the company
17 \$200,000. And with that loan, it allowed the company
18 to close a real estate transaction to pay for revenue
19 for the company so it could make payroll. And so
20 that money was lent out, and it was -- and then I was
21 able to get it out when the company had enough funds
22 to pay me back.
23 Q When was that loan made?
24 A Exactly the start date, I believe it was --
25 I don't know the exact start date. Maybe four years

<p style="text-align: right;">Page 57</p> <p>1 ago. I'm not -- I don't have that on the top of my 2 head. 3 Q It was a loan from you to DiversyFund, 4 Inc.? 5 A Yeah. No, no. It was to one of the 6 entities. 7 Q Which entity? 8 A I believe I had -- a couple of time 9 periods, I had one to Granito and I had one to Park 10 Q What are the full names of those entities? 11 A I think one is DiversyFund Granito and the 12 other one is DiversyFund Park, LLC. 13 Q Okay. So there were two loans, one each to 14 those? 15 A Yes. 16 Q And they were both about four years ago? 17 A I believe so. I'm not certain the time 18 periods. We can trace it down if we had to. 19 Q And those have both been paid back now? 20 A Yes. 21 Q And when were they paid back? 22 A I believe one a couple -- in 2020, and the 23 one before that, I'm not certain on the date. 24 Q Okay. Did they have an interest rate on 25 the loan -- loans?</p>	<p style="text-align: right;">Page 59</p> <p>1 A Myself personally? 2 Q Yes. 3 A No. All that's in the bank statements. 4 Q So when did your -- what is your current 5 title with DF Growth REIT I? 6 A My title with Growth REIT I. I believe -- 7 because I'm not the expert in the legal structures 8 here -- is the manager runs the growth funds, and 9 then DiversyFund owns the manager, I think it's kind 10 of structured like that. 11 Again, I'm not an attorney. My cofounder 12 is an attorney. He handles all that stuff. 13 Q Okay. When was DF Growth Rate I started? 14 A I believe we got qualified -- the exact 15 date, I believe -- I think it was November of '18. 16 Not a hundred percent sure, but I believe. To my -- 17 best recollection was November 2018. 18 Q If I refer to DF Growth Rate I as REIT I, 19 will you understand that? 20 A Yes, I would. 21 Q Who came up with the -- sort of the idea 22 for REIT I? 23 A The structure? The name? Which -- what 24 part? 25 Q Sort of the idea, the business plan.</p>
<p style="text-align: right;">Page 58</p> <p>1 A I don't think Granito did. I'm not a 2 hundred percent sure. The other one did. It was 3 just an arrangement of -- I believe I was getting 4 like \$3,300 a month on the Park one. To know the 5 exact number, alls I have to do is -- I'd just kind 6 of have to check the bank statement to give you the 7 exact number. 8 Q Okay. When did you receive your ownership 9 interest in DiversyFund? 10 A When we started the company, that's when 11 you develop the percentage of ownership, so it'd be 12 August of 2016. 13 Q Okay. Has that changed? 14 A Yeah. It's changed a few times. Always 15 when you take on outside capital, it changes the 16 structures. 17 Q Have you gotten additional ownership 18 interest? 19 A I can't say I got additional ownership. 20 You're always subtracting when you're adding capital. 21 Q Have you sold or transferred any of your 22 ownership interest? 23 A No. 24 Q Okay. Have you ever received any loans 25 from the DiversyFund or related entities?</p>	<p style="text-align: right;">Page 60</p> <p>1 A I would say it would be most likely myself 2 and Alan came up with the idea to do the apartments, 3 the value-add asset classes. And then when you got 4 more of the granular level, that was more him with 5 his expertise as chief investment officer and his 6 background in private equity. So he worked out all 7 the waterfalls and all the specific details of that. 8 But choosing that asset class that we 9 believed we could get a good return and have a 10 risk-averse asset, that was both of us. 11 Q Who are the principals of REIT I? 12 A I mean, technically speaking, it would be 13 kind of the manager, right, and then it'd me and Alan 14 as the core principals of both REITs, REIT I and 15 REIT II. 16 Q Can you describe the business or the 17 business plan of REIT I in more detail? 18 A I would say it's the same thing as we said 19 before, it's predominantly value-add. A few 20 opportunistic, it's going out and finding these 21 distressed apartments throughout the U.S., is 22 reposition those assets. And by repositioning it, it 23 could be due to the fact that you're just finding 24 something that maybe wasn't managed properly and the 25 tenants were under market value. And for the fact</p>

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1 that it's a distressed property, it's a little bit
2 older, it needs a little TLC, a little bit of light
3 renovation work to do it.
4 So you go in and you renovate it, you
5 reposition the asset, you lift up the rents to market
6 level, and then you usually hold it for a few years
7 until the market dictates, hey, this is the best time
8 possible to sell it so you can maximum your potential
9 for returns.
10 Q Okay. What are your responsibilities with
11 REIT I?
12 A My responsibilities -- I need to clarify
13 that question a little bit more than --
14 Q What role do you play with REIT I?
15 A I mean, I sit as the CEO of the whole
16 organization. So, I mean, with that, being the CEO
17 of the whole organization, there's all these moving
18 parts with that, is -- would be, I guess at the end
19 of the day, it's just making sure that it is being --
20 putting people in the position to make sure that
21 they're running the portfolio properly.
22 Q Okay. So, you know, on a daily or a weekly
23 basis with REIT I, what are your responsibilities or
24 what do you carry out with respect to REIT I?
25 A Well, we have a biweekly investment

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1 committee meeting that's run by us to select the
2 assets for REIT I. Occasionally there's always
3 occasional meetings on the side that you have to have
4 any kind of executive decisions with that stuff.
5 We have our finance departments making sure
6 everything is reconciled, which is making sure the
7 right data is so you're getting the right inputs.
8 You can look at things from a holistic level to make
9 sure the whole business plan and economic model is
10 working at the end of the day.
11 So there's a lot of parts on the associate
12 level that have to happen to connect it all together
13 so the information is delivered in a manner where
14 when it necessitates a decision by myself or a
15 co-decision by myself, I'm able to make those
16 decisions.
17 Q Okay. You mentioned an investment
18 committee. You're on the investment committee,
19 correct?
20 A Yes.
21 Q Who else is on the investment committee?
22 A Myself, Alan Lewis, Fateh Kamal,
23 occasionally Issac Dixon, head of real estate.
24 Q Anyone else?
25 A No, that's it.

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1 Q And do you have a title on the investment
2 committee?
3 A No. No, we're not that large of an
4 organization to start doing titles on subcommittees
5 and stuff.
6 Q How many employees does REIT I have?
7 A The way I see it and -- is that the REIT
8 doesn't really employ people. It's DiversyFund, Inc.
9 who employs employees.
10 So, technically speaking, I don't think
11 that REIT has an active employee in it.
12 Q How many people work -- carry out work
13 for -- how many people that work for DiversyFund,
14 Inc. work on REIT I?
15 A In some ways you can say the whole
16 organization, and some ways -- I mean, we'd have to
17 be specific on who's in charge of the specific
18 components, and we can talk about, hey, who's in
19 charge of finding the assets, who's in charge of
20 analyzing the assets, who's in charge of doing the
21 finances. I mean, it's like 5 to 10 people.
22 Q Okay. Who are those people?
23 A Issac Dixon. I believe we are -- we have
24 Ginger -- I can't pronounce her last name. It begins
25 with a V.

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1 We have Colin -- Colin's last -- I may have
2 to look it up. I don't know his last name -- off the
3 top of my head, I don't know his last name. But it
4 takes me a second to find -- we can find that out for
5 you.
6 We also have Jonathan, our finance team,
7 and Samantha doing the finances on it. I mean, I
8 believe there's various third parties involved.
9 There's a lot of softwares we've been hooking up and
10 implementing lately with that stuff, just to make it
11 more efficient across the board.
12 You're also working with various property
13 managers. Very external -- working with our auditor.
14 We work with our auditor on an annual basis,
15 individual property managers. We work with legal
16 teams, of course, all the time with that stuff on the
17 fund level and the property level.
18 Q Okay. So you mentioned finding assets.
19 Who's in charge of finding assets for REIT I?
20 A Technically speaking, it's the head of real
21 estate. Issac Dixon is the one whose responsibility
22 is to source the assets for that. It would be the
23 chief investment officer sets the criteria, and then
24 he's the one who goes and finds it, make sure he's
25 got sign-off by investment committee, et cetera.

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1 Q And do you supervise Issac Dixon?
2 A No, I don't. Alan Lewis is his direct
3 supervisor.
4 Q Is there anyone that you're the direct
5 supervisor of?
6 A It would be chief marketing officer, Navid;
7 our COO, Fateh; head of product, David Legacki; and
8 then -- I don't say -- I don't supervise the
9 cofounder, but like that trio over there, I'd go for
10 him and conversations with him on the people he's
11 supervising.
12 Q Okay. Are you involved in all aspects of
13 REIT I?
14 A I mean, the technical answer to the
15 question would be -- all aspects would be no. But I
16 am -- if that's the question, every aspect, I -- the
17 answer would be no, not in every aspect.
18 Q Which part -- what aspect of REIT I are you
19 involved with?
20 A I mean, I'm not -- I'm really involved with
21 the business plan itself in making sure those --
22 the -- how do I say -- we're executing the business
23 model per the REIT, prefer to fund itself, and making
24 sure I get that information. So if there's a
25 decision to be made, that I can make the best

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1 decision I can with the information I have at hand
2 from the employees and from -- so, I mean, I don't
3 want to -- I understand your question, but it's
4 really -- it's -- here -- when we have to make a
5 decision, it's a high-level decision of, okay, what
6 to do with like an asset or this, that's where I am
7 involved with.
8 So anything that really affects the
9 customer, I would say, at the end of the day, it's
10 the high-level decision, I would be pulled into that
11 conversation.
12 Q Okay. You mentioned the investment
13 committee. Are there any other committees for
14 REIT I?
15 A No.
16 Q Okay. So you said -- you know, if there
17 are no employees, does REIT I compensate anyone
18 directly, any employees or contractors?
19 A I mean, to my knowledge, there's no
20 employees that get anything directly from the REITs.
21 As far as contractors, there may be a few.
22 There's accountants, attorneys, of course. There's
23 admins, software providers, that there's -- those
24 normal -- yeah, I don't know how you call it, back
25 office kind of functions and compliance functions

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1 that are -- that REIT is billed.
2 So, yeah, in those cases. But directly
3 from employees, not to the best of my knowledge.
4 There's no employees and, you know, the contractors I
5 think are limited, to the best of my knowledge, to
6 the back office functions that I discussed, legal,
7 admin, accounting, auditing.
8 Q Do you have an ownership in REIT I?
9 A I mean, if you look at the way it's
10 structured, I would say little. The answer would be
11 yes, because if it's owned by this manager and then
12 this manager is owned by this next entity. And if
13 the REIT shows a profit, it drills all the way up the
14 chain there, then you would say, okay, then I would
15 have some kind of interest from that level.
16 But it's not direct to me, but it would go
17 through that. And then it'd be -- at the end of the
18 day, it's set up where after the customers make some
19 profit, DiversyFund gets some profit, and so up there
20 it's like if DiversyFund is cash flow positive and at
21 the end of the day, your company, then you decide
22 what you want to do, if you want to share those
23 profits across -- with employees or whoever.
24 But in our case, our organization, we're
25 not running profits in the organization right now.

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1 Q What are the entities you have an interest
2 in that has an interest in REIT I?
3 A The -- I think it would be more the DF,
4 Inc. and the manager have these interests in that.
5 So it's not -- not myself personally. It would just
6 be kind of all these layers.
7 And it's really a diagram, a chart could
8 really show you that stuff. And you could follow the
9 bank statements to see all that stuff.
10 So kind of just -- here's the parent at the
11 top, and it's got like octopus with all the entities
12 here, so -- and at the end, I have ownership in the
13 parent company, really, that owns everything else.
14 Q Okay. So you have an ownership interest in
15 DiversyFund, Inc., right?
16 A Yeah.
17 Q Does DiversyFund, Inc. have an ownership
18 interest in REIT I?
19 A I am not a hundred percent certain how it's
20 set up. I believe there's a relationship between the
21 two. And then you have the DF manager runs the REIT.
22 And the specifics -- I mean, you're going to have --
23 we can provide the information to you. I just don't
24 really know specifically.
25 Q Okay.

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1 A It's easy information to deliver.
2 Q Have you invested your personal money in
3 REIT I?
4 A No, I have not.
5 Q When was DF Growth Rate II founded?
6 A It was -- I think we submitted it sometime
7 in 2020. I think it got -- I guess the word is
8 qualified in 2021.
9 Q And sort of who came up with the idea or
10 how did you start REIT II?
11 A Well, REIT I was getting full, and these
12 offerings don't have a cap on it. And then you want
13 to get to a point where you're starting to have all
14 the money deployed so you can get the money back,
15 because usually it's a -- could be a five- to
16 seven-year cycle, depending on the market.
17 We're in a situation today where the market
18 is on fire, right? And so you want to -- you want to
19 go, okay, here's my last dollar in. And that -- from
20 the day of the last dollar in, it could be five to
21 seven years before that last dollar comes back
22 because that's where you want that appreciation to
23 happen. And then you have to choose the correct time
24 in year four -- or year five, year six, or year
25 seven, what does the market look like?

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1 Does the market -- like today, the market
2 is really great, so today you'd be like, okay, this
3 is a good time to deploy or a good time to sell
4 property, because the market is on fire.
5 But if you're just putting the money into
6 an asset today, you don't really -- you can't guess
7 the future, what's five or seven years going to look
8 like. One year is always better than the next. It's
9 just par for the course in real estate.
10 Q Who are the principals of REIT II?
11 A It's the same type of structure with the
12 manager running REIT II, which me and Alan are those
13 two people on that.
14 Q Okay. And what is your role with REIT II?
15 A It's the same exact thing we said before,
16 with the investment committee, same people running
17 everything, same type of process.
18 Q Okay. So the investment committee, the
19 same people that are on the investment committee for
20 REIT I are on the investment committee for REIT II?
21 A Correct.
22 MR. BHANDARI: Can I ask you just a
23 clarifying question?
24 Are these committees for the REITs or are
25 they for the entity DiversyFund?

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1 THE WITNESS: These -- I mean, if you had
2 to be specific, it would be DiversyFund's investment
3 committee. It doesn't say investment committee for a
4 specific REIT. It just says overall investment
5 committee.
6 Q (By Mr. Rosenthal) Okay. So the investment
7 committee for DiversyFund, Inc. handles -- makes the
8 decisions for REIT II investments?
9 A Correct.
10 Q Okay. And it has meetings to discuss and
11 evaluate the investments?
12 A * I mean, the easiest way to say it --
13 they're small funds at the end of the day, I think 50
14 to 75 million at the end of the day, I think REIT II
15 has just started. And just if you had too much --
16 too many people running these individually, you're
17 just going to -- it's -- you're going to fee the fund
18 to death, so you just have to keep it at the parent
19 level.
20 Q Can you describe sort of the business or
21 the business plan of REIT II in a little more detail?
22 A REIT II is a value-add, multifamily
23 value-add REIT, just same thing as REIT I.
24 Predominantly value-add, multifamily value-add.
25 Assets throughout the U.S. Same thing, looking at a

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1 distressed asset, why is it distressed? Is it
2 because of the age of the property, does it need
3 renovation, or has it been mismanaged?
4 You go in there, try to purchase under
5 market and reposition that asset. Repositioning that
6 asset is either upping the rents immediately or
7 renovating that asset to get it going well. Getting
8 that income up. Trying to get your interest rate as
9 low as possible. That means you have more cash flow
10 coming in.
11 The more cash flow you have coming in, the
12 value of your property goes up. And see how the
13 market appreciates those markets.
14 Looking at emerging markets today, a lot
15 has changed during the pandemic, so you're just
16 trying to stay abreast to those changes, what's going
17 on in the market conditions. And new markets have
18 been opening up the last couple of years because of
19 the pandemic, so...
20 Q Okay. And, you know, on a daily or weekly
21 basis, what are you involved with with REIT II?
22 A It's kind of -- it's the same thing as I
23 said before. When there is a high-level decision
24 that impacts the customers, that I'm pulled into
25 those decisions. So it's something outside the box

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1 than the normal par course of the day-to-day
2 activities of running the real estate activities.
3 And so just being able to have that
4 information on hand. And also, at the investment
5 committee, when we make decisions, to be party to
6 those decisions and ask questions about the
7 particular assets.
8 Q Okay. Are you involved in the significant
9 decisions for REIT II?
10 A Define "significant decisions."
11 Q What decisions are you involved with for
12 REIT II?
13 A REIT II is pretty new. I believe it has
14 maybe one to two assets in it, so it really hasn't
15 had the opportunity to make many decisions for
16 REIT II right now.
17 Q Does REIT II have any employees?
18 A None of the REITs employ people directly.
19 Q Okay. Does REIT II compensate anyone --
20 any employees directly?
21 A You mean does REIT II send a check that
22 says REIT II to an employee, no. The employees get
23 compensated through the parent company, and then all
24 that compensation is going through the Justworks PEO
25 system.

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1 Q Do you have a direct ownership interest in
2 REIT II?
3 A I would say, again, the structure by the
4 manager or the parent. And so, again, that's how my
5 ownership interest would look. So there's nothing
6 external like Craig Cecilio owning the REIT. It kind
7 of goes this manager, the parent on top of that,
8 going all the way up that way.
9 Q Okay. Have you invested any of your money
10 in REIT II?
11 A No, I have not. Is that -- am I supposed
12 to?
13 Q I'm asking the questions, Mr. Cecilio.
14 Have you received any other compensation --
15 any compensations directly from REIT II?
16 A Myself personally, no. There's no checks
17 from REIT II to Craig Cecilio.
18 Q Or any other sort of formal compensation
19 from REIT II?
20 A You said any formal compensation. I guess
21 I need some clarity on that question.
22 Q Have you received any compensation, any
23 benefits directly from REIT II?
24 A There's not a direct check from REIT II to
25 Craig Cecilio. There is fees charge the fund that

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1 goes to the parent company, and the parent company
2 uses that to operate the business, and then the
3 business pays people salaries.
4 There's not a direct -- and, again, the
5 bank statements will show all that. Bank statements
6 and diagrams that Sanjay has submitted to you guys
7 should show all that information.
8 Q Have you received any loans from REIT II?
9 A Myself personally, again, I have not
10 received anything from -- any.
11 MR. ROSENTHAL: Off the record at 12:35.
12 (Recess from 12:35 p.m. to
13 1:30 p.m.)
14 MR. ROSENTHAL: On the record at 1:30 p.m.
15 Q (By Mr. Rosenthal) Mr. Cecilio, I'm going
16 to ask you a series of questions just about DF Growth
17 REIT II, which I'll refer to as REIT II.
18 When did you start soliciting investors for
19 REIT II?
20 A Oh, geez. We put it up on the website
21 in -- is it August or September? It takes some time
22 to get it up there. It was active -- I don't recall
23 the exact date it went live. Alls I know -- I guess
24 the word is qualified, right, not approved, was
25 qualified.

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1 And so at that point in time when we had it
2 qualified, we just kind of made an announcement to
3 the staff when it was informed to me that we have
4 REIT II open and we'll put it on the site in due
5 time.
6 Q Okay. August -- you said you started
7 soliciting investors for REIT II in August or
8 September of what year?
9 A That's 2021. That's when we put it on the
10 website itself.
11 Q Okay. REIT II was qualified in
12 January 2021, correct?
13 A I don't know the correct time period. I
14 don't know when it was, so I don't recall the exact
15 date. I mean, I believe maybe I -- I didn't know it
16 was qualified in January, I thought it was qualified
17 later. But, I mean, if that's the case, that's the
18 case.
19 Q Okay. So you said you started soliciting
20 investors through the website.
21 What website is that?
22 A That's the DiversyFund platform. So you
23 can't technically solicit investors until you have a
24 live offering, and then there's going to be a time
25 period for when you get the documents that goes

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1 through the hands of people. You meet with your
2 staff. You meet with your tech team. And then you
3 put out a whole business plan of how you want to
4 market with that offering. It takes some planning to
5 do.
6 But just the guidelines are you really
7 can't do anything until it's qualified.
8 Q So if it was qualified in January 2021, why
9 didn't you start soliciting investors until August or
10 September?
11 A I'm not certain if I knew it was qualified
12 in January 2021 or later in the quarter, so I don't
13 recall the direct date.
14 And the communication with me at that time
15 period was probably a little bit poor with what was
16 going on, so I made the assumption that we were just
17 going to put it on the site as soon as it was
18 qualified. So that's what that was -- that was my
19 thinking at the time.
20 But I do know there's a lag time between
21 getting the paperwork, sitting down with your staff,
22 putting together a business plan and kind of
23 executing all that stuff. It takes a little bit of
24 planning to do. It's not something you can just
25 do -- especially when it comes to the coding parts

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1 and getting the engineers and -- I don't want to use
2 an analogy of like a Thanksgiving dinner, but you
3 have all these pieces going at the same time you have
4 to coordinate.
5 So it takes -- doesn't take a day. It
6 could take weeks in some cases to get things going,
7 just depending on who was involved.
8 MS. LEVIN: Was there any other method used
9 to solicit investors in REIT II aside from the
10 website?
11 THE WITNESS: Email and word of mouth,
12 social media.
13 MS. LEVIN: And when did email solicitation
14 start?
15 THE WITNESS: I don't have an exact date
16 for you, so I'd just be guessing, so I'd rather not.
17 MS. LEVIN: Yeah, we don't want you to
18 guess.
19 THE WITNESS: I don't know for sure.
20 MS. LEVIN: Yeah. when did word of mouth
21 solicitation start?
22 THE WITNESS: We've been telling everybody
23 that we were opening up a REIT II for -- once REIT I
24 kind of started, so towards -- I guess last year's
25 2021. In 2020 we started talking about REIT II. So

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1 we were just sharing it amongst staff and amongst
2 people we talk to and some of our customers as well.
3 MS. LEVIN: And when did social media
4 solicitation of REIT II investors start?
5 THE WITNESS: You would have to say the
6 direct date of someone posting something, which I
7 don't have, so I just -- I can't answer a question I
8 don't know the direct answer for.
9 MS. LEVIN: Okay. Thanks.
10 Go ahead, Will.
11 Q (By Mr. Rosenthal) Sure. And did you use
12 advertisements to solicit investors?
13 A For?
14 Q For REIT II, all these questions are for
15 REIT II.
16 A Yeah. I mean, what's a good way to explain
17 that to you? I mean, you do -- it's a holistic
18 marketing plan. It's a little bit of everything. So
19 organic, paid ads, affiliate partners, social media,
20 content, community sharing, emails with your current
21 community.
22 Q And when did those advertisements start?
23 A They always run, so it's like we want to
24 keep them going. And then as soon as you close down
25 one, the plan is to have the other one go, kind of --

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1 maybe to keep it very fluid, because what happens is,
2 if you abandon some of these advertisements, it makes
3 your costs go up, so you're kind of trying to keep it
4 kind of -- keep it kind of -- what's the word I'm
5 looking for -- the continuity of it, of the ads.
6 It's something to do with like -- it's a little
7 bit -- I don't know the details on this, but it's
8 something to do with the algorithms they built. It
9 just -- it makes it more expensive if you stop and
10 restart.
11 Any time you stop something on Google or
12 like Facebook ads and restart it, there's a 30- to
13 60-day kind of period where you have to ramp it up.
14 And that means your costs go up in those time
15 periods. So you want to kind of have that
16 continuity. You want to kind of do it simult- -- you
17 know, one shuts down and one just kind of picks it
18 right up.
19 Q Okay. When was the first advertisement for
20 REIT II made?
21 A I would say when it was posted online, that
22 would say the full engine of the -- you know, of the
23 company was soliciting REIT II.
24 I don't have that specific date.
25 Q Did you use any marketing firms to solicit

<p style="text-align: right;">Page 81</p> <p>1 REIT II investors?</p> <p>2 A I really -- just internally, we have our</p> <p>3 internal marketing firm -- marketing team, excuse me.</p> <p>4 Q So no outside marketing firms?</p> <p>5 A You do have partners, but really this</p> <p>6 wasn't a firm like we hire you to do the marketing</p> <p>7 for us. We have our staff that does it, and they</p> <p>8 have marketing partners and consultants they use for</p> <p>9 various smaller stuff. But, generally, the</p> <p>10 architecture and the driver of it is our internal</p> <p>11 staff.</p> <p>12 MS. LEVIN: Who are the staff members on</p> <p>13 that internal marketing team?</p> <p>14 THE WITNESS: That's lead by our chief</p> <p>15 marketing officer, Navid Firoozi.</p> <p>16 MS. LEVIN: And do you supervise Navid?</p> <p>17 THE WITNESS: Yes, I do.</p> <p>18 MS. LEVIN: Does anybody else supervise</p> <p>19 Navid?</p> <p>20 THE WITNESS: Our COO, you could say our</p> <p>21 COO supervises as many people as I do. It's joint.</p> <p>22 MS. LEVIN: COO being?</p> <p>23 THE WITNESS: Fateh Kamal.</p> <p>24 MS. LEVIN: And then who does Navid</p> <p>25 supervise for marketing purposes?</p>	<p style="text-align: right;">Page 83</p> <p>1 investors for REIT II?</p> <p>2 A How do I answer this? You know, as --</p> <p>3 again, as the CEO, you hire a chief marketing</p> <p>4 officer. You get that C level, you don't want to</p> <p>5 micromanage a C level, so it's really getting --</p> <p>6 recruiting them to do it. And to just have the</p> <p>7 conversations of our economic model, here's your</p> <p>8 budget, this is what we expect out of that budget.</p> <p>9 Here's the guidelines that you have to do that.</p> <p>10 Here's the people you talked with your various</p> <p>11 questions.</p> <p>12 So it's really kind of -- more of a</p> <p>13 high-level thing. It's not in the day-to-day weeds</p> <p>14 on stuff. And if there's any major budget changes or</p> <p>15 things that would affect the company, that's when I</p> <p>16 get kind of pulled into some conversations about</p> <p>17 that, whether it's a hiring question or something</p> <p>18 that has an effect upon the overall business in the</p> <p>19 manner that I need to be informed about.</p> <p>20 Q Okay. Are you involved in talking to</p> <p>21 investors directly to solicit them for REIT II?</p> <p>22 A No.</p> <p>23 Q Do you email investors directly for -- to</p> <p>24 solicit them for REIT II?</p> <p>25 A Not me personally.</p>
<p style="text-align: right;">Page 82</p> <p>1 THE WITNESS: That would be Nima -- I</p> <p>2 believe his last name is Rashidi, Laura Harper,</p> <p>3 various third-party consultants we use on projects</p> <p>4 from copywriters to -- we use an external email</p> <p>5 marketing team.</p> <p>6 MS. LEVIN: So just to make sure I</p> <p>7 understand, the internal marketing team consists of</p> <p>8 you supervising Navid who supervises Nima and Laura;</p> <p>9 is that accurate?</p> <p>10 THE WITNESS: Yeah, somewhat. When you</p> <p>11 hire a chief marketing officer, you're not really</p> <p>12 telling him what to do. They're just more -- you</p> <p>13 know, they're a higher-level position. They should</p> <p>14 be just delivering deliverables for you at the end of</p> <p>15 the day.</p> <p>16 MS. LEVIN: Okay. So Navid is the chief</p> <p>17 marketing officer, correct?</p> <p>18 THE WITNESS: He's the main driver,</p> <p>19 correct.</p> <p>20 MS. LEVIN: Okay. Thank you.</p> <p>21 Q (By Mr. Rosenthal) Can you describe your</p> <p>22 role in soliciting investors for REIT II?</p> <p>23 A Excuse me, I didn't -- you kind of --</p> <p>24 Q I'll repeat the question.</p> <p>25 Can you describe your role in soliciting</p>	<p style="text-align: right;">Page 84</p> <p>1 Q So do others send emails to investors?</p> <p>2 A I mean, are you talking about -- I mean,</p> <p>3 clarify the question a little bit more. Are people</p> <p>4 individually emailing investors? I mean, I'm a</p> <p>5 little --</p> <p>6 Q Are you soliciting investors by email?</p> <p>7 A We do -- we -- people do sign up for email,</p> <p>8 like a subscription, and we do have accounts that</p> <p>9 sign up. And then you have -- you aggregate all</p> <p>10 these accounts and then you email them. So, yes.</p> <p>11 And we use a third-party company to handle</p> <p>12 the emails that are going out, and they systemically</p> <p>13 have a process put together in that they work with</p> <p>14 our marketing team, our market manager, and our CMO</p> <p>15 on a strategy and how to execute that on a tactical</p> <p>16 basis.</p> <p>17 Q What's the third-party company?</p> <p>18 A Grafted Growth.</p> <p>19 Q Sorry, can you repeat that?</p> <p>20 A Grafted Growth. Sorry, it's not a normal</p> <p>21 name. Grafted with a G.</p> <p>22 Q Okay. Did you send emails to investors --</p> <p>23 do you only send emails to investors who have signed</p> <p>24 up for the email list?</p> <p>25 A Yes. I mean, that's the only way we get</p>

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1 their email when they sign up. So yeah. So those
2 would be the ones in our system today.
3 Well, to clarify a question, because it's
4 like we have to have an email. And so for us to get
5 their email, they'd have to sign up in some form or
6 manner and hand us that email. And that's -- and
7 then they are -- whole email thing, how it works is
8 it's got to be verified, it's got to be correct, and
9 then put them into an email campaign, into a
10 consistent kind of process to get them to sign up.
11 Q And how do people sign up for your email
12 list?
13 A A variety of ways. I mean, it's a whole
14 overall marketing plan, is that's their
15 responsibility to get people to sign up an email
16 list, whether they're providing content or whether
17 they're trying to learn more about DiversyFunds,
18 people sign up. So they do that either through paid
19 ads or they do that through content marketing,
20 through social media posts.
21 Q Okay. And where do the paid ads appear?
22 A Do you mean like Google, Facebook?
23 Q Sure. Are those -- is that where -- are
24 those places that your ads appear for REIT II?
25 A Yeah, it's more of a marketing thing, so

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1 it's like Google. I know we do Google ads. I know
2 we do -- we did Facebook. I know we do -- we did
3 Bing ads. I don't know if they started anymore. I
4 know they're going to be YouTube ads. I'm not sure
5 if that started.
6 And they just -- and that's a whole -- like
7 that's kind of a deep-level marketing on how they do
8 it. I can't get those specifics going. I'm not an
9 expert of those specific areas of how they target
10 certain segments of the population. That's more of a
11 data thing.
12 Q Who drafts those ads?
13 A The marketing department.
14 Q The people you mentioned?
15 A Yeah, yeah.
16 Q And who reviews the ads?
17 A The marketing department is responsible for
18 the ads.
19 Q Okay. Do you review the ads?
20 A No. That's a granular level.
21 Q Okay. And who approves the ads?
22 A Marketing does the ads. And so, I mean, I
23 think -- what's the question exactly, so I can answer
24 specifically to what the question is.
25 Q Who reviews the ads for REIT II?

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1 A The chief marketing is responsible -- and
2 his team is responsible for doing their ads, pushing
3 those ads out.
4 Q Okay. So the chief marketing officer has
5 final approval over ads?
6 A Correct. He might give approval to his
7 team members, I'm not sure, to do it on their own.
8 I'm not sure if he reviews everything. That would be
9 how he manages his people and what guidelines does he
10 put in place.
11 Q Okay. What is your role with the ads?
12 A My role in the ads? Are we cost efficient?
13 My main role there is looking at the economic model
14 and make sure it's efficient for the company and
15 optimized for the company.
16 Q And how much money has been spent on ads
17 for REIT II?
18 A The exact dollar amounts, I don't know. So
19 I'd have to get -- the accounting department would
20 know that exactly.
21 Q Okay. Is there a -- sort of a budget or a
22 target for marketing?
23 A I can give you this month of what their
24 budget is for it.
25 Q Sure. What it is?

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1 A This month it's 200,000 to spend.
2 Q Okay. Do you know what last month's budget
3 was?
4 A It was influx, so I would say it would be
5 close, but I'm not accurate what the numbers was.
6 And they were working on something that some of the
7 systems weren't ready to spend all the money, so
8 that's all I know. I don't think they spent the
9 whole amount last month.
10 Q Okay. Do you preserve all the ads?
11 A They should have it, they should have the
12 information.
13 Q Have you reviewed any of the ads for
14 REIT II?
15 A No, it's not my role to review the ads.
16 I'm not the compliance officer. And again, when you
17 hire someone and you pay someone a couple hundred
18 thousand dollars, you don't micromanage them in that
19 position. You hire them for their skill set. They
20 should be an expert in that area. And I just have to
21 make sure that they're doing the job properly and
22 that it's cost effective for the business.
23 Q Okay. And -- are REIT II -- are investors
24 for REIT II solicited through social media accounts?
25 A I would say, yeah, we use social media. In

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1 what form or manner specifically, I'm not a hundred
2 percent sure. But I know they use social media, so
3 that's a good -- I could say with confidence that
4 we're most likely using social media to push -- push
5 solicitation, I guess, is the word.
6 Q Okay. And who drafts the contents for
7 social media?
8 A That would be the chief marketing officer
9 and his team, so it would be whoever -- whether
10 that's him sometimes, the marketing manager, or the
11 content manager. They're a team, so I believe they
12 all are helping each other out.
13 Q Okay. And who reviews the social media
14 accounts?
15 A It would be that same team, so...
16 Q Who had final approval for the social media
17 accounts?
18 A The CMO is the top of the division, so he'd
19 have final approval.
20 Did he grant that to somebody else? That
21 would be, you know, his decision at the end of the
22 day.
23 Q Do you preserve all social media content?
24 A I believe you could find it all. So I
25 don't know if you could really delete it once it's

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1 out there.
2 So do we have a process set up? I don't
3 know if we specifically have a process up. But I'm
4 sure they're saving most ads to look at to see what
5 was more efficient than the other ad. So I am -- but
6 I'm not a hundred percent certain that they have
7 everything saved.
8 Q The emails to investors or the email list,
9 who drafts those emails?
10 A On their purview, I would say again, sir,
11 the chief marketing officer, start with the marketing
12 manager, then you have your content person, and then
13 that content person has content writers, and then you
14 also have Grafted Growth email team.
15 So it's a collective effort and it's how
16 they want to do things. It's more of a tactical
17 day-to-day operational thing, which it's up to them.
18 They probably have meetings and it probably switches
19 up week to week knowing how busy they are. They're
20 always busy, doing a lot of different things.
21 So I'd say, collectively, they're all
22 working on it together. Other times, people have
23 probably more input than others, just depending on
24 how busy they are.
25 Q And who approves the emails to the email

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1 list?
2 A That same group.
3 Q Okay. I think you mentioned word of mouth,
4 talking to investors. Do you use scripts to talk to
5 investors?
6 A We don't personally talk to any investors.
7 The communication is usually done through email and
8 Zendesk.
9 Q How are communications done through
10 Zendesk?
11 A I'm not a hundred percent a Zendesk expert
12 here. So I believe there's chats and there's emails
13 going back and forth. That's to the best of my
14 knowledge on how that works. But it collects all
15 that information, all the correspondence going back
16 and forth.
17 Q Who is in charge of the Zendesk?
18 A The overall higher up would be our COO,
19 controls the -- whatever you call them, customer --
20 customer success manager. And that's really a fancy
21 word for customer support and customer service.
22 Q Do you use text messages to solicit
23 investors?
24 A I don't believe we've ever -- I think we
25 tried it out. I'm not positive we ever kind of got

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1 that involved, which I'd like to be involved, but I'm
2 not really sure if they've ever figured out how to
3 use text messages.
4 Q How about mail, did you ever send like
5 mail?
6 A No, we don't do mail.
7 Q Are there any other methods you use to
8 solicit investors?
9 A We started to doing push notifications
10 through the app.
11 Q Okay. Can you --
12 A You have to download the app first to get
13 the push notification.
14 Q Okay. So there's an app?
15 A Yeah, there's a DiversyFund app, it's IOS
16 and Android.
17 Q And who drafts the content on the app?
18 A I'm pretty sure it's the marketing team
19 that does the content and gets it to the product team
20 to push it out to -- to put it together so it gets
21 pushed out. Content is always on the marketing team.
22 They're always giving content throughout the whole
23 organization.
24 Q And so does the chief marketing officer
25 have final approval over the content on the app?

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1 A Yeah. He should be checking out all the
2 content, because it's all -- it's call connected to
3 each other. It's all connected to branding. You
4 want to make sure it's all consistent, it's all the
5 same messages, everything's done, right. So that's
6 why you should have -- you should have some final say
7 or processes in place to make sure that it's
8 consistent with what he wants to be pushed out.
9 Q Okay. And you mentioned the website,
10 what's the website address?
11 A Www.diversyfund.com.
12 Q Is there any other website addresses?
13 A Nothing to my knowledge, there's any kind
14 of other URLs that we use.
15 Q What's on the website?
16 A What's on the website itself? I mean, I
17 can just give a brief overview. I don't have it
18 memorized in my head what's on the site, and I don't
19 have any screens open.
20 It just talks about the offering that is
21 active on the site, and it also talks about -- it has
22 a blog, it has -- I think it has areas where it talks
23 about the team a little bit, educational material of
24 course, content of course, contact information of
25 course, your disclosures of course.

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1 Q Okay. And what is the offering that's
2 current?
3 A The current -- the last offering, REIT II.
4 Q Okay. Who is the intended audience for the
5 website?
6 A The customer, at the end of the day.
7 Q Is it used for current customers -- current
8 investors and prospective investors?
9 A Yeah, I would say between the age of 18 and
10 65, sound, body and mind is -- nonaccredited
11 investors fit that criteria. And then we have also
12 kind of established a core group of those -- of that
13 part of -- that audience into four or five different
14 categories.
15 Q Okay. And who drafts what is on the
16 website?
17 A That would be our marketing team. They're
18 in charge of that.
19 Q And who reviews what's on the website?
20 A That would be our marketing team.
21 Q Okay. Do you review what's on the website?
22 A I mean, I've looked on the website from --
23 here and there, but they're constantly changing it
24 and testing all the time. And, again, to -- my thing
25 is, that's a micromanaging thing. If I'm telling

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1 them to do their job all the time, I don't bring a
2 chief marketing officer to tell him what to do. I
3 just need to see the results from them and to make
4 sure that -- I mean, from a high, high level, is that
5 person is consistently making sure the branding is
6 consistent, the messaging is consistent, everything
7 is consistent across the board.
8 And he should be talking to the various
9 parties across the company that he would need to talk
10 to about whatever he needs to talk about if anything
11 is outside his scope and knowledge.
12 Q How often do you review the website?
13 A Not too often.
14 Q Can you be a little bit more precise?
15 A Geez, I mean, exactly? Not too often. I
16 can say -- I don't know if it's once a month or once
17 every other month. I'm more looking at the numbers
18 behind the scenes than the actual site itself. So
19 I'm always constantly looking at the numbers.
20 Q In the last two months, have you reviewed
21 the website?
22 A Like two or three times maybe.
23 Q Who has final approval of the content on
24 the website?
25 A Again, that's the chief marketing officer.

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1 Q And who provides information that is used
2 on the website?
3 A The information comes from various parties,
4 and it's up to them whether I need to get it from the
5 real estate team, the chief investment officer, from
6 product, from operations. I mean, they all have to
7 coordinate together to get that stuff on the site for
8 whatever reason they need to get stuff on the site.
9 So you have one person at the end of the
10 day who's a facilitator to make sure all that
11 happens, that's the CMO, the chief marketing officer,
12 should be -- facilitates the whole thing. That's why
13 you pay a chief marketing officer that salary, to do
14 all that stuff.
15 Q Okay. Have you provided information
16 that's -- that's on the website?
17 A I'd like to, very minimal amount of
18 information. I do talk to them from time to time to
19 make sure our branding is consistent across the
20 board, but I don't really -- I think the only thing
21 I've said recently is I don't like my picture on the
22 site. It didn't have my beard.
23 Q I think you mentioned there's information
24 about the team. Who provides that information about
25 the team?

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1 A I'll answer your question, but I think you
2 mean something different. It's like all you have to
3 go is -- is you just -- they should be going -- the
4 CMO should be going to HR.
5 MR. BHANDARI: Craig, let me just stop you.
6 If you don't know what Will is asking, he doesn't --
7 let's let him ask it again. There's no point in you
8 talking about something he's not interested in
9 hearing about.
10 THE WITNESS: Okay. Can you clarify --
11 Q (By Mr. Rosenthal) You said --
12 A -- the question?
13 Q You said there's information about the team
14 on the website, correct?
15 A Yes.
16 Q Where did that information come from? Who
17 provided that information?
18 A The chief marketing officer should be
19 talking to HR to get the people in the organization
20 on the site.
21 Q And is there information about you in that
22 portion that's about the team?
23 A I believe I'm still up there, correct, yes.
24 Q So where did that information about you
25 come from?

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1 A I mean, originally, the information about
2 me was someone puts a bio together at one point in
3 time and, with that bio, I think the parties to be
4 have been just updating it from here to there, I
5 guess.
6 Q Did you -- did you provide that bio?
7 A No, I didn't write my own bio. Someone
8 wrote that. Either took it off one of my social
9 media pages or someone else wrote it. I didn't write
10 it.
11 Q Do you know who wrote it?
12 A Over the last five or six years, you have
13 various employees, so various people edited it.
14 Q Okay. Have you reviewed your bio?
15 A On the site recently? No, I have not.
16 I've reviewed my bio on LinkedIn recently.
17 Q Have you ever reviewed your bio on the
18 website?
19 A Yeah, I have.
20 Q Did you review your bio before it was put
21 on the website?
22 A I believe it was a document that was
23 produced that I read at a point in time.
24 Q And who can make changes to the website?
25 A Again, it's the chief marketing officer's

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1 responsibility to make changes. It all should go
2 through one point of contact and he'll assign the
3 people to make those changes on the -- you know, the
4 tactical level of actually making the changes. He
5 might tell one person to do one thing and someone
6 else to -- maybe one person to write and one person
7 to put it up there. But that's their decision.
8 Q Okay. Does the chief marketing officer
9 have final approval for changes to the website?
10 A Yes.
11 Q And how often does the website get changed?
12 A Well, it -- I don't know exactly how many
13 times they're changing it, but it's a very -- it's a
14 dynamic thing in nature.
15 So in marketing, is -- they have the
16 ability to change it whenever they believe it should
17 be changed to be -- to optimize the campaigns and
18 make things more efficient.
19 Q Okay. Can you save each version of the
20 website?
21 A Personally I don't know if it's being
22 saved, the versions of the website, or not. Or when
23 we just edit it, it just goes away. I do not know
24 that, if marketing has some kind of technology that
25 saves the previous version.

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1 Q How are current REIT II investors
2 communicated with?
3 A Current investors?
4 Q Correct.
5 A Updates through email or through the portal
6 itself.
7 Q Okay.
8 A And we just started some push
9 notifications, so I'm not sure if they're actively
10 getting that or not. It was just within the last
11 30 days, so I'm not positive of what they received or
12 not received.
13 Q Do you know, are those push notifications
14 preserved?
15 A I don't know the software specifically and
16 how -- where it is. I'm sure it's saved somewhere.
17 Q What documents do REIT II investors
18 receive?
19 A That's a broad question. So what do you
20 mean -- what part of the process, before or after
21 they're an investor.
22 Q Before -- let's start with before. What
23 documents do investors receive?
24 A They should be going through the whole
25 process and have the ability to read the whole

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1 offering before they sign up. So when they go
2 through -- let's just say they go to the website,
3 they have the ability to read all the offering
4 documents and review them, sign off on them before
5 they hook up their bank information to send money
6 over.
7 Q Are the offering documents on the website?
8 A Yeah.
9 Q And then so once the investors make an
10 investment, what documents do they receive?
11 A Well, there's -- there should be -- the
12 whole system should follow up with copies of the
13 documents. It also should just send them some -- a
14 welcome email. And after that, they've built out
15 some more things. There's communications they have
16 set up with the investors. The specific details of
17 how much communication, I do not know the exact
18 wording of those details. I don't have the direct
19 information exactly what is being said, but there is
20 various points where they're getting a lot of emails
21 and connections.
22 Q Okay. When someone makes an investment,
23 what documents do they receive?
24 A I'll be guessing. Just make an assumption.
25 So it's really hard for me to --

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1 Q Don't guess. If you know the answer.
2 A Yeah. I mean, off my head, I'm not -- to
3 get the specific document. I don't know a hundred
4 percent.
5 Q Do investors receive an investor agreement?
6 A I would be guessing --
7 MR. BHANDARI: Will, I think he just told
8 you he can't answer these questions.
9 MR. ROSENTHAL: Okay.
10 MS. LEVIN: Again, Mr. Cecilio, I just want
11 to be clear. We just want your best recollection.
12 If you don't know, we don't want you to guess. It's
13 okay to say I don't know, if that's the honest
14 answer.
15 So, you know, Will may ask you some
16 questions that you don't know the answer to, and if
17 that's honestly the case, then you can say I don't
18 know.
19 But we don't want you to guess.
20 THE WITNESS: Yeah, okay. I mean, that's
21 fine. I'm just going to tell you -- if I exactly
22 know, I'll tell you, and let's keep it like that.
23 Q (By Mr. Rosenthal) Okay. Do investors
24 receive account statements?
25 A No. It's -- the portal should be showing

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1 them their -- I know we're building out a lot of
2 things right now, so I'm not certain what they're
3 receiving right now or what's going on.
4 Q So they review information about their
5 investment on the portal?
6 A Correct.
7 Q And when you say the portal, what does that
8 mean?
9 A You're going to go to the website and you
10 log in and you just look at your account.
11 Q Okay. What information about their account
12 can they view through the portal?
13 A I haven't been in recently to actually see
14 the updates of what's in there today.
15 Q Do you know what information they --
16 A I don't know. I don't know.
17 Q Okay. When did REIT II operations begin?
18 A What do you mean by operations of REIT II?
19 Q REIT II's operations.
20 A Do you mean --
21 MR. BHANDARI: Objection; vague. He just
22 said he doesn't understand what you mean by
23 operations.
24 Q (By Mr. Rosenthal) Okay.
25 MS. LEVIN: When was the first time REIT II

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1 invested in a property?
2 THE WITNESS: Within the -- where are we
3 today? I don't know the exact date. I believe it
4 was just two properties over the last six months.
5 MS. LEVIN: Okay.
6 Q (By Mr. Rosenthal) When did REIT II sales
7 start?
8 A I don't have the -- exact date when it went
9 live on the site. So when it went live on the site,
10 that exact date would be the exact date the sales
11 started to happen.
12 Q Do you know when the first sale for REIT II
13 was?
14 A Yeah, I don't have the -- I don't have the
15 exact date.
16 Q I'm showing you a document to pull up on
17 the screen. It's been marked as --
18 MS. LEVIN: Will, I'm sorry to interrupt.
19 I just wanted to ask one more question before you
20 moved on.
21 MR. ROSENTHAL: Uh-huh. Sure.
22 MS. LEVIN: Are REIT II sales ongoing?
23 THE WITNESS: Are REIT II sales ongoing?
24 Today --
25 MS. LEVIN: Yes.

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1 THE WITNESS: -- there -- none of the
2 capital has been -- none of the capital has been
3 deployed in any assets with REIT II.
4 MS. LEVIN: No, what I'm asking was, when
5 was the last time an investor invested in REIT II?
6 THE WITNESS: That would be up to, I
7 believe, the 26th of January.
8 Q Do you know that for sure -- or what are
9 you basing that on? Let me reask that a different
10 way.
11 Why are you basing it on the 26th of
12 January?
13 A It's around that date, I'm pretty sure.
14 It's plus or minus two days around that date.
15 Q How do you know that?
16 A Through communication with my chief
17 investment officer.
18 Q Okay. Were there any other periods when
19 REIT II sales stopped?
20 A Excuse me? It was choppy.
21 Q Were there any other periods when REIT II
22 sales stopped?
23 A During this process, there have been a
24 couple of pauses. The exact dates was just -- it
25 was -- our chief investment officer and counsel

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1 decide those dates. They have the specific dates.
2 Not me.
3 Q Why were there those pauses?
4 MR. BHANDARI: Can you answer without
5 invading privilege, Craig?
6 THE WITNESS: Yeah, I don't know. That
7 was -- that was a decision that was outside my scope.
8 Q (By Mr. Rosenthal) Okay. I'm going to be
9 showing you a document. I'm going to pull it up on
10 the screen. It's been marked as Exhibit Number 7.
11 It's a multiple-page document. I'll describe for the
12 record.
13 (SEC Exhibit No. 7 was introduced.)
14 Can you see the document?
15 A Form 1-SA, yes.
16 Q Yeah. So Form 1-SA, semiannual report
17 pursuant to Regulation A for the semiannual period
18 ending June 30, 2021, DF Growth REIT II, LLC.
19 And I will scroll through the document.
20 If you want me to stop so you can take as
21 much time as you want to review it. If you want me
22 to stop at any place, please let me know.
23 MR. BHANDARI: Can we take a short break
24 right here? Something is going on downstairs in my
25 house that I need to take care of here.

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1 Would you mind a five-minute break?
2 MR. ROSENTHAL: Sure.
3 Off the record at 2:14 p.m.
4 (Recess from 2:14 p.m. to
5 2:26 p.m.)
6 MR. ROSENTHAL: On the record at 2:26 p.m.
7 Q (By Mr. Rosenthal) I'm going to pull up
8 Exhibit Number 7. Again, this is Form 1-SA,
9 semiannual report pursuant to Regulation A, DF Growth
10 REIT II, LLC.
11 I'm going to scroll through it. Certainly
12 I'll give you time to review it if you'd like. I'm
13 just going to ask you if you recognize this document
14 once you have time to review it?
15 I'll scroll back to the beginning.
16 Have you had a chance to review it?
17 A Yeah. I've seen that document.
18 Q What is it?
19 A The Growth REIT document? Is this the
20 annual report?
21 Q What is your understanding of this
22 document?
23 A Well, like it says, it's a semi annual
24 report that we filed.
25 Q I'm going to go back to the end. Did you

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1 sign this document electronically?
2 A I don't remember signing this document to
3 be honest. I must have signed the document, but I
4 don't remember signing the document.
5 Q Okay. It says, "Pursuant to the
6 requirements of Regulation A, the issuer has duly
7 caused this report to be signed on its behalf by the
8 undersigned thereby duly authorized."
9 And it has your name, Craig Cecilio,
10 correct.
11 A Correct.
12 Q And then, again, at the bottom, right below
13 that, "Pursuant to the requirements of Regulation A,
14 this report has been signed by the following person
15 in the capacities and on the dates indicated." And
16 it has your name, correct?
17 A Yeah, correct.
18 Q So did you sign this document
19 electronically?
20 A I don't recall signing the document. I
21 mean, that's my honest answer. It looks like I
22 signed, I just don't remember signing it.
23 Q Do you have any reason to doubt that you
24 signed this?
25 A Honest -- I mean, I'm going to tell the

<p style="text-align: right;">Page 109</p> <p>1 truth here. My cofounder used to be a corporate 2 securities attorney, so he has me signing a bunch of 3 documents. I sign a lot of documents. 4 Most likely signed it. I don't remember a 5 hundred percent sure. So a lot of -- I rely upon his 6 opinions for all the documents that are assigned, or 7 I give him the power to sign on my behalf. 8 Q What was your role in this document? 9 A My role in the document? 10 Q In drafting the document. 11 A I didn't really have a role in drafting the 12 document. That was the chief investing officer and 13 counsel put together the document. And that's not 14 Sanjay. Mark Roderick. 15 Q And the chief investment officer is Alan 16 Lewis? 17 A Correct. 18 Q So he drafted it with counsel? 19 A With counsel, correct. 20 Q Did you review this document before? 21 A No, I did not review that document. He -- 22 I -- he gives me high levels of what things are and I 23 sign them based on his opinion. 24 Q Okay. Who reviewed the document then? 25 A It -- to my understanding, it would be him</p>	<p style="text-align: right;">Page 111</p> <p>1 money and making investments starting the second half 2 of the year." 3 Is that statement accurate? 4 A It wasn't on our site to Q3 or Q4. So if 5 we're not having it on our site, we wouldn't be 6 actively putting money behind the solicitation. 7 MS. LEVIN: What wasn't on your site? 8 THE WITNESS: The REIT II. We're talking 9 about REIT II, right? 10 MS. LEVIN: Yes. That's what I wanted to 11 clarify, okay. That's what I thought you were going 12 to say. Just wanted to make sure. 13 THE WITNESS: Again, take a step back, and 14 I'm not an expert in corporate securities. I rely 15 upon my -- our counsel and I rely upon my cofounder 16 who happens to be a corporate securities attorney to 17 tell me what to do, because they're considered 18 experts. I'm not an expert in those areas. So, 19 based on their opinion, I make the decisions, when -- 20 if it is my decision to make. 21 Q (By Mr. Rosenthal) Okay. So I'm going to 22 scroll to page 2. The second sentence at the top, it 23 says, "As of June 30th, 2021, the company had raised 24 zero dollars." 25 Is that statement accurate?</p>
<p style="text-align: right;">Page 110</p> <p>1 and our attorney in this case, Mark Roderick, not 2 Sanjay. 3 Q Did you approve this document? 4 A Just to -- I don't exactly remember 5 approving this document. My, I guess, chief 6 investment officer, my cofounder, he's got this area 7 of expertise. And so what he tells me to sign, I 8 sign. That's his area of expertise with his 9 background. You guys are going to be talking to him. 10 And so I signed what I'm supposed to sign, what he 11 tells me to sign. 12 Q Who had final approval for this document? 13 A I would say -- I mean, the way we were set 14 up, we would both have to approve the document for it 15 to be valid. 16 Q So you approved it? 17 A Based on -- based on his recommendation, I 18 approved the document. 19 Q And Alan approved it? 20 A Based on Alan and Mark Roderick's approval, 21 I signed the document. 22 Q Going back up to the -- it's page 1 of the 23 document. And I think at the second says it says, 24 "As of June 30th, 2021, the company had not yet 25 commenced its operation, but plans to begin raising</p>	<p style="text-align: right;">Page 112</p> <p>1 A Yes, it's accurate. 2 Q Okay. So the first sale was sometime after 3 June 30, 2021? 4 A Yes, that's accurate. When money was 5 commenced, when money was received -- was cleared and 6 received. 7 (SEC Exhibit No. 15 was introduced.) 8 Q I'm showing you a document. It's been 9 premarked as Exhibit 15. This is an Excel 10 spreadsheet. It appears to be a list of REIT II 11 investors. And another tab there's a list of REIT I 12 investors. 13 This was produced by DiversyFund as Bates 14 stamp DF-000915. 15 It may be a little hard to see. It's a 16 large Excel sheet, but I'll scroll through it. 17 Do you recognize this document? 18 A I haven't seen the document before. 19 Q Do you know what this document is? 20 A It looks like an export of our investors in 21 REIT II. 22 Q And I'm going to scroll down all the way. 23 Before I do, at the top, do you see it has an invest 24 date in column D? 25 A Yeah.</p>

<p style="text-align: right;">Page 113</p> <p>1 Q I'm going to scroll down all the way to the 2 bottom. 3 Do you see the last row there. It has an 4 invest date of 2/3/2022, February 3rd, 2022, and it 5 has an amount of \$100 offering REIT II, first name 6 James. 7 Do you see that? 8 A Yes. 9 Q Does that show that there was a sale on 10 February 3rd, 2022, for REIT II? 11 MR. BHANDARI: Objection, no foundation. 12 Witness has said he's not familiar with the 13 document, so he can't interpret what it means. 14 Q (By Mr. Rosenthal) Mr. Cecilio, can you 15 answer the question? 16 MR. BHANDARI: Are you able to answer the 17 question? 18 A I don't know where this -- I haven't seen 19 this document before. It's not something I look at. 20 Q (By Mr. Rosenthal) Did any sales take place 21 on February 3rd, 2022, of REIT II? 22 A Not to my knowledge. To my knowledge, 23 everything was stopped on 1/26. 24 Q Okay. Did -- 25 (UNREPORTABLE CROSSTALK.)</p>	<p style="text-align: right;">Page 115</p> <p>1 Q What paperwork did they sign to be in 2 REIT II? 3 A That would be the -- it would be the 4 offering paperwork. 5 Q Okay. If someone signed up to be an 6 investor in REIT I and they set up contributions to 7 go into REIT I, did they then sign a separate 8 agreement to have their contributions go into 9 REIT II? 10 A If they're in REIT II, they would have to 11 have signed paperwork. 12 Q Okay. Did they -- do you know what the 13 process was -- or how they were -- 14 A The mechanics behind that team -- that's in 15 the weeds. The mechanics behind that, that's the 16 team. What's communicated to me is that anyone who's 17 in REIT II that was in REIT I signed the paperwork to 18 be in there. 19 MS. LEVIN: What would be -- sorry. 20 So who would be the best person to talk to 21 about how that operated? Who is the person in 22 DiversyFund to talk to. 23 THE WITNESS: Yeah. You can start with the 24 chief investment officer, because he's also kind of 25 our compliance officer at the same time. And</p>
<p style="text-align: right;">Page 114</p> <p>1 Q I'm sorry, can you repeat that? 2 A I said plus or minus, if that day I was 3 off. I said that day was off by a couple days. Was 4 it the 26th, 28th, the 24th? It looks like the 26th 5 was the cutoff date. 6 Q Did any sales take place on February 2nd, 7 2022? 8 A To my knowledge, the directive was no sales 9 should be done after that date, that date in January. 10 Q Okay. Were any investors in DF Growth REIT 11 I, rolled over into DF Growth REIT II? 12 A Can you clarify the question about roll 13 over? 14 Q Sure. So did any investors that were 15 making recurring contributions for REIT I have those 16 contributions go to REIT II? 17 A Yes. There was a percentage. 18 Q Okay. Do you know how many or how much? 19 A No, I don't know exact numbers. 20 Q Did those investors, did they agree 21 specifically to have their -- to be rolled over or to 22 have their contributions go to REIT II? 23 A Yeah, to my knowledge, they signed -- 24 anyone who is in REIT II has signed paperwork to be 25 in REIT II.</p>	<p style="text-align: right;">Page 116</p> <p>1 that's -- that's -- he's the one that we run -- him 2 and counsel are the ones who decide on how the 3 mechanics are done. Like, you know, mechanics 4 meaning what pieces of paper have to be signed to be 5 in compliance. 6 MS. LEVIN: Okay. So we can talk to Alan 7 Lewis is what you're saying. 8 THE WITNESS: Yeah. I mean, he's pretty 9 much 50 percent. I mean, him and I are the only two 10 on the board of directors, so he's got that 11 oversight, I guess, ability. 12 Q (By Mr. Rosenthal) Okay. How much money 13 has REIT II raised? 14 A If I can bring up a dashboard, I could tell 15 you the exact amount, but -- I could do a 16 guesstimate, but I don't know for sure unless I pull 17 something up. 18 Q Well -- so don't guess, but I also don't -- 19 if you know a rough -- if you know a rough estimate, 20 you can provide it. 21 A Yeah. I don't know for sure, because 22 there's -- I have to know the amount of money that 23 cleared, because it's really difficult, because a lot 24 of stuff doesn't clear at the end of the day. So I 25 would have to dig into the data to look at that,</p>

<p style="text-align: right;">Page 117</p> <p>1 because there's AML and KYC checks and some money 2 doesn't clear, and so I'd be doing a disservice to 3 guess. 4 Q Who would know that? 5 A We should be able to know that by clicking 6 into a dashboard, it should give us that number. And 7 so it just -- I mean, you just -- knowing -- I don't 8 think most of us know on the top of our head. 9 They're going to click into the software programs and 10 give you a number. 11 So it would just be requesting that 12 information, and we'd be delivering that information. 13 Various parties would be able to provide that 14 information to you. 15 But, no, I don't think anyone knows at the 16 top of their head. Everyone's looking at like these 17 dashboards that -- because the numbers are very 18 microinvesting. They always -- they move all the 19 time. 20 Q How do you track how much REIT II has 21 raised? 22 A Through the dashboard. 23 Q So you internally have a dashboard? I 24 guess can you explain that? 25 A Yeah, it's a -- it's a piece of software</p>	<p style="text-align: right;">Page 119</p> <p>1 simplicity reasons, go with the COO because it's 2 cross-departmental. That's where I rely on him to 3 give me the accurate information. 4 Q And do you track investor equity? 5 A How much money someone's invested? 6 Q Yes. I mean, but there's other ways to -- 7 someone can have equity, correct? 8 A We do -- we track it, yes. 9 Q How is that tracked? 10 A Clarify the question. I want to make sure 11 I'm answering it correctly. 12 Q Does each -- for REIT II, does each person 13 with an equity interest, do you track that? 14 A Yes. 15 Q How? 16 A How do I explain this? Connecting all our 17 systems together, this is the data and the coding and 18 putting that all together, and then it all drills up 19 to kind of a dashboard. 20 So it's multiple systems communicating with 21 each other, and you have to do coding and you have to 22 use your coding engineers, your tech team, you have 23 to use your data guy, your operations person. And 24 the piece I'm talking about, the dashboard sits on 25 top. You can see those numbers. And then you kind</p>
<p style="text-align: right;">Page 118</p> <p>1 that sits on top of other pieces of software of data 2 that you drill up, and it gives you an overall -- 3 tells you what's cleared in there. And cleared means 4 is all the paperwork is signed, all the emails done, 5 all the KYC is done, and then it goes there. 6 And the backup, I would say, is that our 7 finance department has that number too. Later on, 8 it's -- how do I say that. It's trailing. They get 9 that data like the last, but they have that accurate 10 data too. 11 So it's before you have the team, and then 12 it will just say, okay, then the finance department 13 will see that to reconcile that. 14 Q Okay. So who's in charge of managing that 15 tracking? 16 A There's a few key members involved with 17 that. I would say -- I would say it's crossed 18 departmental with our COO, with our product, head of 19 product. Our head of product has a data person on 20 staff who does the actual work to do that. And then 21 we also have our finance department, again, that's 22 trailing numbers because it comes in through the 23 software system. And they would know as well. 24 So I would say that those four people are 25 arranged. But, I would, you know, just for</p>	<p style="text-align: right;">Page 120</p> <p>1 of -- and you reconcile with finance. So it's 2 multidepartmental, a lot of moving pieces here. This 3 is where really the technology piece comes to play 4 together to connect everything together. 5 As you can see, there's a lot of 6 transactions there, and it's like you're really 7 dependent upon technology and the coding and the 8 engineering of all that stuff. It's not a simple 9 thing to do. 10 Q Where do REIT II and investor funds get 11 deposited? 12 A Well -- so where it starts is the money 13 comes over, gets -- let's say it calls its 14 trans-acts, and then it goes to a third-party escrow, 15 we use now, it's considered Prime Trust, and Prime 16 Trust holds the money until it's cleared. And for it 17 to be cleared, it has to go through an AML check and 18 a KYC check. And when it's cleared, we have to 19 countersign the documents. 20 So countersigning the documents means we 21 accept that investment. We don't have to accept 22 every investment. We can not sign that. And then 23 once we sign that, then we usually take lump sums 24 once a week, and then we transfer that over into the 25 REIT bank account that we have at, I think,</p>

<p style="text-align: right;">Page 121</p> <p>1 California Bank & Trust now, in which we're moving 2 into another bank called Silicon Valley Bank, which 3 is going to be our future bank. 4 So if I confused you, I can take you 5 through that step again. 6 Q Um -- 7 A So a third party still holds it until it 8 clears and then we let it build up to get to a 9 certain size, let a week go by. Because a lot of 10 these small investors, when it builds up. And we 11 know they're all cleared, we go in and click all 12 these buttons, and that goes off into our REIT 13 account, which is held by California Bank & Trust 14 today. 15 Q Who's responsible for that process? 16 A It's a whole process. So our finance 17 department is really the ones that -- who work with 18 the -- let's call it the third-party custodian until 19 it goes to our bank, and that would be 20 administered -- supervised by our COO. And then you 21 got our finance department with Jonathan Neff and 22 Samantha Li. 23 Q Okay. And so you said the third-party 24 escrow company is Prime Trust? 25 A Yes.</p>	<p style="text-align: right;">Page 123</p> <p>1 all your technologies to do that. 2 They have technology, that company has 3 technology and just live in a tech world -- within 4 tech world, they're always getting better and easier 5 to do. And we're building out some of our own 6 technology as well. 7 Q Does all the -- do all -- all of investor 8 funds go through the DiversyFund website? 9 A That, the website or the app. 10 Q Okay. And who has control over the escrow 11 account? 12 A I guess clarify the question a little bit. 13 Because there's control versus access. I'm just -- 14 can you clarify the question so I can give you an 15 accurate answer. 16 Q So I guess who has access to the escrow 17 account? 18 A I mean, the primary user would be Jonathan 19 Neff, would be the primary. And his direct 20 supervisor is Fateh Kamal, our COO. So they're the 21 two main people that are in that. 22 Samantha Li is underneath Jonathan, so I'm 23 sure she's in the software system, because they're -- 24 it's only two people in the finance department. It's 25 not big.</p>
<p style="text-align: right;">Page 122</p> <p>1 Q So what is the relationship between Prime 2 Trust and REIT II? 3 A It's a third party kind of custodial 4 account, escrow account. So it clears the funds. So 5 clearing the funds or making sure the funds are 6 received, because if you process too fastly, 7 sometimes there's that little gap with funds being 8 actually true funds, that you're doing the AML 9 checks, right? You're clearing that. And we use a 10 third party called Persona to do the AML and KYC, 11 newer customer. So you're getting their driver's 12 license, et cetera, et cetera. 13 So they hold the information until 14 everything gets cleared, and then we countersign the 15 paperwork for it to pass through compliance before it 16 comes over. 17 Q Okay. Do the investor funds, do they go -- 18 is it one escrow account or are there sort of 19 individual escrow accounts for each investor? 20 A Oh, no, it's just one account, yeah. 21 Q And then so how do you track sort of -- 22 keep track of the individual investors and how much 23 they contribute as they go through escrow? 24 A It's a technology -- they have the 25 technology they built out for it, so it's connecting</p>	<p style="text-align: right;">Page 124</p> <p>1 So I would say they're both probably in 2 that. 3 Q What's Jonathan Neff's title? 4 A Financial manager. 5 Q And then -- so the money goes from the 6 escrow account into the REIT II bank account, right? 7 A Yeah, yes. 8 Q Who -- who is responsible for managing the 9 incoming money? 10 A What do you mean, what part of that? 11 Q Sorry. Who's responsible for that transfer 12 into the incoming bank account? 13 A Jonathan is, and the process that's in 14 place -- I'm not sure if Jonathan did it or not. He 15 just does it on a weekly basis, because there's all 16 these microinvestors coming across. So he usually 17 does it once a week. 18 Q Who has access to the REIT II bank account? 19 A Myself, Alan, Jonathan, Fateh. I believe 20 Samantha has some access as well. 21 Q Do those people have control of the 22 account? Can they move money out of the account? 23 A I don't know actually how much control 24 Fateh has of the account. Of course, Alan and I, 25 being owners, we have full admin rights.</p>

<p style="text-align: right;">Page 125</p> <p>1 Jonathan has a tremendous amount of admin 2 rights, and he sets the rights for Samantha. So 3 there's a bunch of checks and balances there. But 4 they vary, the rights. I'm not sure how much she 5 has. And we just -- we're going to move to another 6 bank here soon, Silicon Valley Bank. And so, you 7 know, just to be the owners, Alan and I have admin 8 rights. Fateh, he's a C Level, so we're giving him 9 admin rights. And Jonathan will have pretty much 10 close -- a lot of rights, not full rights. 11 There's grades of permissions. So -- I 12 just say there's full, you can do whatever you want, 13 and then there's kind of things that you set 14 limitations on what you can do. 15 Q Okay. 16 A Most of the time it requires dual approval 17 for funds to be sent over. So Jonathan couldn't send 18 funds without me approving it, so there's usually two 19 people have to kind of approve something before funds 20 get moved. 21 Q Okay. Are you familiar with a company or 22 entity called AltoIRA? 23 A Yes. 24 Q What is it? 25 A It's an IRA custodian. It's a -- they're</p>	<p style="text-align: right;">Page 127</p> <p>1 than anyone else. They claim that it's easier for 2 you to move your -- it's more -- it's easier for you 3 to move your funds in and out of your IRA if you use 4 their IRA versus someone else's IRA. 5 MR. BHANDARI: Will, you're familiar with 6 self-directed IRAs versus employer directed? 7 MR. ROSENTHAL: Yeah. 8 MR. BHANDARI: So it sounds like this 9 AltoIRA is it allows people to do self-directed 10 investments? 11 THE WITNESS: Correct. Yes. 12 Q (By Mr. Rosenthal) Okay. Does DiversyFund 13 advertise with AltoIRA? 14 A I don't think we've done any joint 15 advertisements. I think we might have done a couple 16 of emails in the past, but nothing recent. 17 Q Did AltoIRA have an agreement with REIT II? 18 A There's not an agreement in place, but I 19 believe we're on their platform. So if you're IRA is 20 there, like if you had -- let's go with another 21 company, Millennium Trust, if you have a Millennium 22 Trust IRA, they said -- they'll have like, oh, this 23 is where you can invest your money in, and it will 24 have like 20 different companies where you can invest 25 your money in.</p>
<p style="text-align: right;">Page 126</p> <p>1 trying to be the top tech IRA custodial -- custodian, 2 sorry. Custodial is a verb. 3 Q What is the relationship between AltoIRA 4 and REIT II? 5 A There's a third-party IRA custodian. So 6 they have customers who have IRA accounts set up. 7 And they -- their, I guess, claim to fame is -- lack 8 of a better word, is that they're very tech oriented. 9 It makes that process easier to move your funds from 10 their IRA into an investment vehicle. One is us. 11 They also have other customers out there, like you're 12 going to go into -- oh, here's another one, a 13 familiar one is Masterworks is art, that's being sold 14 to nonaccredited investors, so they allow you -- 15 through their platform, they show their customers 16 here are some platforms that you can invest your 17 money in through your IRA and do it through our -- 18 our technology is more advanced than everyone else's 19 to make your process easier to do, the transact. 20 Q So it's a platform for investments and one 21 of the platforms is REIT II? 22 A It's an IRA. It's an IRA. It's an IRA 23 custodian. 24 Q IRA custodian, okay? 25 A Just they claim to have better technology</p>	<p style="text-align: right;">Page 128</p> <p>1 So Alto has that too. I think they call 2 it -- considered an alternative investment 3 marketplace. 4 Q How did REIT II get on AltoIRA's platform? 5 A Well, it was with the first REIT, how -- in 6 the fin tech world, everyone kind of gets to know 7 each other and do -- develops B2B relationships, 8 partnerships with each other. 9 That's the simplest way I can say it. And 10 if we -- they reached out to us or we reached out to 11 them. They're both looking for customers at the end 12 of the day, because they make their money if you have 13 an IRA account set up with them. 14 Q Do the Alto -- if someone makes an 15 investment through AltoIRA, do they still go through 16 the DiversyFund website, or can they just do through 17 AltoIRA? 18 A We -- so part of their business model is to 19 connect technology from their platform directly into 20 your platform to make it easier for you to move your 21 money. They have us, but they have a lot of 22 different partners. Their idea is to have -- be 23 hooked up to like -- I mean, if there's a great 24 business, they'd love to have a thousand different 25 DiversyFunds on there. It's not -- it's not a unique</p>

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1 relationship, a one-way street. It's like they would
2 love to have a thousand different types of investment
3 opportunities for their community that gives their
4 company -- that's how they -- it gives their company
5 value. The more choices they give their customers,
6 the more customers they believe they'll get. We're
7 one of those people on their platform.
8 Q So REIT II received investor funds in
9 January -- in the beginning of January 2022, correct?
10 A REIT II received -- yes, it did receive
11 funds in January 2022.
12 Q Okay. Were those investor funds recorded
13 in QuickBooks for REIT II?
14 A Recorded in QuickBooks? I don't know for
15 sure if they were or were not. They are recorded,
16 but I don't know -- a hundred percent sure if it's
17 recorded in QuickBooks.
18 Q Do you know -- how are they recorded?
19 A Well, you got the -- the Prime Trust
20 account and then that pushes over into our system,
21 and it's that whole technology thing we just talked
22 about in the past and how we connect that, we're
23 putting that all together. And then it goes into our
24 department, and they could be still using Excel
25 sheets. I'm not sure if it's in QuickBooks or not.

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1 But it's tracked along the whole process.
2 Q Okay. How often are the QuickBooks
3 updated?
4 A I don't have an exact answer.
5 Q Do you have an estimate?
6 A I know they're on top of things. I know
7 they're reconciling things, but I don't -- I know
8 they're doing their job properly, but I'm not sure
9 like what their cadence is exactly.
10 Right now it's tax time too. I know
11 they're pretty busy. So I'm not a hundred percent
12 positive of how often they're doing it.
13 Q How has REIT II investor funds been used?
14 A It's been deployed in a couple of
15 properties.
16 Q What are those properties?
17 A I know one for sure. The other one I'm not
18 positive. I know it's one of the Charleston
19 properties.
20 Q And those are both real estate investments?
21 A Yeah, the multifamily investments.
22 Q And how much has been invested in those
23 projects?
24 A I don't have the exact dollar amount. If I
25 looked at a report, I probably could get that

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1 information.
2 Q Okay. And do you know when those
3 investments were made?
4 A We closed the Charleston transaction in
5 December.
6 Q December 2021?
7 A Yes.
8 Q Sorry, just one of the properties is
9 Charleston or they both are?
10 A I know for sure one is. The other one I'm
11 not positive, a hundred percent positive.
12 Q Where does the money for investments go to
13 when you make a real estate investment for REIT II?
14 A Can you clarify the question? I understand
15 it, but just clarify.
16 So the money leaving our account?
17 Q Where does it go?
18 A It goes directly to the escrow account.
19 When close real estate, a title, a third-party title
20 in escrow opened, so another third-party escrow holds
21 those funds of that transaction.
22 Q And who's the third-party escrow?
23 A Each transaction is different.
24 Q Okay. And then so after -- if the
25 transaction is completed, the funds clear escrow,

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1 right?
2 A Since we're purchasing the property, they
3 usually get delivered to the seller or to a bank to
4 pay down a loan or something, whatever that piece is.
5 Q Okay. So for like the Charleston property,
6 where did the funds go?
7 A It would have went to a third-party escrow.
8 Q And then after the escrow, where did they
9 go?
10 A It depends what they're paying off, without
11 any escrow statement.
12 Q Do the individual investment properties
13 have bank accounts associated with them?
14 A We do. We do create individual bank
15 accounts per properties that we own. They're all
16 their own LLC. And -- I mean, there's -- and so when
17 you're collecting the rents, you collect the rent in
18 the name -- we gave examples, Summerlin LLC. You
19 would be, okay, the rents come in, it goes into
20 Summerlin, LLC. Summerlin LLC has expenses, right,
21 it has a mortgage to pay, whatever expenses. Pays
22 those off. Anything left over go up to the parent
23 fund, which would be the REIT.
24 Q Are those transactions involving investment
25 properties, are they recorded in REIT II's

<p style="text-align: right;">Page 133</p> <p>1 QuickBooks?</p> <p>2 A I mean, I'm not going to make an</p> <p>3 assumption. I'm sure everything is recorded in</p> <p>4 QuickBooks. We use QuickBooks, everything's in</p> <p>5 QuickBooks. We are moving on to a new software</p> <p>6 system. It hasn't been executed yet. So everything</p> <p>7 is in QuickBooks. We have records of everything.</p> <p>8 Q Do you know how those -- those transactions</p> <p>9 involving the real estate properties are recorded in</p> <p>10 QuickBooks?</p> <p>11 A Not on a granular level. I mean, that's --</p> <p>12 the accounting department does that.</p> <p>13 Q And the -- who's the head of the accounting</p> <p>14 department?</p> <p>15 A The COO sits on top of the financial,</p> <p>16 Jonathan and Samantha. We also have that third-party</p> <p>17 auditor that audits us for filings every year. They</p> <p>18 dive into -- they dive into every entity too on an</p> <p>19 annual basis. We have to have those audited</p> <p>20 financials.</p> <p>21 Q Are you familiar with an entity called MCP</p> <p>22 Dove?</p> <p>23 A Yes.</p> <p>24 Q What is it?</p> <p>25 A I think it's -- I think it has to do with</p>	<p style="text-align: right;">Page 135</p> <p>1 So just answer to the best of your ability.</p> <p>2 And if you don't know or you have to direct them to</p> <p>3 counsel or to Alan, just tell them where to go.</p> <p>4 THE WITNESS: Yeah. I would say our --</p> <p>5 what year is it? We're 2022. It will be disclosed</p> <p>6 in our audit, our annual audit, where all the money</p> <p>7 is. And we share that information with the</p> <p>8 investors. And we do our biannual financial</p> <p>9 statement as well.</p> <p>10 Q (By Mr. Rosenthal) Who's your auditor?</p> <p>11 A I believe it's Haynie.</p> <p>12 Q Has any REIT II investor funds gone to</p> <p>13 REIT I?</p> <p>14 A Into REIT I, no.</p> <p>15 Q Have any REIT II investor funds gone into</p> <p>16 any REIT I accounts?</p> <p>17 A A REIT I account, like a -- where it says</p> <p>18 REIT I? No, not REIT I.</p> <p>19 Q Have any REIT II investor funds gone into a</p> <p>20 joint account with REIT I?</p> <p>21 A Not joint account.</p> <p>22 Q Has REIT two made any loans?</p> <p>23 A Not to my knowledge, no.</p> <p>24 Q Have there been any loans in -- in</p> <p>25 DiversyFunds -- have there been any funds from REIT</p>
<p style="text-align: right;">Page 134</p> <p>1 one of the properties.</p> <p>2 Q Do you know which property?</p> <p>3 A I'm not a hundred percent sure. I believe</p> <p>4 I know, but I'm not hundred percent certain. So</p> <p>5 that's -- I kind of -- if I'm not hundred percent</p> <p>6 certain, I probably shouldn't answer, but I kind</p> <p>7 of --</p> <p>8 Q Does MCP Dove have a bank account?</p> <p>9 A I do not know.</p> <p>10 Q Does MCP Dove, has it had any operating</p> <p>11 income?</p> <p>12 A I don't know -- I don't know much about MCP</p> <p>13 Dove. Anything you need we can get for you, any of</p> <p>14 that information.</p> <p>15 Q Has REIT II disclosed all of its</p> <p>16 investments to investors?</p> <p>17 A I would --</p> <p>18 THE WITNESS: Sanjay, help me here. I'm</p> <p>19 not sure if we have to disclose anything quite</p> <p>20 because it's just so new.</p> <p>21 MR. BHANDARI: I'm sorry. I can't,</p> <p>22 unfortunately. So look --</p> <p>23 MS. LEVIN: We're not asking him.</p> <p>24 MR. BHANDARI: Yeah. They can ask me later</p> <p>25 and I can try to help out.</p>	<p style="text-align: right;">Page 136</p> <p>1 II or DiversyFund or related entities?</p> <p>2 A No. No loans.</p> <p>3 Q Have REIT II made any investment in the</p> <p>4 DiversyFund or related entities?</p> <p>5 A They made investments in properties that --</p> <p>6 I believe the two properties that we talked about,</p> <p>7 but I only know one for sure. So that would be an</p> <p>8 affiliate property owned by DiversyFund.</p> <p>9 Q Aside from those two real estate</p> <p>10 investments?</p> <p>11 A No, the funds -- the funds are just in the</p> <p>12 account. Yeah, they're just hanging out in the</p> <p>13 account.</p> <p>14 MR. BHANDARI: Craig, can I pause you for a</p> <p>15 second.</p> <p>16 You guys can't speak over one another or</p> <p>17 the court reporter is going to have a difficult time.</p> <p>18 THE WITNESS: I apologize.</p> <p>19 MR. BHANDARI: No problem. It's getting</p> <p>20 late and everybody relaxes a little bit. But let</p> <p>21 Will finish and then answer.</p> <p>22 Okay. Go ahead, Will.</p> <p>23 MR. ROSENTHAL: Thank you.</p> <p>24 Q (By Mr. Rosenthal) Aside from those two</p> <p>25 real estate investments, has REIT II made any</p>

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1 investments in DiversyFund or related entities?
2 A No.
3 Q Are REIT I and REIT II businesses dependent
4 on each other?
5 A I would say everyone -- both REITs are
6 dependent upon the company being run to function
7 properly.
8 Q By the company, you mean DiversyFund, Inc.?
9 A Yeah, DiversyFund, Inc., because --
10 DiversyFund, Inc. employs the people to manage the
11 assets. As long as we're -- we have our systems in
12 place, our business is in place, we're able to manage
13 the assets and manage those funds. There's an
14 indirect relationship.
15 Q So REIT II depends on DiversyFund, Inc.,
16 correct?
17 A Well, DiversyFund, Inc. is the parent
18 company that pays the salaries of the managers and
19 the employees to run the real estate assets and to do
20 the fund accounting and do the customer service, yes.
21 Q Okay. Does REIT I depend -- does REIT II
22 depend on REIT I?
23 A REIT II depending on REIT I? I mean,
24 it's -- it's an indirect relationship, but there
25 could be a direct relationship. I can give you an

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1 example. I can say REIT I was our first fund, and
2 since we bought a lot of property, the brokers give
3 us first look at properties, which give the REIT II
4 customers really better options to invest in.
5 So I think the REIT II customers benefit
6 for REIT I being our first REIT. So there is
7 relationships that exist between both entities.
8 So there is -- it's an indirect
9 relationship. So I'm trying to answer your question,
10 but there is a relationship, and it has to do with
11 just building a general business.
12 Q Does REIT I depend on REIT II raising
13 money?
14 A I can't say absolutely a hundred percent
15 not, but I can't absolutely hundred percent yes.
16 Q Why?
17 A Because the indirect relationship of the
18 business.
19 Q So why does the indirect relationship with
20 a business, does that mean -- why does that mean
21 REIT I depends on REIT II raising money?
22 A We're going to get really granular into an
23 example. So I would say it's -- real estate, not
24 everything goes according to plan. There can be a
25 capital call and REIT I is closed, and what if

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1 there's a capital call for -- hey, we had a
2 property -- like I'll talk about Summerlin. It's a
3 property we sold. It had a fire, and, you know, a
4 whole unit burnt down.
5 So what if that happens and you had to
6 advance 200,000 to fix something? Well, if REIT I is
7 closed and has no income coming in, where are you
8 going to get that income to cover that?
9 An option can be REIT II could loan the
10 property that money to finish that off and be a
11 coinvestor in that property. That would be an
12 indirect example of that.
13 So, I mean, that's where I think the
14 codependency would be, interconnectedness of the
15 business.
16 But I can't say that's -- that doesn't --
17 not going to happen across all -- you're not going to
18 get -- you know, stuff happens. There's acts of god
19 that happen. We just lived through one for the last
20 two or three years.
21 Q Would REIT II stopping sales irreparably
22 harm both REIT I and REIT II?
23 A REIT II stopping sales hurts the parent
24 company in a lot of different ways.
25 Q How? What are those ways?

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1 A The first way is -- I'm going to go
2 60 percent, maybe -- you know, this is a general
3 number -- of our monthly expenses are based on
4 building technologies to make things more efficient,
5 really doing the marketing, doing the customer
6 acquisition, building all those things out.
7 And your costs go down with time when
8 you're doing this stuff. This is more the tech
9 industry, the marketing industry. And there's a lot
10 of algorithms, Facebook, Google, all these guys
11 keeping changing things up. So your teams are going,
12 and they have to -- they're constantly testing stuff
13 to make it more efficient to lower the acquisition
14 costs of the customer.
15 So you turn that off, you can't just start
16 that up again. So it's going to put you -- you're
17 basically going to have to start from ground zero,
18 and then our costs are going to increase to get back
19 to where we were for raising the funds.
20 The income that we generate from some of
21 the fees we get help -- help pay the salaries to
22 manage the assets, to have the teams in place, to
23 bring in the best people in the industry. You want
24 to hire the best people to run your assets, and to do
25 that, you need to have revenue streams come in.

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1 So there is a relationship with the REIT
2 being shut down on the overall business.
3 Q So, I guess, can you explain how that would
4 affect REIT I?
5 A The one example I gave about what if you
6 needed to -- what if something happened with one of
7 the properties, and it had a capital call and where
8 is that capital going to come from on that capital
9 call? That's one example.
10 The other example is if the parent company
11 is not going to produce revenue and you're not going
12 to have a staff in place to manage the assets at the
13 end of the day, to run -- to optimize those assets.
14 You got to pay people -- you got to pay people well
15 if you want a good product being delivered. So
16 there's a relationship there.
17 Where's the income coming from to run the
18 operations organization? It comes from some of the
19 fee structures we created.
20 MS. LEVIN: So if there was an unexpected
21 capital call, is your only -- is the only source of
22 financing other investor money?
23 THE WITNESS: No. You look at everything.
24 You want to look at every option available. So
25 you're -- today -- we're in a great market today. So

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1 today, there's lenders out there that can give you
2 some loans on some of these properties. Sometimes
3 they look at liquidity standards, what do you have
4 liquid in the account. So they see that we have --
5 REIT II has cash in the account. They're like, okay,
6 we'll give you this loan. There needs to be
7 sometimes liquidity standards for that.
8 So there's all these indirect relationships
9 across the business to do it. But your first bet is
10 what can you do with what you have at hand. And then
11 you're probably going to try to get a loan. But you
12 want to have every opportunity possible. You want to
13 put yourself in the best position to overcome an
14 obstacle. So you want to have everything going, just
15 to give you everything that you can to possibly -- to
16 possibly -- to solve whatever issue that may be.
17 And there is a -- and there is a -- I hate
18 to use this word, but time is money at the end of the
19 day, and you want to be able to do things in a quick
20 manner. And also, at the same time, the industry
21 itself, the real estate industry, is really -- as
22 lack of a better word, it's a very blue collar
23 industry, and people are just -- if you have money to
24 like pay people and they do it, they come back to you
25 again and again for business.

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1 So there's a business reputation, a
2 business harm that's produced with that. You're
3 going to get -- your costs will go up. Your chief
4 contractor who you pay for something will be more
5 expensive because they say these guys can't pay their
6 bills on time. And that will have an adverse effect
7 on you.
8 So there's a general business harm due to
9 business reputation. And then if you can't get -- if
10 that's harm too, you don't have to liquidity
11 standards, then the loans that you get -- today we're
12 getting -- you know, we get offered loans at 2, 3,
13 4 percent, very low. If you don't have those
14 liquidity standards, your loans are 7 percent and
15 that difference there -- now who pays -- what's the
16 difference there? Well, that difference in that
17 yield, 2 to 7, that money is benefited by the
18 customer. That's part of their return they get.
19 So if you're paying more debt, that's more
20 expense the property, that would be -- when the rents
21 come in, it's more expense. If it was less expense,
22 it's more profit. More profit goes to the fund and
23 that goes directly to the consumers.
24 So it's all kind of connected to each
25 other. It's -- yeah, it's -- it's not complicated.

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1 Q You mentioned the operating income going to
2 the parent company. The parent company receives
3 operating income from REIT I, correct?
4 A (Shakes head.)
5 Q No?
6 MR. BHANDARI: Sorry, Craig, you have to
7 speak. You can't --
8 THE WITNESS: Oh, no. Sorry. I apologize.
9 I apologize. It's late in the afternoon.
10 No, it doesn't. At this point in time,
11 it's -- I like the octopus analogy. Say let's go
12 eight properties here. So if there are -- let's say
13 six of them are positive cash flow, two of them are a
14 little bit negative cash flow, it go off to the
15 octopus on the top, and then the octopus would say,
16 okay, I need to put some funds over here to make up
17 for that difference of being negative.
18 And then you look at your fund here, and
19 you go, okay, what are some of the expenses of the
20 fund? And then whatever is left over, according to a
21 REIT structure, it has to be deployed out to the
22 customers.
23 Did I say that too fast?
24 Q Yeah, I'm not sure I understand.
25 So the parent company is not receiving

<p style="text-align: right;">Page 145</p> <p>1 operating income from REIT I? 2 A No, it's not. 3 Q When did it -- was it previously receiving 4 income from REIT I? 5 A No, it never received operating income, no. 6 Q I thought I understood you as saying that 7 the parent company depends on income from REIT II? 8 A From the fees. From the fees, from the fee 9 structure. 10 Q What about from REIT I, does REIT I have a 11 fee structure? 12 A REIT I is closed. No more fees coming in 13 from REIT I. 14 Q So after the money comes in, how does the 15 parent company continue to operate? 16 A We're on REIT II, on the fees on REIT II, 17 and then if we -- when you sell the property, if you 18 sell properties, we share in the profits when it hits 19 a certain hurdle. 20 Q Okay. So if the REIT I properties sell 21 past a certain hurdle, REIT I would have income 22 coming in -- or the parent company would have income 23 coming in from that; is that correct? 24 A Yeah. Which is anywhere from a three- to 25 five-year cycle.</p>	<p style="text-align: right;">Page 147</p> <p>1 Q I'm going to now show you a document that's 2 been marked as Exhibit Number 5. You can review the 3 document while I describe it. 4 At the top it says Form 1-A. Regulation A 5 offering statement. Part 2 offering circular, 6 Amendment Number 1, DF Growth REIT II, LLC. It's a 7 multipage document. It's a long document. It's 76 8 pages of a PDF. I'll scroll through it quickly. I'm 9 going to ask you if you recognize this document. 10 If you want me to stop or review anything, 11 you can let me know. 12 A Go to the top again, because I wasn't sure. 13 I saw the word amended, but I don't know if this is 14 an amendment. It's an offering. It's not really an 15 amendment, it's an offering circular, right? 16 Q I'm asking you, do you recognize this 17 document? 18 A Yeah, I recognize it. I kind of defer to 19 my cofounder on all the legal documents because he's 20 a corporate securities attorney. 21 Q What is this document? 22 A It looks like the offering circular for the 23 REIT I plus offering. 24 Q I'm going to scroll down to the end of the 25 last page, which is a signatures page. It appears to</p>
<p style="text-align: right;">Page 146</p> <p>1 So if we did consecutive funds for four or 2 five years, you'd start seeing income coming in from 3 other sources with -- 4 Q Is there a minimum amount that REIT II 5 needs to raise? 6 A Can you clarify that question? What do you 7 mean by minimum amount? 8 Q Does REIT II need to raise a certain amount 9 of money? 10 A I would say it needs to raise the whole 11 75 million in 2022. So we could deploy the capital 12 and give the customers the best return possible. 13 And I'll give you an example why. It's 14 because if you get charged -- let's say you get 15 charged X amount by, let's say an auditor. Let's say 16 it's 100 grand a year, 100 grand out of 10 million or 17 100 grand out of 75 million, you see the difference 18 in how that fee is appropriated across a larger lump 19 of sum coming in? It's a less of a ding to the 20 customer. 21 Q Okay. 22 A So it's the economies of scale. The more 23 money you bring into a fund, the less the expenses 24 affect the return to the customer. 25 (SEC Exhibit No. 5 was introduced.)</p>	<p style="text-align: right;">Page 148</p> <p>1 have been signed by you. 2 Did you sign this document electronically? 3 A I can't recollect signing this document. I 4 just -- when my cofounder says, sign this, Craig, I 5 sign things on -- because he's -- you know, his 6 background being a corporate securities attorney, I 7 trusted him. 8 But I don't recall specifically signing 9 this document. 10 Q Do you have any reason to believe that you 11 did not sign this document? 12 A Despite how the name is signed, that's 13 not -- that looks like it's generically created. 14 Q Okay. It says this offering statement has 15 been signed by the following persons in their 16 capacities and on the dates indicated, and it has 17 your name -- 18 A It would have been -- 19 (UNREPORTABLE CROSSTALK.) 20 Q You've got to let me finish the question. 21 A I'm sorry. 22 Q This document says on the last page, "This 23 offering statement has been signed by the following 24 persons in the capacities and on the dates 25 indicated." And it has your name and title.</p>

<p style="text-align: right;">Page 149</p> <p>1 A Okay. Yeah.</p> <p>2 Q Is there any reason you would believe that</p> <p>3 you did not sign that?</p> <p>4 A Yeah, like I don't -- I don't remember</p> <p>5 exactly if I signed that or I allowed my cofounder to</p> <p>6 sign them on my behalf.</p> <p>7 MR. BHANDARI: Will, maybe we take a</p> <p>8 five-minute coffee break and be back for the last</p> <p>9 stretch.</p> <p>10 MR. ROSENTHAL: Can we go another five</p> <p>11 minutes and then take a break?</p> <p>12 MR. BHANDARI: I'm fine with that.</p> <p>13 Is that all right with everyone?</p> <p>14 Q (By Mr. Rosenthal) What was your role with</p> <p>15 this document, Mr. Cecilio?</p> <p>16 A Can you clarify the question, my role? Is.</p> <p>17 Q Did you have a role with this document --</p> <p>18 with this document?</p> <p>19 A Creating the document, no.</p> <p>20 Q Who drafted this document?</p> <p>21 A It would be our corporate counsel, Mark</p> <p>22 Roderick, and our -- our cofounder, Alan Lewis.</p> <p>23 Q Did you review this document before it was</p> <p>24 finalized?</p> <p>25 A No, I did not.</p>	<p style="text-align: right;">Page 151</p> <p>1 that deploy the capital as quickly as possible. So</p> <p>2 that's accurate as well.</p> <p>3 Q How do you reconcile this statement with</p> <p>4 stating that REIT II stopping sales might harm REIT I</p> <p>5 and REIT II?</p> <p>6 A Clarify the question one more time.</p> <p>7 Q How do you reconcile this statement --</p> <p>8 what's stating that REIT II stopping sales would harm</p> <p>9 REIT I and REIT II?</p> <p>10 A Well, that just says deploying the capital,</p> <p>11 and we will do our best ability to deploy the capital</p> <p>12 within the metrics we put in place as quickly as</p> <p>13 possible. Whenever you change a business plan,</p> <p>14 it's -- you -- when you change things up, you might</p> <p>15 have to change employees around, as you're -- there's</p> <p>16 just things involved with that.</p> <p>17 It does affect things. So you need to</p> <p>18 collect revenue so you can pay for your staff to</p> <p>19 deploy the capital. Kind of self-explanatory. I</p> <p>20 don't really understand.</p> <p>21 MS. LEVIN: Revenue is different than</p> <p>22 investment by investors, capital invested by</p> <p>23 investors, correct?</p> <p>24 THE WITNESS: Yeah, it's different.</p> <p>25 MS. LEVIN: Okay. So this document says</p>
<p style="text-align: right;">Page 150</p> <p>1 Q Who reviewed it?</p> <p>2 A Mark Roderick and Alan Lewis.</p> <p>3 Q Did you approve this document?</p> <p>4 A I guess clarify that question. Did I</p> <p>5 approve this document?</p> <p>6 Q This document -- this document has your</p> <p>7 signature on it. I'm asking did you approve the</p> <p>8 document?</p> <p>9 A I know we submitted documents to the SEC</p> <p>10 for qualification, and I verbally talked to Alan and</p> <p>11 was like whatever you need me to sign, I sign, on</p> <p>12 your behalf -- what you can sign on my behalf, sign</p> <p>13 on my behalf.</p> <p>14 Q Okay. Who approved this document?</p> <p>15 A It would be Alan Lewis and our -- he would</p> <p>16 approve it and our counsel puts that document</p> <p>17 together.</p> <p>18 Q On the cover page there, on the fourth</p> <p>19 paragraph, it states, "The offering has no minimum</p> <p>20 amount. We will begin to deploy, spend the money we</p> <p>21 raise right away no matter how much or how little we</p> <p>22 raise."</p> <p>23 Is that statement accurate?</p> <p>24 A The offering has no minimum amount, that's</p> <p>25 accurate. And we have, I guess, metrics in place</p>	<p style="text-align: right;">Page 152</p> <p>1 that there's no minimum required, and you just</p> <p>2 testified that that was accurate, correct?</p> <p>3 THE WITNESS: The offering has no minimum</p> <p>4 amount, correct. Yeah.</p> <p>5 MS. LEVIN: Right. So, hypothetically, if</p> <p>6 the offering only raised \$5, how is REIT I harmed?</p> <p>7 THE WITNESS: If it raises \$5, you try to</p> <p>8 deploy those \$5 to the best of your ability.</p> <p>9 REIT I --</p> <p>10 MS. LEVIN: I understand that.</p> <p>11 THE WITNESS: REIT I, if you have a</p> <p>12 business that doesn't create revenue, you can't have</p> <p>13 a staff to manage assets.</p> <p>14 MS. LEVIN: So are you telling us that if</p> <p>15 REIT II does not get investors, you can't run the</p> <p>16 parent company, DiversyFund?</p> <p>17 THE WITNESS: We would -- if we don't have</p> <p>18 a mechanism to create revenue, how are we supposed to</p> <p>19 run the business?</p> <p>20 MS. LEVIN: Do you consider investor money</p> <p>21 capital raised from investors to be revenue?</p> <p>22 THE WITNESS: No, I do not.</p> <p>23 MS. LEVIN: Okay. What do you consider to</p> <p>24 be revenue?</p> <p>25 THE WITNESS: The fee structure that's</p>

<p style="text-align: right;">Page 153</p> <p>1 involved in the funds raised in large dollar amounts 2 is revenue for the company to run the assets. 3 MS. LEVIN: Okay. So the offering document 4 says no minimum amount is required, which means that 5 it's possible that you would generate no fees from 6 REIT II, isn't that a possibility? 7 MR. BHANDARI: Objection; argumentative. 8 Asked and answered. 9 MS. LEVIN: You can answer. You can 10 answer. If there are no investors in REIT II, then 11 no fees would be generated from REIT II; is that 12 correct? 13 THE WITNESS: If no fees are generated from 14 REIT II, then we wouldn't have -- we wouldn't have 15 any revenue to pay for staff, and then we'd have to 16 figure it out. 17 MS. LEVIN: So you view the fees as 18 revenue? 19 THE WITNESS: We do use the fees as 20 revenue. 21 MS. LEVIN: Thank you. 22 Q (By Mr. Rosenthal) On this same document, 23 the offering circular, I'm going to what's been 24 marked as -- what's listed on the page as page 58 of 25 the offering.</p>	<p style="text-align: right;">Page 155</p> <p>1 offering or something less, we believe the proceeds 2 of the offering will satisfy our cash requirements. 3 If we raise less than 50 million, we will simply make 4 fewer investments, although we might decide to raise 5 more capital, we know of no reason why we would need 6 to." 7 Is that statement accurate? 8 A "Whether we raise 50 million in the 9 offering or something less, we believe the proceeds 10 of the offering will satisfy our cash requirements. 11 If we raise less than 50 million, will simply make 12 investments, although we might decide to raise more 13 capital, we know of no reason we would need to." 14 Everything depends on your -- in your 15 business plan, what's your -- you'd adapt your 16 business plan based on what you perceive you could 17 raise. 18 Q So is this statement accurate? 19 A In some forms it can be accurate, in some 20 ways it cannot be accurate. It just depends on 21 your -- what's your business plan. 22 Q In what ways can it not be accurate? 23 A Well, if your business plan is to purchase 24 assets that require \$10 million of equity per asset 25 and you raise \$5 million.</p>
<p style="text-align: right;">Page 154</p> <p>1 MR. BHANDARI: Will, we talked about a 2 five-minute -- letting you guys go on for five 3 minutes and then taking a pause. How about we do 4 that now? 5 MR. ROSENTHAL: This will just take another 6 minute or two. 7 MR. BHANDARI: All right. 8 Q (By Mr. Rosenthal) Mr. Cecilio, in the 9 second paragraph down, it says, "The company is 10 seeking to raise up to \$50 million of capital in this 11 offering by selling Class A investor shares to 12 investors." 13 A Uh-huh. 14 Q Is that -- is that statement accurate? 15 MR. BHANDARI: Do you mean was it accurate 16 as of that time? 17 Q (By Mr. Rosenthal) Yes. Was it accurate at 18 the time? 19 A Let me answer the question, if the 20 paperwork says \$50 million, that's what we plan to 21 raise, \$50 million at the point in time that was 22 filed. 23 Q Okay. 24 And then the last sentence says, under plan 25 of operations, "Whether we raise 50 million in the</p>	<p style="text-align: right;">Page 156</p> <p>1 Q Is that what REIT II's business plan is? 2 A Yeah. I mean, REIT II's business plan is 3 contingent upon how much money we raised in REIT I, 4 and so you said REIT I we raised north of 60 million, 5 so you perceive yourself to raise that same amount or 6 more and put together a plan based on your prior 7 experience. 8 Q Is REIT II's business plan to raise a 9 certain amount? 10 A It's to max -- to maximize the offering, 11 the full amount, is the business plan. 12 Q So how do reconcile the statement with 13 stating REIT II stopping sales would harm REIT I and 14 REIT II? 15 MR. BHANDARI: This is now a minute or two, 16 Will. We're now 10 minutes -- actually 13 minutes 17 beyond where I asked to take a break and you said 18 five minutes. So I'd like to take a break now -- 19 MR. ROSENTHAL: I think he can answer the 20 question -- 21 MR. BHANDARI: -- really one question. 22 MS. LEVIN: I think he can answer the 23 question -- 24 MR. ROSENTHAL: He can answer the question. 25 MS. LEVIN: -- and then we can take a</p>

<p style="text-align: right;">Page 157</p> <p>1 break.</p> <p>2 MR. BHANDARI: Yeah, I'm not objecting to</p> <p>3 that, but I'm saying this one question, and then</p> <p>4 we're going to take a break.</p> <p>5 MR. ROSENTHAL: Correct. Yes.</p> <p>6 Q (By Mr. Rosenthal) All right. You can</p> <p>7 answer the question.</p> <p>8 A What's the question again, one more time?</p> <p>9 Q How do you reconcile this statement with</p> <p>10 stating that REIT II stopping sales would harm REIT I</p> <p>11 and REIT II?</p> <p>12 A I mean, I've talked about indirect</p> <p>13 relationships between entities in running a business,</p> <p>14 and so there is an indirect relationship there.</p> <p>15 You would adjust your business plan</p> <p>16 accordingly based on how much money you raise. If</p> <p>17 you're going after assets that require large down</p> <p>18 payments or large equity investments, you would have</p> <p>19 to reappropriate your business plan and make changes</p> <p>20 accordingly.</p> <p>21 And so the only way that this could be</p> <p>22 construed of not about a business plan is, in this</p> <p>23 case, if our REIT was shut down, which it is right</p> <p>24 now, in a case where we can't fulfill our</p> <p>25 obligations.</p>	<p style="text-align: right;">Page 159</p> <p>1 generated from other properties?</p> <p>2 THE WITNESS: The disposition of some</p> <p>3 properties. I believe we sold two properties.</p> <p>4 MS. LEVIN: Which two properties were sold?</p> <p>5 THE WITNESS: Goshen and Summerlin.</p> <p>6 MS. LEVIN: And when were those sold?</p> <p>7 THE WITNESS: Summerlin over the summer.</p> <p>8 Goshen I think that was like Decemberish.</p> <p>9 MS. LEVIN: December 2021?</p> <p>10 THE WITNESS: Yeah.</p> <p>11 MS. LEVIN: Okay. And how are other parent</p> <p>12 company operations funded in addition -- you know,</p> <p>13 beyond paying your employees? For example, you pay</p> <p>14 rents, you pay for software, technology license. How</p> <p>15 are operations funded?</p> <p>16 THE WITNESS: That's all -- that's where</p> <p>17 the revenue comes from. That's all the revenue.</p> <p>18 MS. LEVIN: So those same three sources?</p> <p>19 THE WITNESS: Yeah.</p> <p>20 MS. LEVIN: Okay. And how are dividends</p> <p>21 paid to REIT II investors?</p> <p>22 THE WITNESS: The dividends to REIT II</p> <p>23 investors?</p> <p>24 MS. LEVIN: Yes.</p> <p>25 THE WITNESS: I mean there's really -- REIT</p>
<p style="text-align: right;">Page 158</p> <p>1 So we have to readjust our business plan</p> <p>2 accordingly, which would be laying the staff off.</p> <p>3 MR. ROSENTHAL: Off the record at 3:41 p.m.</p> <p>4 (Recess from 3:41 p.m. to</p> <p>5 3:53 p.m..)</p> <p>6 MR. ROSENTHAL: On the record at 3:53 p.m.</p> <p>7 MS. LEVIN: I just had a couple of</p> <p>8 follow-up questions.</p> <p>9 How are the employees of the parent company</p> <p>10 Diversified (sic) paid. Are they paid from the fees</p> <p>11 or from another source of income?</p> <p>12 THE WITNESS: It was a combination of</p> <p>13 shareholder dollars and fees and some -- a few sales</p> <p>14 of some properties.</p> <p>15 MS. LEVIN: So when you say shareholder</p> <p>16 dollars, what do you mean?</p> <p>17 THE WITNESS: We raised money for the</p> <p>18 company, for the first few years of the company, to</p> <p>19 build the company up.</p> <p>20 MS. LEVIN: So are you talking about</p> <p>21 investor capital? Is that what you mean?</p> <p>22 THE WITNESS: Yeah, we start -- that's a</p> <p>23 startup.</p> <p>24 MS. LEVIN: So employee salaries are paid</p> <p>25 using investor capital, fees, and also revenue</p>	<p style="text-align: right;">Page 160</p> <p>1 It just opened up, so -- and now it's shut down, so</p> <p>2 I'm not really sure, wouldn't be able to do any</p> <p>3 dividends. But that would be a question for our</p> <p>4 chief investment officer and how he does the dividend</p> <p>5 equation based on the value-add asset class.</p> <p>6 So there's a thing -- so he's the expert on</p> <p>7 that. It usually takes about three years before you</p> <p>8 get the cash flow on all the properties, when true</p> <p>9 cash dividends get applied to them.</p> <p>10 But I believe there's a time period in the</p> <p>11 first year where you can do some type of dividend.</p> <p>12 But he's the expert at that, not myself. So he could</p> <p>13 fill you in on the specifics and how that works.</p> <p>14 MS. LEVIN: And when you said true cash</p> <p>15 dividends, what did you mean?</p> <p>16 THE WITNESS: Is when you have cash flow</p> <p>17 from the properties, giving cash directly to the</p> <p>18 customers, which would take close to three years for</p> <p>19 that to happen. Because that's how long it takes you</p> <p>20 to get the properties to be performing where it's</p> <p>21 positive cash flow.</p> <p>22 MS. LEVIN: Okay. Thanks. I think that</p> <p>23 was all my follow-up for now.</p> <p>24 Q (By Mr. Rosenthal) Has REIT II paid out any</p> <p>25 dividends?</p>

<p style="text-align: right;">Page 161</p> <p>1 A I don't know. I don't know if it has. 2 Q Okay. 3 MS. LEVIN: Actually, I have another 4 follow-up question. I apologize, Mr. Cecilio. 5 It sounds like you're the one who really 6 handles finance; is that correct? 7 THE WITNESS: No, that's the -- the COO 8 handles the finance department. I like to be aware 9 of the number of what's going on to make decisions. 10 MS. LEVIN: To make decisions about what? 11 THE WITNESS: Everything, in general. How 12 the assets are performing, how -- you know, should we 13 hire people, do we have revenue, all of those 14 high-level business decisions. 15 MS. LEVIN: Okay. Thank you. 16 Q (By Mr. Rosenthal) What fees does REIT II 17 charge? 18 A The fee structure of REIT II? 19 Q Yeah. 20 A The specific details are an offering, and I 21 could just tell you -- well, technically speaking, 22 today REIT II is not authorized to sell anything, so 23 we're actually technically not charging any fees from 24 that point of view. 25 But the way it was accepted, it's writing</p>	<p style="text-align: right;">Page 163</p> <p>1 construction management fee, guaranty fees, other 2 fees. 3 Is this description of the fees for REIT II 4 accurate? 5 A Yeah, those -- if it's in the document, 6 those are the fees. I would just go on to say, just 7 because you charge those the fees in the document 8 doesn't mean those fees are charged. You just have 9 to -- I'd have to get accounting to produce what fees 10 were charged. 11 Q So the first fee is a reimbursement; is 12 that accurate? 13 A For which one? 14 Q The first one. I just -- it has REIT II 15 charge, reimbursement? 16 A And I think this says reimbursement, and it 17 says estimate on there. So you'd have to go to -- 18 I'd have to go to my accounting department, which I 19 think you guys got the financials, and we could 20 extrapolate that for you if you need that. And we 21 could get the financing, the actual numbers that we 22 charged and compare it against this document. It's 23 pretty easy. 24 But I don't have it off the top of my head. 25 I think that's pretty par for course. I don't think</p>
<p style="text-align: right;">Page 162</p> <p>1 the offering itself that clearly delineates what the 2 fees are inside the offering paperwork. 3 And I think there's a little latitude of 4 what we can charge in there as well. Chief 5 investment officer is the one who put the fee 6 structure in. I don't have it memorized off the top 7 of my head, and I don't want to answer a question 8 where I'm going to be inaccurate. 9 Q How much in fees has REIT II charged so 10 far? 11 A REIT II has charged. My finance department 12 would have the exact numbers. I don't have them on 13 the top of my head. But it could be provided for you 14 guys upon request. 15 Q Okay. I'm going to be sharing a document 16 again. This is Exhibit 5, which was previously 17 shown. This is Part II offering circular DF Growth 18 REIT II. 19 So on page 28 of the offering circular, it 20 lists -- under compensation of management structure, 21 it list fees and it lists the type of fee and a 22 description and the amount. 23 Then there's several different types of 24 fees, reimbursement, asset management fee, sponsor 25 fee, properties disposition fee, financing fee,</p>	<p style="text-align: right;">Page 164</p> <p>1 any human being would have it on top of their head. 2 Q Aside from the estimated amount, is the 3 description of the fees that are being charged to 4 REIT II, is that accurate? 5 A Yeah. I'm only looking at this one page 6 here, so I'd have to look at the rest. I can't -- 7 that's a reimbursement fee there. 8 Can you scroll down? 9 Q Just the reimbursement, has that -- is that 10 an accurate description, aside from the amounts? 11 A You get the accurate amount, you just get 12 the invoices from the attorney, Mark Roderick, and 13 just look at that amount and is that consistent with 14 that amount. It says an estimate too. So it just -- 15 that's what I would do. I would just kind of look -- 16 I'd call my finance department and get that number 17 and ask him to look at a copy of his invoices. 18 Q Has the company reimbursed the sponsor for 19 expenses? 20 A I mean -- reimburse the sponsor, what do 21 you mean the sponsor? 22 Q So it says in the document, the company 23 will reimburse the sponsor for expenses and it was 24 different types. I'm just asking has the company 25 reimbursed the sponsor as described here?</p>

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1 A Who is the -- who is the sponsor in this
2 case? I just need to be clear on who the sponsor is.
3 Q Just asking a broader question. Has
4 REIT II reimbursed any expenses?
5 A Yes. It has reimbursed expenses. The
6 exact amounts, I do not, but our accounting
7 department does know and can produce those records.
8 And I believe we did send records to you
9 guys as well, so you could have accurate information
10 to see if it matches what the offering says versus
11 the fees charged.
12 Q And what types of expenses has REIT II
13 reimbursed?
14 A The specific details would be our
15 accounting department. I don't have that memorized
16 in my head.
17 Q And so for what people or entities has REIT
18 II reimbursed the expenses?
19 A It would be -- you get a detailed list from
20 our accounting department and it would specifically
21 say does this specific dollar amount and specific
22 party that was reimbursed.
23 Q Okay. On the next page it lists an asset
24 management fee. It states, "The sponsor will charge
25 each project entity an asset management fee equal to

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1 2 percent of the gross operating income, typically
2 gross rental revenue of the real estate contract
3 owned by the project entity."
4 Is that statement accurate?
5 A Yes.
6 Q Has REIT II charged asset management fees?
7 A I don't think that means the REIT asset
8 management fee. I think that is the asset management
9 fee on the property level. That's what it means.
10 It's not an asset management fee for the
11 fund. That's a -- it says responsible charge each
12 project entity and asset management fee. That's on
13 the property level that an asset manager charges.
14 Q Has REIT II charged any asset management
15 fees?
16 A It would be on a pro rata basis based on
17 when we deploy the capital into those properties.
18 And if those properties are -- we started performing
19 work with the asset management functions.
20 So since it's so early in the inception of
21 this fund, I do not know for sure if anything's been
22 charged or not.
23 Q Have the asset management fees changed?
24 A This is on the property level. They're
25 still the same. It's just -- it's not out of the

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1 fund level.
2 Q The way that REIT II charges asset
3 management fees, has that changed?
4 A Every fund is different. It has its own
5 unique fees, so I don't know -- I would say yes, to
6 answer the question, it would be -- every fund we
7 have is different than the last fund.
8 But nothing is -- we're not charging
9 anything that's not on this list. We're not
10 different. We're consistent with it, and we probably
11 charge less fees than what are on this offering,
12 which we could just kind of look at the QuickBooks
13 files and just do a cross reference of: Here's the
14 fees you can charge, here's the fees you collected,
15 and you do a cross reference to see what was approved
16 by the SEC and what we're charging.
17 Q What fees have been less?
18 A This would be speculation, you would just
19 have to produce that through your accounting
20 department and overlap each other. Here's the fees
21 charged, here's what you can, just look at the
22 difference.
23 Q And this sponsor fee, it says, "The sponsor
24 will charge each project entity (or the company
25 itself if the company owns real estate directly) a

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1 sponsor fee between 6 percent and 8 percent of the
2 total project cost, including both hard costs (e.g.,
3 the cost of property) and soft costs, (e.g.,
4 professional fees)."
5 Has REIT II charged sponsor fees?
6 A REIT II has charged fees. Specifically how
7 that is sliced and diced, I'd have to go through the
8 accounting department to know those -- those specific
9 numbers. There's just no way humanly possible I can
10 do that off the top of my head.
11 Q But not the -- I'm not asking the specific
12 number. I'm just asking has REIT II charged any
13 sponsor fees?
14 A It has charged fees. I don't know how it
15 was broken down and how those fees were charged. I
16 don't have that information in front of me, so I
17 can't answer the question.
18 Q Okay.
19 MR. BHANDARI: I'm confused, Will. I
20 thought you said earlier that the sponsor was one of
21 the managing entities. I'd have to look at the
22 document to see which one is identified as a sponsor
23 and the company is REIT II? Did I hear you say that
24 right?
25 MR. ROSENTHAL: I was just reading the

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1 document.

2 MR. BHANDARI: I understand, but there's

3 two different entities, the sponsor and the company.

4 Who's the sponsor and who's the company?

5 Q (By Mr. Rosenthal) Mr. Cecilio, what's your

6 understanding of who the sponsor and who the company

7 are?

8 MR. BHANDARI: And if you need to read the

9 document to understand what the document says, then

10 ask to read the document.

11 MS. LEVIN: Will, you can go to the cover

12 page if you want.

13 BY MR. ROSENTHAL:

14 Q On the cover page it says,

15 "DF Growth REIT II, LLC, a limited liability

16 company organized under the laws of Delaware, which

17 referred to as the company, we, us, or our was formed

18 to acquire interest in real estate assets in the

19 United States."

20 So DF Growth REIT II is the company.

21 MR. BHANDARI: All right. So the thing you

22 were asking about, Will, says a sponsor fee is going

23 to be charged by the sponsor, not by the company.

24 MR. ROSENTHAL: Okay.

25 MS. LEVIN: I think he was just asking what

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1 was written in the document.

2 MR. ROSENTHAL: Right.

3 MR. BHANDARI: No, he asked whether REIT II

4 is going to charge any fees, and he referenced the

5 section says sponsor fees.

6 REIT II is not implicated by something that

7 says sponsor fees.

8 MS. LEVIN: Why don't we just agree to

9 disagree on this and move on.

10 Q (By Mr. Rosenthal) Has REIT II charged any

11 property disposition fees?

12 A No, because we didn't sell a property in

13 REIT II yet. It just started.

14 MR. BHANDARI: Objection. Again,

15 foundation. It's contrary to the document.

16 A This is very easy information to get you

17 guys if you guys need it, so...

18 (SEC Exhibit No. 6 was introduced.)

19 BY MR. ROSENTHAL:

20 Q I'm going to show you

21 what has been marked as Exhibit 6. This is a

22 document, multipage document. At the top it says,

23 "Offering Circular Supplement Number 1." The date is

24 August 26, 2021. DF Growth REIT II, LLC.

25 I'll scroll through the document, and I'm

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1 going to ask if you recognize it.

2 A Can you -- okay. Slow down. Asset

3 management fee. See, that's -- acquisition fee.

4 Okay. Keep going down.

5 Is -- go down a little bit more. Go up.

6 Go to the top. I'm missing something here.

7 Keep going up. Okay. Go down. Stop right

8 there. Okay.

9 Q Do you recognize this document?

10 A Yeah. It's the document that was -- that

11 Mark filed, and Alan, to adjust the fee structure.

12 Q Okay. So who drafted this document?

13 A Mark Roderick.

14 Q Did anyone else draft it?

15 A He's our counsel, so he's technically the

16 one who drafted it.

17 Q And did -- who provided information to

18 Mark?

19 A That'd be Alan Lewis, our chief investment

20 officer.

21 Q Did you review this document?

22 A No, I did not, but I know the reason for

23 the document.

24 Q Okay. Did you approve this document?

25 A I supported -- I -- I mean approve? I

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1 supported the document. I said okay. I didn't get a

2 chance to review the document. I just told we were

3 updating the fee structure, and we're going to

4 increase -- that's what I was told, and I said okay.

5 Q Who else approved this document?

6 A You would look -- only Alan and I are the

7 only two on board of directors, so we'd only two have

8 the rights to approve that document.

9 Q Okay.

10 A No one else really has any -- I'm not sure

11 what word I'm trying to use here -- but any

12 authorization to approve or disprove.

13 MS. LEVIN: So, I'm sorry, I just -- I want

14 the record to be clear.

15 Did Alan Lewis have final approval of this

16 document?

17 THE WITNESS: Alan and I are the only two

18 on the board of directors, and so we'd have to

19 have -- both of us would have to -- as long as

20 neither one of us objected to this, so...

21 MS. LEVIN: Well, I guess I'm asking,

22 Mr. Cecilio, who had final approval of this document?

23 Was it you or Mr. Lewis or both of you?

24 THE WITNESS: Neither one of has more

25 authority over the other. That's what I'm trying to

<p style="text-align: right;">Page 173</p> <p>1 get at, so it would have to be --</p> <p>2 MS. LEVIN: Okay.</p> <p>3 THE WITNESS: No one said --</p> <p>4 MS. LEVIN: That's not an answer.</p> <p>5 THE WITNESS: (Inaudible) the actual truth</p> <p>6 in how it happened was, I'm filing this document,</p> <p>7 okay, go ahead and file the document. It was a</p> <p>8 verbal okay from me. He said he was going to file</p> <p>9 this document, based on Mark, submitted to the SEC.</p> <p>10 MS. LEVIN: So you gave a verbal okay to</p> <p>11 Alan?</p> <p>12 THE WITNESS: Verbal, when he told -- yes,</p> <p>13 when he said I'm doing this, yes.</p> <p>14 MS. LEVIN: Okay. So you both have final</p> <p>15 approval then?</p> <p>16 THE WITNESS: Yes.</p> <p>17 MS. LEVIN: Thank you.</p> <p>18 BY MR. ROSENTHAL:</p> <p>19 Q So you said you understood</p> <p>20 that the fee structure was updated. Who</p> <p>21 decided to update the fee structure?</p> <p>22 A Alan updated the fee structure from --</p> <p>23 after consulting with Mark Roderick, our securities</p> <p>24 attorney.</p> <p>25 Q Okay. And why was the fee structure</p>	<p style="text-align: right;">Page 175</p> <p>1 And it goes on to list several fees.</p> <p>2 A Yes.</p> <p>3 Q I'm not going into the specifics, but was</p> <p>4 that statement true, that the offering circular fees</p> <p>5 section was revised entirely?</p> <p>6 A It was revised. Entirety would mean --</p> <p>7 yeah, it was changed. So I -- was every single thing</p> <p>8 changed? I think you have to see them side by side.</p> <p>9 I wouldn't -- but it was -- there's material change</p> <p>10 here.</p> <p>11 Q Okay. So was this intended to be a</p> <p>12 complete replacement of the fee for REIT II from</p> <p>13 what's in the offering circular?</p> <p>14 A The original ones in REIT II are just like</p> <p>15 REIT I.</p> <p>16 Again, the total fees were -- if you did a</p> <p>17 spreadsheet, it's the same fee charged, it flattens</p> <p>18 when we get the fee. So it was a little bit later on</p> <p>19 in the process, it just flattens it out across the</p> <p>20 whole process --</p> <p>21 Q Okay.</p> <p>22 A -- or timeframe.</p> <p>23 Q Is the description of REIT II fees in this</p> <p>24 document accurate?</p> <p>25 A Yes, it looks accurate.</p>
<p style="text-align: right;">Page 174</p> <p>1 updated?</p> <p>2 A The fee structure was updated for a variety</p> <p>3 of reasons. One, basically it's the same fee</p> <p>4 structure that we had before. It just flattens the</p> <p>5 fees out across the board. So if you really did put</p> <p>6 it -- the fees in an Excel spreadsheet and looked at</p> <p>7 how the fees were paid on REIT I, it's pretty much</p> <p>8 the same costs to customers on REIT II. They just</p> <p>9 come at different points in time in the process. So</p> <p>10 that was the reason behind it, the flattening --</p> <p>11 flatten the fees coming to the company.</p> <p>12 Q Okay. Okay.</p> <p>13 A It wasn't an increase in fees, it just</p> <p>14 flattens the fees when they come in at what point in</p> <p>15 time.</p> <p>16 Q Okay.</p> <p>17 Was that the only reason or purpose,</p> <p>18 or were there any other reasons or purposes to update</p> <p>19 the fee structure?</p> <p>20 A No. That was the primary purpose, to</p> <p>21 flatten the fees when they came in.</p> <p>22 Q Do you see on that first page, it says</p> <p>23 "Change in fee structure, the section of the offering</p> <p>24 circular captioned compensation of management fees is</p> <p>25 revised in its entirety to provide as follows."</p>	<p style="text-align: right;">Page 176</p> <p>1 Q And it mentions the expenses. Are the</p> <p>2 expenses being reimbursed by REIT II expenses that</p> <p>3 were actually incurred?</p> <p>4 A Can you elaborate on the question or</p> <p>5 clarify that?</p> <p>6 Q How were the REIT II expenses? Are they --</p> <p>7 when they're being reimbursed, are they expenses that</p> <p>8 have actually been incurred?</p> <p>9 A I mean -- I'm not going to guess. Just</p> <p>10 going through the financial records, and you can see</p> <p>11 that, you can see when an expense was created, and</p> <p>12 then you can see when the fee came in to pay for that</p> <p>13 expense. It would be all in the financial</p> <p>14 specifically.</p> <p>15 There's just so many expenses coming in. I</p> <p>16 can't put myself in a position to guess here what the</p> <p>17 facts would be, and the financials would show you</p> <p>18 exactly that, how it was paid.</p> <p>19 So I don't want to guess here, because I</p> <p>20 think there's like -- there's just so much stuff</p> <p>21 that -- there's a lot of costs and a lot of bills</p> <p>22 being paid, I just can't guess.</p> <p>23 Q What is the process for charging expenses?</p> <p>24 Do people submit invoices or --</p> <p>25 A The process?</p>

<p style="text-align: right;">Page 177</p> <p>1 Q Yeah.</p> <p>2 A I mean, overall -- the overall financial</p> <p>3 department, how we operate that?</p> <p>4 Q Yeah.</p> <p>5 A We set a budget, and we allow our --</p> <p>6 each -- certain people have authorization to manage</p> <p>7 their budgets accordingly. There's different</p> <p>8 divisions, different departments, which are different</p> <p>9 from each other, so there's not a consistent process</p> <p>10 across each division.</p> <p>11 And some are direct pays on credit cards,</p> <p>12 account cards.</p> <p>13 Some are -- are invoices that were</p> <p>14 received. Some are manual invoices. Some are</p> <p>15 automated stuff. It's all the across the board.</p> <p>16 Really, if you look at the financials, will</p> <p>17 detail that at the level that you probably need to</p> <p>18 see at the end of the day. And I'm sure you guys</p> <p>19 have all that information.</p> <p>20 But, otherwise, I'd just be kind of</p> <p>21 guessing, but it's just -- it's just a little bit --</p> <p>22 there's not one certain way how it's done.</p> <p>23 And you've got that variety of -- you got</p> <p>24 more the tech-oriented businesses and systematic</p> <p>25 billing to maybe a contractor of a specific property</p>	<p style="text-align: right;">Page 179</p> <p>1 again to testify in this matter. We'll contact your</p> <p>2 counsel to arrange this.</p> <p>3 Although your testimony is being adjourned,</p> <p>4 you remain under subpoena.</p> <p>5 Mr. Cecilio, do you wish to clarify</p> <p>6 anything or add anything to the statements you have</p> <p>7 made today?</p> <p>8 MR. BHANDARI: I can say that he doesn't.</p> <p>9 THE WITNESS: No.</p> <p>10 MR. ROSENTHAL: Counsel, do you have -- do</p> <p>11 you wish to ask any clarifying questions?</p> <p>12 MR. BHANDARI: No, thank you.</p> <p>13 MR. ROSENTHAL: Okay. Off the record at</p> <p>14 4:23 p.m.</p> <p>15 (Whereupon, at 4:23 p.m., the examination</p> <p>16 was concluded.)</p> <p>17 * * * * *</p> <p>18</p> <p>19</p> <p>20</p> <p>21</p> <p>22</p> <p>23</p> <p>24</p> <p>25</p>
<p style="text-align: right;">Page 178</p> <p>1 sends you an invoice, and it's all across the board.</p> <p>2 Q Who oversees expenses?</p> <p>3 A We have our COO overseeing the expenses</p> <p>4 right now. He's running the financial departments.</p> <p>5 He sets the budgets.</p> <p>6 And then on the property level, that would</p> <p>7 be the head of real estate and -- in concert with our</p> <p>8 chief investment officer, Alan Lewis.</p> <p>9 Q So who approves expenses?</p> <p>10 A Depending on which level. So you have the</p> <p>11 level on -- to the property level, it would be the</p> <p>12 chief investment officer. On the particular assets</p> <p>13 that we're managing, on the parent level we just -- I</p> <p>14 mean, we came to an agreement of the budget for --</p> <p>15 and our COO divides that up proportionally. So we</p> <p>16 have a fixed number.</p> <p>17 Q Okay.</p> <p>18 MR. ROSENTHAL: Vicki, do you have</p> <p>19 questions?</p> <p>20 MS. LEVIN: I don't have any more for</p> <p>21 today.</p> <p>22 I'm sure we'll need to speak with you again,</p> <p>23 Mr. Cecilio. So I'll let Will wrap up for today.</p> <p>24 MR. ROSENTHAL: Mr. Cecilio, at this time,</p> <p>25 we are adjourning your testimony, but we may call you</p>	<p style="text-align: right;">Page 180</p> <p>1 PROOFREADER'S CERTIFICATE</p> <p>2</p> <p>3 In the Matter of: DIVERSYFUND, INC.</p> <p>4 Witness: Craig Cecilio</p> <p>5 File Number: LA-05266-A</p> <p>6 Date: Tuesday, March 15, 2022</p> <p>7 Location: Los Angeles, California</p> <p>8</p> <p>9 This is to certify that I, Christine Boyce,</p> <p>10 (the undersigned), do hereby certify that the foregoing</p> <p>11 transcript is a complete, true and accurate transcription</p> <p>12 of all matters contained on the recorded proceedings of</p> <p>13 the investigative testimony.</p> <p>14</p> <p>15</p> <p>16 _____</p> <p>17 (Proofreader's Name) 3-28-2022</p> <p>18</p> <p>19</p> <p>20</p> <p>21</p> <p>22</p> <p>23</p> <p>24</p> <p>25</p>

1 REPORTER'S CERTIFICATE

2 STATE OF UTAH)

3 COUNTY OF SALT LAKE)

4 I, Heidi Hunter, RPR, CCR, for the state
5 of Utah.

6 That the foregoing proceedings were taken
7 before me at the time and place set forth in the
8 caption hereof; that the witness was placed under
9 oath to tell the truth, the whole truth, and nothing
10 but the truth.

11 That I thereafter transcribed my said
12 shorthand notes into typing and that the typewritten
13 transcript of said deposition is a complete, true
14 and accurate transcription of my said shorthand
15 notes taken at said time.

16 I further certify that I am not a relative
17 employee, attorney, or counsel of any of the parties
18 nor am I a relative or employee of any of the
19 parties' attorney or counsel connected with the
20 action, nor am I financially interested in the
21 action.

22 _____
23 Heidi Hunter, RPR, CCR

24
25

Division of Enforcement's Exhibit 22

LA-05266

***Lewis, Alan - Vol.
II.20220421.385163-LA***

4/21/2022 9:39 AM

Condensed Transcript

Prepared by:

Jamar Smith
LA-05266

Tuesday, May 3, 2022

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1 THE UNITED STATES SECURITIES AND EXCHANGE COMMISSION
2
3 In the Matter of:)
4) File No. LA-05266-A
5 DIVERSYFUND, INC.)
6
7 WITNESS: Alan Lewis
8 PAGES: 8 through 198
9 PLACE: Securities and Exchange Commission
10 444 Flower Street, Suite 900
11 Los Angeles, California 90071
12 DATE: Thursday, April 21, 2022
13
14 The above-entitled matter came on for hearing,
15 via WebEx, pursuant to notice, at 9:39 a.m. Pacific Time.
16
17
18
19
20
21
22
23
24 Diversified Reporting Services, Inc.
25 (202) 467-9200

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1 APPEARANCES:
2
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23
24
25

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1 PROCEEDINGS
2 MR. ROSENTHAL: On the record at 9:39 a.m. on
3 April 21, 2022. Mr. Lewis, do you consent to taking an oath
4 to tell the truth remotely via Webex rather than in person?
5 THE WITNESS: Yes, I consent.
6 MR. ROSENTHAL: Please raise your right hand.
7 Whereupon,
8 ALAN LEWIS
9 was called as a witness by counsel for the SEC, and having
10 been first duly sworn, was examined and testified
11 as follows:
12 EXAMINATION
13 BY MR. ROSENTHAL:
14 Q Please state and spell your full name for the
15 record.
16 A Alan Robertson Lewis, A-L-A-N, R-O-B-E-R-T-S-O-N,
17 L-E-W-I-S.
18 Q My name is William Rosenthal. I'm an attorney in
19 the Office of Enforcement, Los Angeles Regional Office, of the
20 United States Securities and Exchange Commission. With me
21 today is Assistant Regional Director Victoria Levin and trial
22 counsel Jennifer Barry and Stephen Kam. We are all officers
23 of the Commission for the purposes of this proceeding.
24 This is an investigation by the United States
25 Securities and Exchange Commission in the matter of

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1 DiversyFund, Inc., LA-5266, to determine whether there have
2 been violations of certain provisions of the federal
3 securities laws. However, the facts developed in this
4 investigation might constitute violations of other federal or
5 state civil or criminal laws.
6 (SEC Formal Orders of
7 Investigation were identified for
8 the record.)
9 BY MR. ROSENTHAL:
10 Q Mr. Lewis, prior to the opening of the record you
11 were provided with a copy of the Formal Order of Investigation
12 in this matter. You were also provided a copy of two
13 Supplemental Formal Orders of investigation in this matter.
14 All three orders will be available for your examination during
15 the course of this proceeding. Have you had an opportunity to
16 review both the Formal Order and the two supplemental Formal
17 Orders?
18 A Yes.
19 (SEC Exhibit No. 1 was
20 identified for the record.)
21 BY MR. ROSENTHAL:
22 Q And prior to the opening of the record you were
23 provided with a copy of the Supplemental Information
24 Form 1662, which has been marked as Exhibit Number 1.
25 Have you had the opportunity to read Exhibit Number 1?

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1 A Yes.
2 Q Do you have any questions about this exhibit?
3 A No.
4 Q Okay. Are you represented by counsel?
5 A Yes, I am.
6 MR. ROSENTHAL: Would counsel please identify
7 themselves for the record and confirm that they are
8 representing Mr. Lewis?
9 MR. BHANDARI: Sanjay Bhadari. I do represent
10 Mr. Lewis.
11 MR. ROSENTHAL: I'm sorry, can you repeat that?
12 MR. BHANDARI: Sure. Can you hear me now?
13 MR. ROSENTHAL: (Shaking head.)
14 MR. BHANDARI: No.
15 MR. ROSENTHAL: It's a little choppy.
16 MR. BHANDARI: Okay. How about now?
17 MR. ROSENTHAL: Yes.
18 MS. LEVIN: (Nodding head.)
19 MR. BHANDARI: Okay. I'm not sure what going on
20 with the computer. I moved the setup because it was getting a
21 lot of sun in the back and I think it's overheating. So
22 hopefully it'll get a little bit better as we go along. But
23 yes, Sanjay Bhadari with the lawfirm of Buchalter. I do
24 represent Mr. Lewis.
25 MR. ROSENTHAL: Okay.

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1 BY MR. ROSENTHAL:
2 Q And, Mr. Lewis, and counsel, could you please
3 confirm for the record that no one else in the room is with
4 you?
5 A Correct. No one else is in the room with me.
6 Q Okay.
7 A Confirmed.
8 BY MR. ROSENTHAL:
9 Q And, Mr. Lewis, Mr. Bhandari is representing you,
10 correct?
11 A Yes.
12 Q Okay. So I'm going to go over some general ground
13 rules. Everything we say today is recorded by the court
14 reporter and will return in the form of a transcript. To help
15 make our reporter make an accurate transcript I'm just going
16 to go over these guidelines.
17 First, please provide complete verbal responses to
18 our questions. The reporter is unable to record an answer if
19 you shake your head or make other movements. Do you
20 understand?
21 A Yes, I understand.
22 Q Okay. And the reporter also can't record all of us
23 speaking if we're -- there's more than one of us speaking at
24 the same time. So if you can please let us finish our
25 questions before you answer, and we will try to let you finish

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1 your responses to our questions before we ask the next
2 question. Do you understand that?
3 A Yes.
4 Q Okay. And if you do not understand a question,
5 please tell us and we will try to rephrase it.
6 I will control the record and when the court
7 reporter is on the record or off the record. If you with to
8 go off the record at any time to take a break or to consult
9 with your attorney, please indicate this to me and we will ask
10 the reporter to go off the record if it's an appropriate time
11 to do so.
12 A Okay.
13 Q So even though we are taking your testimony via
14 Webex today, you should consider yourself to be testifying in
15 a court. The oath that you took to tell the truth is the same
16 one used in court, and the Commission may submit today's
17 testimony as evidence to a Court in a later proceeding. For
18 this reason you should make every effort to give the best,
19 most complete and honest answers to our questions today. Do
20 you understand?
21 A Yeah, what do you mean by "best" testimony?
22 Q Your best answers to the questions that I ask.
23 A Yeah, I'm committed to giving truthful and honest
24 answers under the oath to the best of my recollection --
25 Q Okay.

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1 A -- at this time.
2 Q And if you have trouble hearing me at all at any
3 point in time, please let me know. If we have bandwidth or
4 technical issues, sometimes it helps if people switch their
5 cameras off. So we may need to do that, but for now I think
6 we can leave them on and assess as it goes.
7 So the transcript of your testimony via Webex may be
8 used for all the routine uses set forth in SEC Form 1662,
9 which has been marked as Exhibit Number 1. Since you are
10 testifying via Webex today, there are some additional
11 procedures that apply.
12 (SEC Exh bit No. 2 was
13 identified for the record.)
14 BY MR. ROSENTHAL:
15 Q Prior to the opening of the record you were provided
16 with a copy of the Securities and Exchange Commission's
17 procedures for testimony by audiovisual means, which has been
18 marked as Exh bit Number 2. I'll put that on the screen
19 again. Mr. Lewis, do you agree to abide and understand the
20 procedures set -- sorry. Do you understand and agree to abide
21 by the procedures set forth in Exhibit Number 2?
22 A Yes.
23 MR. ROSENTHAL: And, Counsel, do you understand and
24 agree to abide by the procedures as set forth in Exhibit
25 Number 2?

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1 MR. BHANDARI: (Inaudible.)
2 MR. ROSENTHAL: Sorry, we didn't --
3 MR. BHANDARI: Yes.
4 MR. ROSENTHAL: -- hear that, Counsel.
5 MR. BHANDARI: Yes.
6 MR. ROSENTHAL: Thank you.
7 BY MR. ROSENTHAL:
8 Q Mr. Lewis, have you taken any medication or anything
9 else during the last 24 hours that may impair your ability to
10 remember facts and events?
11 A No medication.
12 Q And nothing else that would impair your ability to
13 remember facts and events?
14 A Correct.
15 (SEC Exhibit No. 17 was
16 identified for the record.)
17 BY MR. ROSENTHAL:
18 Q I'm just going to pull up on the screen a document
19 that's been marked as Exhibit Number 17. It is a
20 multiple-page document consisting of a letter addressed to
21 Alan Lewis and it's dated January 26, 2022. And there is an
22 accompanying subpoena and attachment to the subpoena.
23 To clarify for the record, when we show you exhibits
24 today during your testimony via Webex, we are showing you
25 electronic copies of the exhibits on the Webex screen. Please

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1 take whatever time you need to review these exhibits. I will
2 scroll through it. It's a long document. But if you'd like
3 me to stop at any point, you can let me know.
4 A Okay.
5 Q I'm just going to ask you after I scroll through it
6 if you recognize the document.
7 Mr. Lewis, do you recognize Exhibit Number 17.
8 A Yes.
9 Q Is the subpoena in Exhibit 17 a copy of the subpoena
10 you are appearing pursuant to here today?
11 A I assume so.
12 Q Okay. Do you have any reason to believe it's not?
13 A Well, I understood this to be a subpoena for the
14 document requests, so I didn't read it closely about
15 discovering the subpoena for the appearance today, but that
16 would make sense.
17 Q Okay. I will go to -- do you see on page 4 it says
18 you must testify before the officers of the Securities and
19 Exchange Commission at the place, date and time specified
20 below?
21 A Yeah, I see that now.
22 Q Okay. So you understand that this is the subpoena
23 you are appearing here today pursuant to?
24 A Correct.
25 Q Okay. And this -- this subpoena also calls for

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1 documents to be produced. Have you tendered to the staff all
2 documents called for by the subpoena?
3 A Yeah, to the best of my understanding of the list of
4 requests.
5 MR. BHANDARI: And if I might just clarify --
6 BY MR. ROSENTHAL:
7 Q Okay. Are there certain documents --
8 MR. BHANDARI: If I might just clarify, as counsel
9 we're working to provide all these documents. And they -- so
10 certainly Mr. Lewis has provided to us, I believe, at this
11 time everything that would be responsive. I think there will
12 be a production coming up the end of this week that will take
13 care of the -- most of the remaining items. We've made a
14 number of productions along the way, and then I think there
15 will need to be one more additional production with some text
16 messages. But I believe as far as Mr. Lewis providing the
17 information to us, I think that process has been completed.
18 MR. ROSENTHAL: Okay. Thank you, Counsel. We can
19 certainly follow up with you. I will note for the record that
20 these requests remain outstanding.
21 BY MR. ROSENTHAL:
22 Q Mr. Lewis, can you describe the search that you
23 conducted for the documents and provide who conducted that
24 search?
25 A And do you -- are you referring just to the list on

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1 here or the other subpoenas for the REIT II and DiversyFund,
2 Inc.?
3 Q Just for the subpoena.
4 A Yeah. Yeah, for this subpoena, depending on the
5 particular document request, search of company files on our
6 filing system, some of the requests would be passed on to
7 finance -- our financial team. And then search for personal
8 stuff, you know, just going through personal items to produce
9 those items and lists. And then as Sanjay mentioned, you
10 know, some of the responses will be coming through in the
11 productions of the Slack and text messages.
12 Q Okay. And who conducted those searches? Did you or
13 did someone else?
14 A Which searches in particular?
15 Q It's -- all of them, if you can describe any
16 searches that were conducted.
17 A There have been some searches I was able to do
18 myself. Some searches I asked our finance team to conduct.
19 Q Which searches did you conduct?
20 A I mean, do you want to go through each one of --
21 MR. BHANDARI: Probably, Will, it would make sense
22 for -- that's what I was going to suggest. If you want, Will,
23 he can just go through each item and tell you how he did the
24 search for that item. Would you like that?
25 MR. ROSENTHAL: Okay. Sure.

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1 BY MR. ROSENTHAL:
2 Q So the first one, all documents concerning the
3 receipt of investor funds by DF Growth REIT II, who conducted
4 the search for that?
5 A That I don't recall if it was finance or -- we have
6 a gentleman named Ryan Wagner who deals with our data. So it
7 would have come from one of those two.
8 Q And when you say "finance" who do you mean by that?
9 A We have two individuals in our finance division.
10 Jonathan Neff heads the finance division, and then Samantha Li
11 works underneath him and she -- she just left on maternity
12 leave.
13 Q Okay. Can you spell both of those names?
14 A Sure. Yeah. Jonathan, J-O-N-A-T-H-A-N, Neff,
15 N-E-F-F. And then Samantha Li, S-A-M-A-N-T-H-A, then Li, L-I.
16 Q Okay. Thank you. And how about number 3, all
17 documents and communications concerning complaints received
18 from any investor? Who conducted that search?
19 A That one it was an export from our third-party
20 customer service application. And I don't know who actually
21 did the export, but someone likely in customer service would
22 have initiated that.
23 Q Okay. Is there someone in charge of the customer
24 service?
25 A Yes, the gentleman in charge of customer service's

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1 name is Christopher Finlay.
2 Q Can you spell the last name?
3 A Yes. F-I-N-L-A-Y.
4 Q Okay. And how about number 4, all documents and
5 communications concerning the use of investor funds by
6 DF Growth REIT II and the current location of investor funds?
7 A That likely would have come from finance.
8 Q Okay. And the same people in finance?
9 A Mm-hmm.
10 Q Okay. And did you ask them to conduct that search?
11 MS. LEVIN: Sorry, was that a yes? The court
12 reporter can't do an "mm-hmm."
13 THE WITNESS: Well, can you repeat the question?
14 BY MR. ROSENTHAL:
15 Q Was the answer to the last question yes?
16 A Well, can you repeat the last question? Because I
17 don't -- I don't recall the way you phrased it.
18 Q So --
19 MS. LEVIN: I think it was was it the same people in
20 finance.
21 BY MR. ROSENTHAL:
22 Q The same people in finance conducted that search?
23 A The people -- the only people in finance are
24 Jonathan Neff and Samantha Li.
25 Q Okay. Thank you. And how about number 13, all

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1 documents including communications concerning REIT II? Who
2 conducted that search?
3 A That was a combination of -- well, we handed over
4 our e-mails to a third party, I believe it's called
5 "Intrepid," and they are currently conducting those searches
6 still. And then we have submitted for a review of our text
7 messages for additional communications, potential responsive
8 communications. And so that's e-mails. And then Slack. We
9 use an internal program called "Slack" for intercompany
10 communications, and so that also has been turned over to
11 Intrepid for a search. And then we have a paralegal, Janice
12 Deng, that's helping with that.
13 Q Okay. Have you withheld any documents called for
14 the subpoena based on any claim of privilege?
15 A I don't -- I don't believe so.
16 Q Okay. Were any documents called for by the subpoena
17 not produced for any reason other than privilege?
18 A Could you -- could you clarify that question?
19 Q Yeah, so were there any documents that were called
20 for by the subpoena that were responsive to the subpoena that
21 were not produced for any reason other than privilege --
22 A No.
23 Q -- that you held back?
24 A Well, other than the ones that we're still working
25 to produce. But those will be produced shortly.

Page 25

1 Q Okay. Do you know of any documents that are
2 responsive to the subpoena but not provided that were in your
3 possession at a prior time or that were lost, destroyed or
4 otherwise disposed of?
5 A Not to my knowledge.
6 Q Have you spoken with anyone other than counsel
7 regarding your appearance for testimony today?
8 A Yes.
9 Q Who?
10 A My business partner Craig Cecilio knows that I'm
11 appearing today. Our chief operating officer Fateh Kamal,
12 he's also aware. And then our leadership team just has a
13 general knowledge of the investigation, but I have not
14 mentioned to any of the others, you know, about my specific
15 testimony today.
16 Q Okay. Can you spell that name Fateh Kamal?
17 A Yes. Fateh, F-A-T-E-H, and Kamal, K-A-M-A-L.
18 Q Okay. And can you spell Craig Cecilio as well?
19 A Yeah, Craig, C-R-A-I-G, Cecilio, C-E-C-I-L-I-O.
20 Q Okay. And when did you speak with Craig Cecilio
21 about your testimony?
22 A I mean, there's been a handful of occasions. Just
23 he knew that it was scheduled, you know, about a month ago and
24 then mentioned to him that it was postponed and then mentioned
25 to him that it's been rescheduled for today. And we spoke

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1 yesterday. He just mentioned, "Good luck. Get some rest."
2 Q Was the substance of your testimony discussed?
3 A No.
4 Q Okay. Did you speak with Craig Cecilio about his
5 testimony?
6 A Yeah, we had a meeting with counsel after his
7 testimony.
8 MR. BHANDARI: Hold on, Alan. I'm sorry, Alan. You
9 can't talk, and Will's not asking you to talk, about meetings
10 you might have had with counsel or anything discussed in
11 meetings with counsel. So you should understand all of his
12 questions to exclude that.
13 Is that fair, Will?
14 MR. ROSENTHAL: Yes, that's correct.
15 MR. BHANDARI: So outside of any meetings with
16 counsel, have you --
17 BY MR. ROSENTHAL:
18 Q Aside from your meetings --
19 MR. BHANDARI: Go ahead. I'm sorry.
20 MR. ROSENTHAL: That's fine. Thank you, Sanjay.
21 BY MR. ROSENTHAL:
22 Q Aside from your meetings with counsel, what did you
23 discuss with Craig Cecilio about his testimony?
24 A No discussions outside of the discussion with
25 counsel.

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1 Q Okay. Did you review a transcript of Craig
2 Cecilio's testimony?
3 A No.
4 Q And your discussion with Fateh Kamal, aside from any
5 meetings with counsel, what was discussed with him?
6 A Just mentioning that I had testimony scheduled for
7 today.
8 Q Was the substance of your testimony discussed?
9 A No.
10 Q Okay. Did you do anything to prepare for testimony
11 today?
12 A I got a full night's rest and -- and, yeah, just
13 made sure that, you know, had energy and ready to go.
14 Q Okay. So I'm not asking about the substance of your
15 meetings, but did you meet with counsel?
16 A For -- regarding today's testimony?
17 Q Yes.
18 A Yes.
19 Q Was anyone besides counsel at your meetings?
20 A No.
21 Q Did you review any documents in preparation for
22 testimony today?
23 A Two documents.
24 Q What documents?
25 A The affidavits that I had submitted in connection

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1 with the Ninth Circuit filing, and the other one prior to the
2 Ninth Circuit filing I don't know how to exactly describe it,
3 but one of the administrative proceedings regarding the SEC.
4 Q Okay. Can you provide the date and place of your
5 birth?
6 A Yes. I was born on September 5, 1976 in Logan,
7 Utah.
8 Q And what is the country of your citizenship?
9 A United States of America.
10 Q Have you ever been known by any other name?
11 A No.
12 Q And what is your current marital status?
13 A Separated.
14 Q Okay. Were you previously married?
15 A Well, still -- still am married.
16 Q Oh, okay. And for how long?
17 A I was married in June of 2000.
18 Q Okay. And what is your spouse's name?
19 A Her name is Mary Maline Lewis.
20 Q Can you spell that, please?
21 A Yeah. Mary, M-A-R-Y, Maline, M-A-L-I-N-E, Lewis,
22 L-E-W-I-S.
23 Q And what is your home address?
24 A [REDACTED]. Do you want me to
25 spell -- Valle is V-A-L-L-E.

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1 Q Thank you. Have you had any other home addresses in
2 the last three years?
3 A Sorry, two or three years?
4 Q Three years.
5 A Last three years. The prior address, I would have
6 lived there -- I think at that point, yeah, I had moved here.
7 I've been here for about three years.
8 Q Okay. What is your telephone number?
9 A [REDACTED]
10 Q Is that a cell phone?
11 A Yes.
12 Q Do you have any other phone numbers?
13 A No.
14 Q What e-mail addresses do you use?
15 A I have my work e-mail, which is alan, A-L-A-N,
16 @diversyfund.com. There are several e-mails that are group
17 e-mails we use in the office that I -- I guess you'd say I'm a
18 subscriber to, in addition to other employees. One of those
19 is assetmanagement@diversyfund.com. Trying to think of any
20 other work e-mails. That's -- that's the only other one I
21 have in my Outlook. And then a personal e-mail
22 [REDACTED]
23 Q Have you used any other e-mail addresses in the last
24 three years?
25 A No.

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1 Q Have you used any social network accounts in the
2 last three years?
3 A Yes.
4 Q Which ones?
5 A LinkedIn, linkedin.com. Let's see, I have a
6 Facebook account, I have an Instagram, and those are the -- I
7 mean, I don't use Facebook much, but Instagram and LinkedIn
8 are the ones that are most active.
9 Q Okay. And are the accounts in your name or do you
10 have, like, a user name?
11 A I mean, I think -- I think it might be a
12 combination. I mean, the accounts -- I don't know if I
13 understand the question.
14 Q So -- okay. LinkedIn, is the name in your account
15 or -- is your account in your name or a different name?
16 A Yes, it's in my name.
17 Q Okay. And Facebook, is your account in your name or
18 a different name?
19 A In my name.
20 Q And Instagram, is it your name or is it account name
21 or user name?
22 A It has a user name, but it's in my name.
23 Q Do you know what the user name is?
24 A I believe it's Alan double underscore Lewis.
25 Q Okay. Are there any websites or blogs that you

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1 established or had authority to control within the last three
2 years?
3 A No.
4 Q Can you provide the name of any educational
5 institutions you have attended since high school?
6 A I went to undergraduate -- started off at a junior
7 college called "College of DuPage." I attended there for one
8 year. Next I went to --
9 Q What --
10 A Sorry?
11 Q What year did you attend there?
12 A Let's see. That would have been fall of 1994 to
13 spring of 1995.
14 Q Okay. Any others?
15 A Yes. Then I attended Brigham Young University in
16 Provo, Utah. Don't quite remember the exact dates, but I
17 believe it was from fall of '98 to spring of 2002
18 approximately.
19 Q Okay. And did you receive a degree from there?
20 A Yes.
21 Q And what was your degree in?
22 A It was a bachelor of arts in American studies with a
23 minor in business.
24 Q Any other educational institutions?
25 A Yes. Then I attended Columbia Law School from fall

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1 of 2003 and graduated spring of 2006.
2 Q And what degree did you receive?
3 A A juris doctor.
4 Q Okay. And did you have any specialties or
5 specialized focus areas in law school?
6 A No formal special designation, but took mostly
7 corporate and real estate finance-type classes and some tax.
8 Q Have you attended any other educational institutions
9 since high school?
10 A No.
11 Q Have you taken any other securities, accounting, or
12 business-related courses since high school?
13 A When I was at the -- I worked in a law firm there
14 was, you know, not only continuing education -- legal
15 education requirement, which I tend to focus that -- I still
16 maintain my Bar license in New York, and so I tend to focus
17 that continuing legal ed around corporate and finance and
18 securities and real estate-type courses at the law firm Davis,
19 Polk & Wardwell. By virtue of working in the corporate
20 department, you know, we would have lots of training on real
21 estate and private equity and corporate legal work and
22 securities laws, those kinds of things.
23 Additionally, when I was at a broker-dealer as a
24 licensed representative, our continuing legal ed also focused
25 around securities laws and corporate finance.

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1 Q Okay. Have you ever held any professional licenses?
2 A Yes. I had several FINRA licenses when I was with
3 the broker-dealer; a Series 7, and another one which was a
4 multistate license, but I don't recall the number.
5 Q Okay. And when did you receive those licenses?
6 A That would have been around 2010, 2011, I believe.
7 I think I had a third license as well, Series 79, which was
8 investment banking.
9 Q Do you still hold those licenses?
10 A No. Those are all inactive. Now I currently have a
11 FINRA license for the registered investment advisor. I don't
12 recall the number of the series.
13 Q Do you know when those licenses were terminated or
14 ended?
15 A I believe -- I believe they terminate when I left
16 the broker-dealer, which would have been end of 2014.
17 Q Were you ever --
18 A Sorry. I don't know if they become inactive
19 immediately upon departure or -- or if there's -- sometimes
20 there's a rule where there's, like, a two-year lag. I don't
21 know if they remain active if you haven't hung them with a
22 broker-dealer, but not quite sure what the rule is there.
23 Q Okay. Were you the subject of any disciplinary
24 proceedings against you?
25 A No.

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1 Q And do you hold a Bar license?
2 A Yes.
3 Q Can you identify the state or location?
4 A Yeah, New York Bar license.
5 Q Do you know your Bar number?
6 A I don't.
7 Q And when was that Bar license awarded?
8 A I graduated in 2006. I think it would have been the
9 beginning of 2007.
10 Q Okay. And it's still current?
11 A Yes.
12 Q And do you have any, like, specialties or
13 specialized practice areas for your Bar license?
14 A Like a special designation?
15 Q Correct, yes.
16 A No.
17 Q Have you ever had any disciplinary proceedings
18 against you related to your Bar license, like a state Bar
19 Association?
20 A No.
21 Q Any other professional licenses you've ever held?
22 A No.
23 Q Have you ever been a member of any professional or
24 business club or organization?
25 A I think I may have belonged to something related to

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1 the New York Bar, like the state Bar Association. I don't
2 recall. I believe our firm signed us up automatically.
3 Q Okay. Do you remember what it was?
4 A No, I don't recall whether it was New York City
5 or -- Bar Association or New York -- something with New York
6 State.
7 Q Okay. Any other professional or business
8 organizations?
9 A Not that I can recall.
10 Q Okay. What is your current occupation?
11 A Currently I am a member of the Board of Directors of
12 DiversyFund, Inc. and an officer of that company as well as
13 the chief investment officer.
14 Q And how long have you held those positions?
15 A Since we started the company in August 2016.
16 Q Do you have a work address and phone number?
17 A Yes. We have a business office, which is 750 B
18 Street, Suite 1930, in San Diego, California. And I do not
19 have a work phone.
20 Q Have you ever been an employee of a broker-dealer,
21 investment advisor, investment company, municipal securities
22 dealer, municipal advisor, transfer agent, or a nationally
23 recognized statistical rating organization?
24 A I worked for a broker-dealer. I don't know that I
25 was classified as an employee, though. I think we were

<p style="text-align: right;">Page 36</p> <p>1 independent contractors.</p> <p>2 Q And what was the broker-dealer?</p> <p>3 A At the time it was called Brill, B-R-I-L-L, Brill</p> <p>4 Securities, Inc. They were since acquired by a company, I</p> <p>5 believe, called "Western" something.</p> <p>6 Q And when did you work there?</p> <p>7 A I worked with Brill from maybe 2010 to approximately</p> <p>8 the end of 2014.</p> <p>9 Q And where was that located?</p> <p>10 A That was in New York City.</p> <p>11 Q What was your title.</p> <p>12 A Managing director in the investment banking</p> <p>13 division.</p> <p>14 Q Was that a legal role?</p> <p>15 A No, it was strictly business.</p> <p>16 Q Okay. And what were your employment</p> <p>17 responsibilities?</p> <p>18 A Well, I don't know if I was employed. I don't</p> <p>19 believe I was a W-2 employee.</p> <p>20 Q Okay. What was your job responsibilities?</p> <p>21 A We were conducting private placements. So I would</p> <p>22 try to source new investment banking clients that were looking</p> <p>23 to raise capital from private equity or venture capital or</p> <p>24 high net worth investors.</p> <p>25 And then once we engaged a client, then my</p>	<p style="text-align: right;">Page 38</p> <p>1 prepared for construction and negotiating those contracts.</p> <p>2 And then I would help with investor relations just</p> <p>3 communicating updates on some of those projects as they</p> <p>4 proceeded after closing.</p> <p>5 Q And what were the dates that you worked there?</p> <p>6 A Approximately the end of 2014 to July of 2016.</p> <p>7 Q Did you have any employment after that before</p> <p>8 DiversyFund?</p> <p>9 A No. After that I went straight into forming</p> <p>10 DiversyFund with Craig.</p> <p>11 Q Okay. And what about before the broker-dealer? Did</p> <p>12 you have employment before that?</p> <p>13 A Yes, after law school I worked for a law firm,</p> <p>14 Davis, Polk & Wardwell, in New York City.</p> <p>15 Q And what dates were you there?</p> <p>16 A Yeah, I believe I started in September of 2006 and</p> <p>17 then ended March 2010, I believe.</p> <p>18 Q And what was your title?</p> <p>19 A Associate attorney.</p> <p>20 Q And what were your responsibilities?</p> <p>21 A I -- I was in the corporate division and rotated</p> <p>22 among several groups within the corporate division. Started</p> <p>23 off in corporate tax for approximately six months and then</p> <p>24 went into capital markets dealing with IPOs and other</p> <p>25 securities offerings, and then went into M&A doing mergers and</p>
<p style="text-align: right;">Page 37</p> <p>1 responsibilities were to help prepare a pitch deck for</p> <p>2 potential investors, and then to research investors that would</p> <p>3 be a good fit for the client, and then to start making</p> <p>4 introductions and meetings and helping with the process of</p> <p>5 answering the investors' questions about the client, sometimes</p> <p>6 conducting onsite tours of the client's business with the</p> <p>7 potential investors, and then helping to structure the</p> <p>8 investment once an investor was ready to invest in the</p> <p>9 client's company.</p> <p>10 Q Okay. And where were you employed after that?</p> <p>11 A After that I then worked at a group of companies in</p> <p>12 Utah called "JF Capital." There's a bunch of different</p> <p>13 affiliates.</p> <p>14 Q And what was your title?</p> <p>15 A My title was head of real estate private equity.</p> <p>16 Q And what were your responsibilities?</p> <p>17 A I was helping with the multifamily ground-up</p> <p>18 development. And so I would work with the gentlemen that</p> <p>19 would source the property sites and help to obtain investor</p> <p>20 capital on the equity side, help obtain financing on the debt</p> <p>21 side from banks or other lenders, help get those transactions</p> <p>22 closed, and then help with some of the zoning issues with the</p> <p>23 city or county, depending.</p> <p>24 I would help with dealing with the general --</p> <p>25 general contractors trying to -- in terms of getting budgets</p>	<p style="text-align: right;">Page 39</p> <p>1 acquisitions, and then ultimately ended in real estate doing a</p> <p>2 lot of real estate private equity and real estate development</p> <p>3 work.</p> <p>4 Q Okay. Did any of those roles involve working with</p> <p>5 securities laws?</p> <p>6 A Yes.</p> <p>7 Q Can you describe which ones?</p> <p>8 A Capital markets. I can't remember, I think</p> <p>9 securities laws may have also come up to a minor degree in</p> <p>10 M&A, and then I guess we would work with the capital markets</p> <p>11 folks in real estate if the client was conducting an offering.</p> <p>12 Q Okay. And what were your responsibilities related</p> <p>13 to the securities laws?</p> <p>14 A In capital markets, you know, we would do draft</p> <p>15 disclosures for clients and review those, sometimes there was</p> <p>16 research done. And then a lot of due diligence.</p> <p>17 Q Okay. And did you have employment before the law</p> <p>18 firm?</p> <p>19 A Before the law firm I was in law school from '03</p> <p>20 to '06. During those summers I had employment as a legal</p> <p>21 intern for both summers after the first and second year.</p> <p>22 Q And where were you an intern?</p> <p>23 A After the first year I was an intern at the U.S.</p> <p>24 Attorneys Southern District of New York office, and then after</p> <p>25 second year I split between Covington & Burling in Washington</p>

<p style="text-align: right;">Page 40</p> <p>1 DC, and Debevoise & Plimpton in New York.</p> <p>2 Q Okay. Are you now or have you ever been an officer</p> <p>3 or director of any publicly held company?</p> <p>4 A No.</p> <p>5 Q Have you ever been the beneficial owner of 5 percent</p> <p>6 or more of any class of equities securities of any publicly</p> <p>7 held company?</p> <p>8 A No.</p> <p>9 Q Are you now or have you ever been a manager or</p> <p>10 member of any privately held company?</p> <p>11 A Manager or member? I am a stockholder of</p> <p>12 DiversyFund, Inc. I guess when you say "member" I assume</p> <p>13 you're referring to LLCs rather than a shareholder of a C</p> <p>14 Corp.</p> <p>15 Q Any -- any privately held company. Can you describe</p> <p>16 what you're -- what you mentioned?</p> <p>17 A I'm a shareholder in DiversyFund, Inc. --</p> <p>18 Q Okay.</p> <p>19 A -- and then -- if you're asking about -- and then in</p> <p>20 if you're asking about membership interest in LLC, I have two</p> <p>21 minority ownerships as a passive investor and some ownership</p> <p>22 in some -- I guess you'd call it an LLC. It's a fund for some</p> <p>23 of our competitors, Fundrise and RealtyMogul.</p> <p>24 Q Okay. Do you have any, like, management role with</p> <p>25 those?</p>	<p style="text-align: right;">Page 42</p> <p>1 you held in your name in the last three years?</p> <p>2 A I have not held any securities in my name.</p> <p>3 Q Okay. So no --</p> <p>4 A Let me -- no public securities other than those</p> <p>5 private ones we just went over --</p> <p>6 Q Okay. So no brokerage accounts --</p> <p>7 A I'd opened an account at E*Trade, but never had</p> <p>8 purchased anything. It was more just to see what their back</p> <p>9 end looked like, you know, from a business comparison</p> <p>10 standpoint.</p> <p>11 Q Okay. Have you had any control or direct or</p> <p>12 indirect beneficial interest in any other securities or</p> <p>13 brokerage accounts in the last three years?</p> <p>14 A No.</p> <p>15 Q Have you ever testified in any proceeding conducted</p> <p>16 by the staff of the SEC, a U.S. or foreign federal or state</p> <p>17 Agency, a U.S. or foreign federal or state court, a stock</p> <p>18 exchange, FINRA or any other self-regulatory organization, or</p> <p>19 any arbitration proceeding related to securities transactions?</p> <p>20 A No.</p> <p>21 Q Have you ever been deposed in connection with any</p> <p>22 court proceedings?</p> <p>23 A Yes.</p> <p>24 Q What was that?</p> <p>25 A I was subpoenaed as a third-party witness for -- I</p>
<p style="text-align: right;">Page 41</p> <p>1 A No.</p> <p>2 Q Okay. Have you ever been a beneficial owner of any</p> <p>3 privately held company?</p> <p>4 A I'm currently a beneficial owner of DiversyFund,</p> <p>5 Inc. and those other two: Hingeworx, and the other one's</p> <p>6 called Promotus LLC, and Fundrise and RealtyMogul Funds.</p> <p>7 Q Sorry, can you just repeat those, make sure I get</p> <p>8 them?</p> <p>9 A Yes. Currently DiversyFund, Inc. I'm a beneficial</p> <p>10 owner. I have a very small passive minority interest in two</p> <p>11 companies from my investment banking days: Hingeworx LLC and</p> <p>12 Promotus LLC. And then additionally ownership in -- it looks</p> <p>13 like, according to the records, a host of Fundrise funds. I</p> <p>14 made one investment and since have invested the money to --</p> <p>15 it's like a \$20 position at this point, but -- and then</p> <p>16 RealtyMogul, I have ownership in one of their funds.</p> <p>17 Q Can you spell all of those for the record?</p> <p>18 A Sure. DiversyFund, Inc. D-I-V-E-R-S-Y-F-U-N-D,</p> <p>19 Inc.; and then Hingeworx, all one word, H-I-N-G-E-W-O-R-X,</p> <p>20 LLC; and then Promotus, I believe P-R-O-M-O-T-U-S LLC; and</p> <p>21 then Fundrise, all one word, F-U-N-D-R-I-S-E. I'm not aware</p> <p>22 of the full name of the fund, but it has Fundrise in the</p> <p>23 title. And then RealtyMogul, two words R-E-A-L-T-Y,</p> <p>24 M-O-G-U-L. And I'm not sure of the name of the exact fund.</p> <p>25 Q Okay. What securities or brokerage accounts have</p>	<p style="text-align: right;">Page 43</p> <p>1 believe it was a lawsuit against some shareholders against a</p> <p>2 CFO of a client that -- or of -- CFO of a company that was an</p> <p>3 investment banking client. And so I was deposed as a</p> <p>4 third-party witness.</p> <p>5 Q What was the title of the case?</p> <p>6 A I don't recall the exact title, but the name of the</p> <p>7 defendant, his name was Shu Kaneko, and I believe it was</p> <p>8 spelled S-H-U, K-A-N-E-K-O.</p> <p>9 Q And when was that?</p> <p>10 A I believe it was sometime around 2014, 2015.</p> <p>11 Q Okay. And what was your deposition regarding?</p> <p>12 A They were just asking me about my interactions with</p> <p>13 Shu, you know, any conversations we had had, and then my</p> <p>14 understanding of the company, company's financials, and</p> <p>15 whether they thought in my opinion there had been any</p> <p>16 misappropriation of funds by the defendant.</p> <p>17 Q What was your opinion on that?</p> <p>18 A My opinion was no. I told them I wasn't a financial</p> <p>19 expert, but from what I could see in the financials, the bulk</p> <p>20 of the investor funds, you know, had been sent to the intended</p> <p>21 Chinese company in PRC.</p> <p>22 Q What were the allegations in the lawsuit?</p> <p>23 A I don't remember the exact allegations, but the --</p> <p>24 they were trying to sue for recovery. I believe -- I think it</p> <p>25 would have been about a \$7 million investment from a group of</p>

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1 clients of an investment bank and they were trying to recover
2 their funds. And so I think they were going after the CFO
3 because he was a U.S. citizen, whereas it was -- I think they
4 were having difficulty trying to recover funds from the PRC
5 company because they were located in China.
6 Q Have you ever been named as a defendant or
7 respondent in any action or proceeding brought by the SEC or
8 any U.S. or foreign federal Agency, a state securities agency,
9 FINRA, an SRO or any exchange?
10 A No, other than this proceeding, I've not any --
11 well, we would the other -- we had another investigation by
12 the SEC about 18 months ago where I was named.
13 Q Have you ever been a defendant in any action
14 alleging violations of federal securities laws?
15 A Other than this investigation and the prior
16 investigation that involved DiversyFund, no.
17 Q Have you ever been a defendant in any criminal
18 proceedings other than the one involving -- other than one
19 involving a minor traffic offense?
20 A No. I mean, other than -- other than these
21 current -- this current investigation.
22 Q Okay. This is a civil investigation, just to be
23 clear.
24 MR. ROSENTHAL: Does anyone -- Vickie or Stephen or
25 Jen, do you have any questions right now?

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1 MS. LEVIN: (Shaking head.)
2 MR. ROSENTHAL: Why don't we take a ten-minute
3 break. Off the record at 10:37.
4 (Recess.)
5 MR. ROSENTHAL: On the record at 10:47 a.m.
6 BY MR. ROSENTHAL:
7 Q Mr. Lewis, when was DiversyFund, Inc. founded?
8 A We formed a C-Corp. in Delaware, I believe, on
9 August 18, 2016.
10 Q And who were the founders?
11 A The founders were myself and Craig Cecilio.
12 Q Okay. And who came up with the idea for
13 DiversyFund?
14 A We often had independent notions of starting a
15 company like this, which is why when we first connected via
16 LinkedIn I believe in 2015 that we started talking about
17 potentially starting the business together. Craig had already
18 obtained the DiversyFund name and domain name, looking to
19 start a business.
20 And for myself, while working at JF Capital in Utah
21 doing real estate development -- this would probably be
22 in 2015 -- one of my clients -- one of my potential investors
23 into one of our multifamily ground-up projects in downtown
24 Salt Lake showed me on his phone how he was able to invest --
25 I can't remember the amount, but it's something substantial

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1 like \$50,000 into a project into Washington, DC with a group,
2 you know, called "Fundrise," which is now one of our
3 competitors, that he had never met. And he showed me how he
4 could do that within two minutes. And for me, I was just
5 fascinated with how technology and the online interaction was
6 completely changing the way that capital could be -- could be
7 accessed.
8 And so at that point I went to my then business
9 partners and asked them if they would be interested in
10 starting a business, and they said they weren't. So at that
11 point I started looking for a potential business partner to
12 start that business. And so when Craig and I connected via
13 LinkedIn shortly thereafter, you know, that's when we really
14 started talking through our potential business plan for
15 starting DiversyFund, Inc.
16 Q Okay. So how did you meet Craig Cecilio?
17 A We met via LinkedIn. He had an intern that was
18 looking for a potential partner to start the business with,
19 and so I think he was reaching out to multiple people, myself
20 included. And so we connected -- I believe it was some point
21 in 2015. It would have been shortly after my client had
22 showed me that Fundrise on his cell phone.
23 And, let's see, I flew out -- after a number of
24 initial phone calls, phone call conversations that seemed to
25 go well, I flew out at least a couple times to San Diego

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1 talking through a potential business plan, you know, in terms
2 of how we would do it different and ways that we could improve
3 on the business model and approach compared to some of the
4 groups that already started in the online real estate space.
5 Q Okay. What is the business of DiversyFund, Inc.
6 A Well, both Craig and I grew up in middle class
7 families. And, you know, for myself, you know, my parents --
8 my mom was a stay-at-home mom. My father was an ice cream
9 taste tester working for companies like Dovebar and
10 Häagen-Dazs and Ben & Jerry's. And so with six kids we never
11 really had a lot of money to go around. And so I saw my
12 parents, the way they invested, and it was solely in the stock
13 market in public equities, and then watched them just go
14 through anxiety as their portfolio would go up and down over
15 the years with different cycles.
16 And for me as part of my education, you know, I read
17 Rich Dad Poor Dad, which is a very common -- by Robert
18 Kiyosaki, very common book about investing and creating wealth
19 through passive income -- a big component of that being
20 passive income and appreciation growth through real estate as
21 a hedge against inflation and as a diversification away from
22 the stock market.
23 And then in working on Wall Street after law school
24 I was exposed to a number of clients who were generating a lot
25 of wealth, you know, through real estate investments.

<p style="text-align: right;">Page 48</p> <p>1 Especially I had one client in particular that was a 2 multibillion dollar fund that did a lot of multifamily 3 apartment investing in particular. 4 And so from my -- from my perspective, you know, 5 from coming from a middle class family, I wanted to find a way 6 to take these investments that really seemed limited to, you 7 know, the top 1 percent, you know, these high net worth 8 accredited folks, and bring them -- make them available to the 9 everyday investor who may not fit an accreditation 10 qualification, and do that in an amount -- an investment 11 amount that is access ble to someone starting out like my 12 parents, you know, for an amount that would be reasonable. 13 So with DiversyFund we were able to use -- the Jobs 14 Act, had a -- the Regulation A framework, which was brand-new 15 that allowed for you, at the time, to raise up to 15 million 16 per issuer per year in order to aggregate capital. And a lot 17 of it was to aggregate capital from -- whether it was 18 noncredited or credited didn't matter. And so we were able to 19 lower -- we always wanted to create a fund that would have a 20 very low minimum, so very access ble to an everyday American 21 investor who is nonaccredited and allow them to participate in 22 these types of real estate offerings, you know, create a 23 portfolio of real estate assets that would allow them to start 24 diversifying away from the stock market and away from 25 concentration risk of having all your holdings in just one</p>	<p style="text-align: right;">Page 50</p> <p>1 third-party reports, either due diligence, helping to line up 2 a lender. All of our properties are financed with, you know, 3 some leverage, some debt, and then the remainder of the 4 purchase price is funded by equity, be it from, you know, the 5 REITs or sometimes third parties also participate as equity 6 investors. 7 And then once an asset is acquired in part of the 8 portfolio, then it goes into the asset management bucket, 9 which is executing on the business plan for that particular 10 asset. Almost all of which in the REITs are multifamily 11 value-add business plans, which means we are purchasing 12 apartment buildings that have existing tenants in them, are 13 already collecting rents, and then we'll go in and try to add 14 additional value to that asset through a couple of different 15 mechanisms. One is performing renovations both on the 16 exterior of the assets, paint and curb appeal and maybe 17 putting in some new amenities for the tenants, and then also 18 going in and doing interior renovations. 19 You know, sometimes -- the properties vary in terms 20 of their state when we first acquire them. Sometimes they can 21 be in really rough shape. For example, we just acquired last 22 year a property in San Antonio where when we acquired it 23 several of the buildings had not had hot water for over a 24 month. And so we have to go in and quickly fix those to take 25 care of the tenants and do right by them.</p>
<p style="text-align: right;">Page 49</p> <p>1 public equities asset class. 2 And so that's -- that was always the goal from the 3 beginning, to get to that point where we could start a fund, 4 have a portfolio offering that passed along all those benefits 5 to a group of customers that are mainly not accredited. 6 Q Okay. And what is your current title with 7 DiversyFund, Inc.? 8 A Yeah, my title has always been, and currently is, 9 chief investment officer. 10 Q Okay. And you're a director on the Board as well? 11 A Yes. 12 Q And who else is on the Board of Directors? 13 A On the Board of Directors it's myself and Craig 14 Cecilio. 15 Q Has that always been the Board? 16 A Yes. 17 Q Okay. And what role do you play at DiversyFund, 18 Inc.? 19 A Yeah, so as the chief investment officer, I am in 20 charge of all the investing to help create the structure for 21 the fund that best aligns interests with the customer and the 22 sponsor, the parent co., overseeing the acquisition -- 23 identification and acquisition of assets that the fund will 24 invest in, and then overseeing the due diligence that goes 25 into closing acquisition in terms of, you know, various</p>	<p style="text-align: right;">Page 51</p> <p>1 And so the renovations allow you to then bump up the 2 rents and -- which in turn not only creates additional cash 3 flow from the asset, but also the way that commercial real 4 estate such as apartment buildings are valued is you apply a 5 cap rate -- a capitalization rate to the NOI, the net 6 operating income. So to the extent you can either increase 7 rents or decrease expenses, that will lead to higher net 8 operating income, which leads to a higher asset value, in 9 addition to just experiencing general market appreciation that 10 will tend to make real estate assets value go up as well based 11 on the cap rate compression as cap rates come down, which 12 we're seeing right now in the current environment environment, 13 for example. 14 The other way we do value-add that I oversee as a 15 chief investment officer is by looking at the property manager 16 and how we could better manage the asset and the expenses 17 associated with operating the asset. And so, you know, I help 18 to oversee at a very high level the execution of the business 19 plan, which constitutes both the renovation of the property 20 keeping the construction on schedule and on budget, trying to 21 limit the amount of change orders we get from the particular 22 general contractor conducting those renovations, and then 23 making judgment calls regarding the third-party property 24 manager as to whether we need to push them to do a better job, 25 or sometimes we even have to, after trying unsuccessfully</p>

<p style="text-align: right;">Page 52</p> <p>1 several times to get them to perform the way we think they 2 should be performing on a particular asset, then we'll 3 actually terminate our contract with them and hire a new 4 property manager in order to keep the assets trending the way 5 they need to.</p> <p>6 And then at the -- once an asset, we've held it and 7 we've executed on the business plan and feel that given the 8 market timing it makes sense, then we'll look at potential 9 disposition and run the analysis on that, whether that makes 10 sense and what kind of return that will generate net to the 11 customers in the REIT and look at that. So that's on the real 12 estate asset level.</p> <p>13 And then I also deal with the REITs at a fund level 14 in terms of, you know, looking at the overall portfolio, 15 trying to create -- maintain, rather, diversification across 16 various geographies. So there is a tension between when you 17 have several assets in one location, there are some economies 18 of scale that create a cost savings, which ultimately leads to 19 better returns for the customer, but then you also are 20 creating some concentration risk in that one particular 21 market. And so we're always dealing with that tension of 22 trying to have a few investments in one location for economies 23 of scale, but not too many where the portfolio isn't 24 diversified across multiple markets.</p> <p>25 The other thing I try to do as chief investment</p>	<p style="text-align: right;">Page 54</p> <p>1 our real estate division, and then I also supervise an 2 investor relations/real estate paralegal Janice Deng.</p> <p>3 Q And what points of communication do you use to 4 communicate with the people you supervise?</p> <p>5 A Yeah, we use Slack, which is an internal 6 communication software application. I would say that's -- for 7 written communications that's probably our biggest medium 8 internally. Obviously we use our work e-mails, but those tend 9 to be more for when there's an outside-of-the-company party 10 involved in the communication chain.</p> <p>11 We also confer quite a bit on Google Meets video 12 chat. Slack also has a video application, a videoconferencing 13 application, but most of our set meetings internally are 14 through Google Meets. Isaac Dixon is here locally in 15 San Diego, and so on rare occasion -- we don't really have 16 anyone going to the office very frequently, but on a rare 17 occasion we'll meet in person at the office. Janice is 18 located in Brooklyn, New York, so all of our meetings are 19 through Google Meets.</p> <p>20 Q Okay. And how about Craig Cecilio? What forms of 21 communication do you use to communicate with him?</p> <p>22 A Yeah, a lot of Slack, a lot of Google Meets, some 23 e-mail. We don't really text about substantive business, but 24 sometimes we'll text about, you know, "Hey, are you available 25 for a catchup call over the weekend?"</p>
<p style="text-align: right;">Page 53</p> <p>1 officer with respect to the REIT portfolios is make sure that 2 we also have a diversification in terms of the classes of 3 assets. Although we're primarily in both REITs focused on 4 multifamily value-add projects, there's quite a range within 5 that of value-adds that require a very -- what we call heavy 6 lift, which means there's a lot of renovation work needs to 7 be done.</p> <p>8 And as an asset gets older and goes into what we 9 call class C territory and older and vintage, then the lift 10 becomes heavier. The amount of dollars that we need to put 11 into the asset to make it perform the way it needs to 12 increases, but it also increases the potential upside for the 13 customer. So as your risk increases, you're looking for a 14 requisite amount of investment upside potential, you know, for 15 the customers in the REIT.</p> <p>16 And so we're always trying to balance that out with 17 having some heavier lifts with some what we call core-plus 18 assets which don't require much renovation at all because 19 they're nicer, they're newer, they're more steady in their 20 cash flow, but they're not going to have as big of an upside 21 potential because you're paying more for them. The cap rates 22 tend to be lower, which means you're paying a higher price per 23 unit when you're comparing apples to apples.</p> <p>24 Q And who do you supervise at DiversyFund?</p> <p>25 A Currently I supervise Isaac Dixon, who's the head of</p>	<p style="text-align: right;">Page 55</p> <p>1 Q Okay. What about other DiversyFund employees? What 2 methods do you use to communicate with them?</p> <p>3 A It would be the same ones; Slack, Google Meets, 4 e-mail, in-person. There's a handful of the leadership team 5 that I will text not for anything substantive regarding 6 business, but just, "Hey, thanks for your hard work," stuff 7 like that, or "Happy birthday," more informal stuff.</p> <p>8 Q Okay. How many employees does DiversyFund have 9 currently?</p> <p>10 A I'm not sure about the exact count, but I think 11 we're somewhere around 19 or 20.</p> <p>12 Q And has that changed over time?</p> <p>13 A Certainly, yeah. When we started out it was just me 14 and Craig and one employee.</p> <p>15 Q Who was the other -- who was the one employee?</p> <p>16 A First one was an employee from Craig's prior lending 17 business who I actually don't even know if she was technically 18 a W-2 of DiversyFund. So she may not have been an employee, 19 number one. She was helping to wind down his old business. 20 And then because we really didn't have a spot for her in the 21 new business, I think she -- I think that's why she got a new 22 job.</p> <p>23 So I don't know technically if she was the first W-2 24 employee or if it was -- we had a CMO named Affif Siddique. 25 He would either have been the first, or -- I can't remember if</p>

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1 we hired him first or -- there was a real estate analyst named
2 Yuri. And I don't recall -- he was a young guy. I don't
3 recall his last name.
4 Q Can you spell the CMO's name?
5 A Yeah. Affif, A-F-F-I-F, Siddique. I believe it's
6 spelled S-I-D-D-I-Q-U-E.
7 Q Is he still an employee?
8 A No.
9 Q And, you know, the 19 to 20 employees, did they get
10 hired sort of in one batch or sort of at various points in
11 time?
12 A All various points in time.
13 Q And does DiversyFund have departments?
14 A You mean by, like, divisions? We have divisions.
15 Q Divisions, yes. Okay. And what are the divisions?
16 A We have real estate, we have marketing, we have
17 product, and we have tech, and we have customer service.
18 Q And do you interact with all those divisions?
19 A Very -- I interact on a very limited basis with
20 marketing, with tech limited, customer service very limited.
21 Since as a chief investment officer my side of the company is
22 the real estate and the investments, I tend to spend most of
23 my time focused on that side. But we have, for example, a
24 weekly town hall meeting via Google Meets where everyone's on
25 there, and so that certainly constitutes an interaction.

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1 Q Okay. Does DiversyFund have committees?
2 A Yeah, we have the investment committee. I don't
3 know if you -- if they're named committees, but there's
4 probably other similar, you know, meeting groups. Like, for
5 example, I know tech and marketing -- or product rather and
6 marketing meet frequently and work closely together.
7 Q Okay. And who's on the investment committee?
8 A Investment committee is myself, Craig, our COO Fateh
9 Kamal, and Isaac Dixon, our head of real estate. And then as
10 needed we'll, you know, less frequently invite other folks
11 from the real estate team if they need to make a presentation,
12 you know, on any particular asset, whether it's a potential
13 acquisition or an existing asset in the portfolio where we're
14 trying to dig into its performance.
15 Q And how many people are on the real estate team?
16 A Currently we have Isaac Dixon. Colin -- I'm
17 blanking on his last name. He's a new hire, analyst. Ginger
18 Vyterna is our asset manager, and then we have a number of
19 third-party vendors that support what we do such as a
20 third-party construction manager, various property managers
21 depending on the particular asset. Janice Deng will support
22 the real estate team as needed. For example, when they're
23 trying to acquire a property or close a loan in connection
24 with a property, there's a lot of just getting, you know, like
25 Delaware Good Standing Certificates or creating org charts for

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1 the particular borrower entity structure, and so she'll help
2 the real estate team, I guess, on a part-time basis in that
3 regard.
4 Q Can you spell those names, Ginger's and Janice's?
5 A Yeah, Janice is J-A-N-I-C-E, Deng, D-E-N-G. Ginger
6 is G-I-N-G-E-R, V-Y-T-E-R-N-A.
7 Q And how often does the investment committee meet?
8 A In general it's about every other week.
9 Q And how do you meet; in person or do you have
10 meetings?
11 A Yeah, mostly because Fateh is up in the Bay Area,
12 mostly it'll be via Google Meet.
13 Q How are DiversyFund employees compensated?
14 A All DiversyFund employees have a salary. They are
15 also given a stock award with a -- they're given a grant of X
16 number of shares depending on their position that vests over a
17 four-year period. Sometimes we'll make exception to that and
18 go a little bit shorter if it's part of a higher level --
19 hire's negotiation of their compensation package.
20 We, just by virtue of just being constrained over
21 the years, have rarely paid bonuses, but have done so, cash
22 bonuses on a limited basis just for really outstanding
23 performers that we're trying to retain.
24 Q Okay. And are -- the salaries, are those paid
25 through a payroll company?

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1 A Yes. Currently it's a company called Justworks.
2 They're -- I believe they're -- I can't remember the name of
3 it, but it's employ -- like an EPO, I think. Something
4 employment, something organization. So they do the payroll.
5 And so actually on our employees -- what you would refer to as
6 the W-2, it will actually say "Justworks" instead of
7 "DiversyFund, Inc." It seems to be a fairly common practice.
8 But then they help share some of the liability in terms of the
9 employment insurance as an EPO.
10 Q And the employees, they receive shares in
11 DiversyFund, Inc.; is that correct?
12 A That's correct.
13 Q Do they receive an interest in any other entity?
14 A No.
15 Q Do you have an ownership interest in DiversyFund,
16 Inc.?
17 A I do. And actually on the last question, at one
18 point -- I just recalled at one point maybe a year or so ago
19 the DiversyFund, Inc. on behalf of all the employees purchased
20 for them a \$500 position in the REIT, the first REIT, just so
21 they could, all of them, experience the REIT as a customer,
22 especially for the marketing of the end product and tech
23 folks, we wanted them to -- without having to ask them to
24 invest their own money out of pocket, DiversyFund, Inc.
25 purchased that for them so they could be shareholders of the

<p style="text-align: right;">Page 60</p> <p>1 REIT.</p> <p>2 Q Okay. And when was that?</p> <p>3 A I believe about a year, maybe two years ago.</p> <p>4 Q And do you know how many employees received an</p> <p>5 interest in the REIT?</p> <p>6 A I think at that point we were maybe 15 people is my</p> <p>7 guess.</p> <p>8 Q Okay. And they all received a -- they each received</p> <p>9 a \$500 position?</p> <p>10 A I believe so.</p> <p>11 Q And that was the DF Growth REIT?</p> <p>12 A The first one, yeah, DF Growth REIT LLC.</p> <p>13 Q Right, REIT I.</p> <p>14 And what is your ownership level in DiversyFund?</p> <p>15 A I don't know I don't -- I haven't looked at the</p> <p>16 exact percentage for a while, but something in, like, the 25</p> <p>17 percent or so is my guess.</p> <p>18 Q Has it changed over time?</p> <p>19 A Yes. Every time we raise additional equity at the</p> <p>20 parent level, then all existing positions, mine included, are</p> <p>21 diluted in terms of your percentage interest. So for that</p> <p>22 reason it goes down over time.</p> <p>23 Q So when you started what was your ownership level?</p> <p>24 A When we started it was Craig and I 50/50.</p> <p>25 Q Okay. And how many fund-raising rounds have you</p>	<p style="text-align: right;">Page 62</p> <p>1 A Let's see, I had a salary increase last year around</p> <p>2 I'd say August. It was a 285K salary. That was the only</p> <p>3 compensation I received from DiversyFund.</p> <p>4 Q So you didn't receive any other forms of</p> <p>5 compensation besides a salary?</p> <p>6 A Yeah, not from my DiversyFund affiliate.</p> <p>7 Q Okay. Did you have compensation from other sources</p> <p>8 last year besides from DiversyFund?</p> <p>9 A Yes, I had some third-party legal clients just doing</p> <p>10 legal work, like, moonlighting on the side.</p> <p>11 Q And what type of legal work?</p> <p>12 A For one client I helped them set up a business and</p> <p>13 advised them on how to -- it was a PR company -- how to get</p> <p>14 negative business reviews removed. So helped them set up so</p> <p>15 they could do that for multiple clients. It was a colleague</p> <p>16 of mine. And then for the other client there's various</p> <p>17 clients doing, like, PPN work, joint venture agreements,</p> <p>18 business contracts, stuff like that.</p> <p>19 Q Okay. Are you self-employed for your legal work or</p> <p>20 do you work for a legal company?</p> <p>21 A Yeah, self-employed in terms of, like, as a 1099.</p> <p>22 Q Okay. And what was your total legal compensation</p> <p>23 last year?</p> <p>24 A I think it was around 40K for 2021.</p> <p>25 Q And how many hours, like, in a given month would you</p>
<p style="text-align: right;">Page 61</p> <p>1 done?</p> <p>2 A We've -- for the parent co. we've raised capital --</p> <p>3 I don't know if I'd characterize it as rounds. Because unlike</p> <p>4 a traditional venture capital raise where you are raising from</p> <p>5 institutional venture capital investors and they're writing</p> <p>6 you a check at one moment in time, and so that's a round, we</p> <p>7 have actually gone out and raised capital through high net</p> <p>8 worth investors. And so it's been, you know, raising on an</p> <p>9 as-needed basis over -- spread out over the course of four</p> <p>10 years. I think we started that in 2017 and have continuously</p> <p>11 raised capital as needed.</p> <p>12 Q And how many investors does DiversyFund, Inc. have?</p> <p>13 A I believe setting aside our employees, you know,</p> <p>14 their -- I guess their shares technically are profit sharings.</p> <p>15 They're non-voting shares, a different class. But for holders</p> <p>16 of common shares, the same class that Craig and I hold, I</p> <p>17 believe we have about 250, 260 shareholders.</p> <p>18 Q And how much capital has been raised?</p> <p>19 A Approximately 18 million for the parent company.</p> <p>20 Q Have you invested your own money in DiversyFund,</p> <p>21 Inc.?</p> <p>22 A No. I mean, no -- well, I put in some capital at</p> <p>23 the beginning. I don't recall how much.</p> <p>24 Q And what was your total compensation in all forms</p> <p>25 for last year?</p>	<p style="text-align: right;">Page 63</p> <p>1 say you spend on legal -- on that -- on private legal work?</p> <p>2 A It comes and goes in spurts. Usually -- you know,</p> <p>3 one of the reasons I do the work is because I can get it done</p> <p>4 really quickly, just stay up late getting it turned quickly.</p> <p>5 So -- I mean, there's many months where it would be zero and</p> <p>6 then some months where, you know, could be, I don't know,</p> <p>7 anywhere from 10 to 40 depending on the project and how long</p> <p>8 it takes to get done.</p> <p>9 Q Okay. Have you received any loans from DiversyFund</p> <p>10 or related entities?</p> <p>11 A No. Well, other than, like, a car loan? No</p> <p>12 business loans, but I do have a car loan, two car loans.</p> <p>13 Q Can you describe the car loans?</p> <p>14 A Yeah. One is for Chevy Suburban 2015 --</p> <p>15 MR. BHANDARI: Let me just -- I think there may be a</p> <p>16 misunderstanding. Alan, are you -- are these loans from</p> <p>17 DiversyFund or DiversyFund-related entities? Because I think</p> <p>18 that's all Will's asking about.</p> <p>19 THE WITNESS: Yeah, no.</p> <p>20 MR. BHANDARI: Not GM or somebody else is giving you</p> <p>21 a car loan.</p> <p>22 THE WITNESS: Yeah, one is from Allied Bank. The</p> <p>23 other one is from some credit union in Utah.</p> <p>24 BY MR. ROSENTHAL:</p> <p>25 Q Okay. Thank you.</p>

<p style="text-align: right;">Page 64</p> <p>1 MR. BHANDARI: Are you looking for that, Will?</p> <p>2 THE WITNESS: I never received any loans from</p> <p>3 DiversyFund or any DiversyFund-related entity.</p> <p>4 BY MR. ROSENTHAL:</p> <p>5 Q Okay. And any -- you haven't received a car or</p> <p>6 anything I ke that from DiversyFund?</p> <p>7 A No.</p> <p>8 Q Okay. Have you ever loaned money to DiversyFund or</p> <p>9 any related entity?</p> <p>10 A No.</p> <p>11 Q And when was DF Growth REIT or REIT I, started?</p> <p>12 A DF Growth REIT I, I don't recall the exact date that</p> <p>13 we formed the LLC. It should have been somewhere around 2018.</p> <p>14 Q Okay. And who came up with the idea for REIT I?</p> <p>15 A The idea for REIT I was collectively between Craig</p> <p>16 and myself. You know, from inception of DiversyFund, Inc. we</p> <p>17 wanted to ultimately migrate into a fund under the Reg A</p> <p>18 framework that would allow us to make available real estate</p> <p>19 investments to nonaccredited investors to give them access to</p> <p>20 them and help them build wealth away from the stock market.</p> <p>21 So, yeah, then just over time we then hired counsel and were</p> <p>22 able to start to put together the structure for REIT I.</p> <p>23 Q Okay. And what is the business of REIT I?</p> <p>24 A Sorry, what was the question?</p> <p>25 Q What is the business of REIT I?</p>	<p style="text-align: right;">Page 66</p> <p>1 And so by virtue of being the chief investment officer at</p> <p>2 DiversyFund, Inc., the REIT looks to DiversyFund, Inc. to head</p> <p>3 the acquisitions of assets and the asset management of those</p> <p>4 assets and effectively run the portfolio and make the</p> <p>5 investment decisions regarding that portfolio. And so by</p> <p>6 virtue of being an officer of DiversyFund, Inc., I'm involved</p> <p>7 with managing that portfolio that REIT I owns.</p> <p>8 Q Okay. Do you oversee the investments for REIT I?</p> <p>9 A Yes.</p> <p>10 Q Okay.</p> <p>11 A Yeah, the investments ultimately -- ultimately are</p> <p>12 determined by the investment committee. And so by virtue of</p> <p>13 having a seat at the investment committee table, I help with</p> <p>14 the other investment committee members to manage the decision</p> <p>15 making regarding acquiring business plans, those kinds of</p> <p>16 things.</p> <p>17 Q Does REIT I have any employees?</p> <p>18 A No.</p> <p>19 Q Okay. Do all the -- do all DiversyFund employees</p> <p>20 work on REIT I?</p> <p>21 A What do you mean by "work on"?</p> <p>22 Q Do any work related to REIT I.</p> <p>23 A I guess it depends on, you know, what you mean by</p> <p>24 "work related." So, for example, certainly our real estate</p> <p>25 team, their work is related to both REITs, including REIT I.</p>
<p style="text-align: right;">Page 65</p> <p>1 A The business of REIT I is to -- was to initially</p> <p>2 acquire multifamily value-add properties and related</p> <p>3 commercial real estate assets in order to create a curated</p> <p>4 portfolio of real estate assets for the purpose of giving the</p> <p>5 REIT customers exposure to institutional grade real estate</p> <p>6 assets that they otherwise would not have access to.</p> <p>7 And it's a growth REIT, which means in real estate</p> <p>8 you have in terms of broad categories of what type of</p> <p>9 investment it is, we either have growth investments, which are</p> <p>10 focused more on long-term appreciation and less on cash flow</p> <p>11 from the assets. And then on the other side of the spectrum</p> <p>12 you have income-based funds or asset plays where you're</p> <p>13 focused more on building a portfolio or acquiring assets that</p> <p>14 create -- generate income for the customer. And then you have</p> <p>15 a hybrid category that's in between, it's a combination. So</p> <p>16 the Growth REITs I business plan was always focused on being</p> <p>17 on the growth side of the investment spectrum.</p> <p>18 Q Okay. Do you have a title with REIT I?</p> <p>19 A No.</p> <p>20 Q What is your role with REIT I?</p> <p>21 A So REIT I has a sponsor, which is, I guess, another</p> <p>22 word for real estate or, you know, investment manager. And</p> <p>23 that's an entity called DF Manager -- well, the manager of</p> <p>24 REIT I, to be clear, is DF Manager LLC. And then the sponsor,</p> <p>25 which is more of the investment manager, is DiversyFund, Inc.</p>	<p style="text-align: right;">Page 67</p> <p>1 I guess the question is, like, as a marketing person, you</p> <p>2 know, do they -- they're not doing real estate or</p> <p>3 investment-related work towards REIT I. Or the tech folks,</p> <p>4 you know, so there's a little -- some of their activities are</p> <p>5 related to marketing, you know, for DiversyFund in general and</p> <p>6 the REIT in particular. They're not doing any real</p> <p>7 estate-related work.</p> <p>8 Q Okay. Do you have an ownership interest in REIT I?</p> <p>9 A No.</p> <p>10 Q Does DiversyFund, Inc. have a direct ownership</p> <p>11 interest in REIT I?</p> <p>12 A I wouldn't classify it as a direct ownership. It</p> <p>13 hasn't purchased any of the class A shares. What DiversyFund,</p> <p>14 Inc. does have with respect to REIT I is a contingent profit</p> <p>15 interest by virtue of what we call a promoted interest, which</p> <p>16 is in the offering statement that to the extent the REIT, you</p> <p>17 know, clears certain investment hurdles, then DiversyFund,</p> <p>18 Inc. as the sponsor will participate in some of those profits</p> <p>19 generated by each asset disposition.</p> <p>20 Q Okay. And what role does DF Manager LLC play?</p> <p>21 A DF Manager really doesn't play much role other than</p> <p>22 in forming the REIT we had been advised by counsel to set up</p> <p>23 DF Manager as an entity between the REIT and DiversyFund, Inc.</p> <p>24 MR. ROSENTHAL: Did you have a question, Vickie?</p> <p>25 You don't?</p>

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1 MR. BHANDARI: Well, I think she's saying she can't
2 hear.
3 MR. ROSENTHAL: Okay.
4 MR. BHANDARI: Would you like -- just want to dial
5 back in?
6 MR. ROSENTHAL: Let's -- off the record at 11:31.
7 (Discussion off the record.)
8 MS. LEVIN: If we could just go back on briefly, and
9 I apologize. Let's go back on the record at 11:32 a.m.
10 Sorry, I was disconnected. What I was trying to prevent was
11 from Mr. Lewis disclosing any possibly privileged information
12 relating to advice received from counsel. So that's what I
13 was trying to do. So I don't know if you guys still need a
14 break or if you want to keep going.
15 MR. BHANDARI: It probably doesn't make sense to
16 break just yet, but maybe we should talk a little bit about
17 the lunch break. So I think we've been going -- 10 -- 10:47
18 we came back on, Will. So may be a little early to break now
19 for lunch. What do you think?
20 MR. ROSENTHAL: Yeah, I think we can continue, if
21 that's all right with you.
22 MR. BHANDARI: Yeah, that's fine. Maybe another 45
23 minutes or so, I ke 12:15, around then, 12:20.
24 MR. ROSENTHAL: Sure. Around then.
25 MR. BHANDARI: Okay. That sounds good. Okay. Does

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1 that work with everyone?
2 THE WITNESS: Yeah.
3 MR. ROSENTHAL: Yeah.
4 BY MR. ROSENTHAL:
5 Q Okay. And, you know, thanks for the reminder. Just
6 we are not asking you to reveal any privileged information.
7 A Got it.
8 Q Does DF Manager have a bank account?
9 A No.
10 Q Does it receive any fees?
11 A No.
12 Q And how much money has REIT I raised from investors?
13 A I think approximately somewhere around 70 million.
14 Q And how many investors does REIT I have?
15 A I don't know the exact count breakdown between the
16 two REITs, but REIT I has at least -- at least 26,000.
17 Q And those are, like, 26,000 unique or different
18 investors?
19 A Mm-hmm. Correct.
20 Q And for DF Growth REIT II LLC, which I'll refer to
21 as "REIT II," when did REIT II start?
22 A I don't recall the exact date we formed the entity,
23 but it would have been around the end of 2020 or early 2021.
24 Q And who came up with the idea for REIT II?
25 A It was also just a collective decision that as

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1 REIT I was nearing the end of its time raising capital and the
2 portfolio was to the level that we wanted it to be, it made
3 sense to start looking at the next entity.
4 Q Okay. And what is the business of REIT II?
5 A The business of REIT II is very similar to REIT I.
6 It primarily focuses on acquiring multifamily value-add assets
7 with the ability to invest in other commercial-related assets.
8 And similar to REIT I, the value-add entails finding assets
9 that have some upside potential with respect to either
10 conducting renovations on the property or improving the
11 management of that property in terms of saving on expenses.
12 Or sometimes there's a component called "lost
13 lease," which means without even conducting any renovations,
14 the current owner and property manager of the property are not
15 renting out units at the current market rate. And so in those
16 cases upon acquisition you can go in and immediately start
17 increasing rents to market rate without even having to perform
18 any renovations on those units. And so there is some upside
19 for the customer that way.
20 Q Okay. Does REIT II have any employees?
21 A No.
22 Q And do you have an ownership interest in REIT II?
23 A No.
24 Q And how much money has REIT II raised?
25 A Approximately \$10 million, I believe.

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1 Q And how many investors does REIT II have?
2 A Not quite sure. My guess would be maybe
3 around 4,000.
4 Q Okay. So these questions will continue to focus on
5 DF Growth REIT II, which I'll refer to REIT II. So I'm just
6 asking about REIT II. Do you understand that?
7 A Yes.
8 Q Okay. When did you start soliciting investors for
9 REIT II?
10 A What do you mean by "solicit"?
11 Q When did you solicit investors to invest in REIT II?
12 A In terms of -- you mean -- by "solicit" do you mean
13 when did we start offering the sale of securities for REIT II?
14 Q Yes.
15 A Okay. So from my perspective, when we filed the
16 offering statement and when the SEC qualified it, it
17 immediately was broadcast to the public that we are now
18 offering securities in REIT II. And so that would be when the
19 offering started was the moment it was qualified. And that
20 was, I guess, the moment that the qualification filing was
21 published by the SEC on the sec.gov website.
22 You know, we've had in the past vendors reach us
23 from just something as simple as a public filing coming on the
24 SEC website. So there's certainly always the possibility that
25 an institutional investor could come and see that and start

<p style="text-align: right;">Page 72</p> <p>1 the conversation that leads to an investment in REIT II. 2 Q Okay. And how are investors solicited for REIT II? 3 A Multiple ways. We're always looking for 4 institutional investors who can write bigger checks. You 5 know, for example, could write, say, a 5 to \$10 million check, 6 which, you know, will allow us to deploy that and increase the 7 portfolio size much quicker and accelerate that process. 8 We also solicit investors through the website. 9 Those tend to be less -- you know, not institutional 10 investors, but more of the nonaccredited or accredited 11 individual retail investors who will come through that 12 channel. 13 Q Does REIT II have any institutional investors? 14 A We have not been successful to date getting any 15 institutional investors yet for REIT II, but we'll 16 certainly -- certainly we'll always be interested in taking on 17 institutional dollars when the offering's -- when an offering 18 is opened. 19 Q Okay. And how about REIT I? Does REIT I have any 20 institutional investors? 21 A No, REIT I doesn't have any institutional investors 22 either. 23 Q Okay. So back to REIT II, you mentioned investors 24 are solicited through the website. Are there any other 25 methods used to solicit investors?</p>	<p style="text-align: right;">Page 74</p> <p>1 A Yeah, the main way -- this is really marketing, 2 which I don't spend much time with, but my understanding is 3 that the main way that they try to solicit investor -- retail 4 investors for either of the REITs has been by driving traffic 5 to the website and then when someone comes to the website, 6 they create an account, and then some choose to invest at that 7 time. Others will just create an account to kind of see what 8 the back-end portal experience looks like and learn more about 9 DiversyFund and the REIT. 10 And so I do know that the marketing team will then 11 send out e-mails to folks who have created an account but 12 haven't invested for the purpose of trying to incentivize them 13 to come back to the website and make an investment at a later 14 date. 15 Q And who drafts those e-mails? 16 A I don't know. I don't know who on -- in marketing 17 does that. 18 Q Okay. Do you review those e-mails? 19 A No. 20 BY MS. LEVIN: 21 Q And just to go back briefly, how does marketing 22 drive people to the website, like you said? 23 A I don't know. I mean, I -- I think they've done 24 various things over the years. What I do know is they use 25 pay-per-click advertising, some --</p>
<p style="text-align: right;">Page 73</p> <p>1 A Yes, for institutional investors it's more of an 2 outreach where you're trying to reach out to them, you know, 3 through e-mail, through LinkedIn, you know, through phone 4 calls, through networking in order to get to a decision-maker 5 who you can then get to look at the potential of investing in 6 the REIT. 7 Q And who has conducted that outreach to institutional 8 investors? 9 A It's been myself, Craig has done some of that. I 10 probably have put in a lot more time into that as the 11 investment -- chief investment manager -- or officer. I had 12 at one point an associate named Kevin Mawby, who would 13 help me also do research and to try to identify potential 14 institutional investors for outreach. He would go through a 15 lot of different databases and various investor lists out 16 there. 17 Also, to a lesser extent sometimes Isaac Dixon, our 18 head of real estate, will also be looking out for potential 19 institutional investors just by virtue of having contacts in 20 the real estate investment industry from his career. 21 Q Okay. And what about noninstitutional investors? 22 How have they been solicited aside from the website? 23 A In terms of retail investors, is that what you're 24 referring to by "noninstitutional." 25 Q Yes, any others?</p>	<p style="text-align: right;">Page 75</p> <p>1 Sorry, Will, do you have something? 2 MS. LEVIN: I think he's -- 3 THE WITNESS: Will, did you need to talk? You put 4 your hand up. 5 MR. ROSENTHAL: (No response.) 6 THE WITNESS: Will, can you hear us? 7 MS. LEVIN: Will, we can't hear you. 8 MR. ROSENTHAL: Sorry, I got disconnected briefly. 9 THE WITNESS: Okay. 10 MR. ROSENTHAL: I apologize. 11 THE WITNESS: No problem. 12 Yeah, sorry, Vickie, could you reask the question? 13 BY MS. LEVIN: 14 Q Oh, I think you answered it and we'll just continue. 15 You said that you weren't sure, but that there -- you think 16 there might be some pay-per-click advertising -- 17 A Yeah. 18 Q -- is that correct? 19 A Yep. 20 Q Thank you. 21 MS. LEVIN: Go ahead, Will. 22 BY MR. ROSENTHAL: 23 Q And does -- do you use social media for REIT II? 24 A I don't know. I know that DiversyFund, Inc. has a 25 social media account. I've not checked it in years, so I</p>

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1 don't know to what extent it is being used, whether for
2 REIT II or just for general DiversyFund matters.
3 Q Okay. How about calls to investors? Do you solicit
4 investors for REIT II that way?
5 A No, at least for REIT II. Making calls for
6 institutional investors. But the marketing team, as far as
7 retail goes, they are not making any calls.
8 Q Okay. And what about text messages to potential
9 investors?
10 A I don't know.
11 Q What's been your role in soliciting investors for
12 REIT II?
13 A My role has been limited to just trying to solicit
14 institutional investors for REIT II.
15 Q Okay. And have you made calls to institutional
16 investors for REIT II?
17 A Yes.
18 Q About how many?
19 A I'd say for REIT II, you know, maybe about five to
20 ten calls.
21 Q Okay. And when did those calls occur?
22 A I don't recall exactly when they occurred, but it
23 would have been fairly early on after the qualification, which
24 would have been early February 2021. That's when it was
25 started. And just as time permits, you know, I would try to

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1 carve out time in my schedule for what I would term "capital
2 outreach."
3 Q And what type of institutional investors have you
4 been talking to?
5 A I would always look for any combination of, like, a
6 family office. Those are always good investors, although they
7 tend to take a longer investment horizon approach than the
8 REIT. Some of them prefer ten years or longer whereas the
9 REIT's a shorter investment horizon.
10 And then the other institutional category would be
11 real estate private equity funds that could potentially
12 invest. Sometimes -- we'd always be looking with Kevin
13 Mawby's help for ultra-high net worth investors who would be
14 more in the family office category who are just able to write
15 a bigger check, you know, of at least 1 million, but in
16 general I was targeting a 5 to \$10 million check from an
17 institutional investor.
18 Q Okay. And do you use any, like, marketing materials
19 or other materials to communicate with institutional
20 investors?
21 A For REIT II?
22 Q For REIT II, yes.
23 A Yeah, we'd start with the initial conversation and
24 usually it's just more talking through what our investment
25 strategy is and sometimes talking through more of what REIT I

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1 had done because REIT II didn't have any assets when we first
2 started that outreach, hadn't acquired any assets yet. So you
3 defer more to what your previous funds have done. In our case
4 that would be REIT I.
5 Q Okay. Do you use, like, PowerPoint presentations or
6 other materials like that?
7 A I don't think -- I don't recall creating any
8 PowerPoint for REIT II. I think it's more just walking
9 through, you know, REIT I's portfolio just in terms of
10 location of the assets, in terms of size of the assets, in
11 terms of how we see them tracking from an insurance
12 standpoint, and then just talking through the fact that
13 REIT II has a similar business plan and won't be -- won't
14 represent much of a departure from what REIT I -- REIT I's
15 portfolio has already accomplished.
16 Q And current REIT II investors, how are they
17 communicated with?
18 A I mean, they're -- I don't know if they're getting
19 e-mails from marketing. Sometimes they'll call into customer
20 service if they have a question about their -- about the
21 website, about logging in and about the investment, how long
22 is it going to take to get their money back. So there is some
23 communication.
24 And I think customer service does the majority of
25 their communication through e-mail and not through phone

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1 calls. I think from a scaling standpoint since we have so
2 many investors, they try to handle almost all of their
3 communications through e-mail with customers. I assume on
4 rare occasion they'll probably pick up the phone if someone
5 really is frustrated or needs -- is having a hard time
6 communicating through e-mail.
7 There's communication done through the back-end
8 portal where, you know, a customer will get updates on, for
9 example, when either REIT acquires additional property,
10 sometimes there will be information on the respective
11 properties or the markets they're located in just in terms of,
12 you know, third-party data that we can put up there about
13 market appreciation.
14 And then just recently I think -- oh, we have an
15 app. We've had an app for a while, but we did an update
16 recently and that allows some communication with the REIT
17 customers as well. I believe we have some push notifications
18 in connection with the app for customer communications, too.
19 Q And when you talk about the communications portal,
20 can you describe what that is?
21 A Yes. So the -- if you go to diversyfund.com, what
22 you're initially seeing is, you know, like any typical
23 front-end website. I believe ours is run on WordPress. And
24 then once you log in to your account, then although you're
25 still on the diversyfund.com domain, my understanding from the

<p style="text-align: right;">Page 80</p> <p>1 tech folks is that you're now -- once you log in you're now on 2 the back-end portal, which is a different tech framework than 3 WordPress.</p> <p>4 And that's where the investors' investment documents 5 are stored, tax documents are stored. That's where they'll 6 see, for example, a statement about their investment, the date 7 and amount of any investments they've made, updates on the 8 portfolio and underlying properties. That tends -- my 9 understanding is that that happens on the back-end portal for 10 the most part.</p> <p>11 Q That information about the properties that REIT II 12 has acquired, who drafts that information that investors see?</p> <p>13 A I'm not sure exactly who would draft that. It's 14 most likely someone on the marketing side.</p> <p>15 Q Okay. Do you communicate with the marketing team 16 about what information regarding properties to communicate to 17 investors?</p> <p>18 A Very rarely. They usually -- you know, marketing is 19 under Craig's side. And so my assumption -- I do know that at 20 times the real estate division, you know, might give them -- 21 if they're looking, for example -- and I don't even know that 22 this is what we're publishing on the portal, but if they 23 wanted to know what was the occupancy rate at a certain 24 property, then they would have to reach out to someone in 25 real estate just to get that number.</p>	<p style="text-align: right;">Page 82</p> <p>1 know, the amount and the date. That should be all displayed 2 on the portal.</p> <p>3 Q I think you mentioned that the RIA, client agreement 4 and that being up and running. Can you describe that a little 5 more?</p> <p>6 A Yeah, it's just a -- a client agreement for the RIA 7 whereby someone would, you know, be investing their dollars 8 with the registered investment advisor. And there's a related 9 ADV brochure that discloses potential fees from related 10 parties. The RIA does not charge any fees by itself, but then 11 by virtue of the affiliation has to disclose all potential 12 fees related to REIT II, for example.</p> <p>13 Q Okay. And does the -- the RIA is registered 14 investment advisor, correct?</p> <p>15 A Correct.</p> <p>16 Q Does the RIA have any current clients?</p> <p>17 A Yes.</p> <p>18 Q How many?</p> <p>19 A I don't know the exact number, but, you know, 20 several thousand.</p> <p>21 Q When did those start?</p> <p>22 A That started in October when the RIA was approved.</p> <p>23 Q October 2021?</p> <p>24 A Yes.</p> <p>25 Q Okay. And how do -- how do individuals decide to</p>
<p style="text-align: right;">Page 81</p> <p>1 Q And what documents do REIT II investors receive?</p> <p>2 A They receive the offering statement and the 3 supplements and amendments. They receive a -- I call it a 4 subscription agreement, but the title is an investment 5 agreement. But it's the contract by which they are agreeing 6 to purchase shares in the REIT and the REIT is agreeing to 7 sell shares to them. They receive the REIT LLC agreement that 8 governs the distributions and shared profits and voting and 9 those kinds of matters.</p> <p>10 And then REIT II I know that we have the RA up. 11 They receive the RA client agreement and the related privacy 12 policy and the client relationship agreement. I'm trying to 13 think. I think there's one other -- one other thing they 14 receive, but I don't recall.</p> <p>15 Q Okay.</p> <p>16 A The ADV brochure part 2.</p> <p>17 Q Okay. Do they receive account statements?</p> <p>18 A What do you mean by "account statements"?</p> <p>19 Q Like a monthly account statement like you would get 20 from a brokerage firm. Do they receive statements like that?</p> <p>21 A I believe they -- on the portal there it displays -- 22 I'm not sure if it's like a pdf statement that you could 23 download, but it displays a record of their investments. Some 24 folks invest more than once. And so any investments, the 25 amount, the date -- to the extent a dividend is given, you</p>	<p style="text-align: right;">Page 83</p> <p>1 become an RIA client?</p> <p>2 A Just all the -- all the folks going forward who come 3 to the website and want to make an investment will become RIA 4 clients going forward.</p> <p>5 Q Okay. So are the REIT II investors, are they also 6 RIA clients?</p> <p>7 A Most of them, yes.</p> <p>8 Q Can they choose to be sort of one or both, to be -- 9 to invest in REIT II or be an RIA client, one or the other?</p> <p>10 A No. Once the RIA was approved, then anyone who 11 comes in, you know, has to go through being an RIA client in 12 order to invest in REIT II.</p> <p>13 Q Okay. And the RIA --</p> <p>14 BY MS. LEVIN:</p> <p>15 Q And why is that? What --</p> <p>16 MS. LEVIN: Oh, sorry, Will.</p> <p>17 MR. ROSENTHAL: Go ahead.</p> <p>18 BY MS. LEVIN:</p> <p>19 Q I'm just wondering why is that. Why was the RIA 20 started and why are REIT II clients asked to be RIA clients as 21 they invest in REIT II?</p> <p>22 MR. BHANDARI: If you can -- if you can address that 23 without disclosing any communications with counsel.</p> <p>24 THE WITNESS: Yeah, a big reason for that is that as 25 we have an auto-invest feature where a good portion of our</p>

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1 clients will say, you know, "On a monthly basis I want you to
2 take," say, "\$500 from my bank account and invest it in the
3 REIT." And the -- one of the issues we were trying to solve
4 for is that, for example, when REIT I fills up, then you would
5 have to go -- without an RIA discretionary authority, you
6 would have to go back to the client and sign a new paperwork
7 in order to get them to move that auto-invest feature to the
8 next offering, whatever that is. In our case it was REIT II.
9 And so as the company was anticipating scaling over
10 the years, we wanted the ability to help build a more
11 diversified portfolio for the customer so that in the future
12 when we anticipated having, say, five REITs and maybe even
13 some funds outside of real estate dealing with other
14 alternative investments, to really create a very balanced
15 alternative investment portfolio for customers, the goal was
16 to, by virtue of the RIA's discretionary authority, be able to
17 take customer's auto-invest and based on the customer's input
18 in their initial KYC questions be able to craft a very
19 diversified portfolio with their auto-invested dollars without
20 having to go back to them and bother them every time with
21 paperwork. Because our customers have always complained
22 anytime they have to sign stuff after the initial signing.
23 So --
24 BY MR. ROSENTHAL:
25 Q Okay. And do the RIA clients, do they invest in

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1 anything else aside from the REIT II?
2 A No. Right now it was just while the REIT II
3 offering was open, someone would come in, they become an RIA
4 client and the single offering that we had available to them
5 was the REIT II.
6 Q Okay. And the RIA does not charge any fees; is that
7 accurate?
8 A Correct.
9 Q And what type of RIA is it?
10 A What do you mean by "what type"?
11 Q I guess can you describe how the RIA operates in a
12 little more detail?
13 A I -- I don't know if this is what you're referring
14 to, but the RIA is an internet advisor I think is what the
15 term of art is. So -- we don't have any registered reps
16 working the phones. It's just customers come to the website
17 and make a decision to invest without any human help.
18 Q Okay. So they don't meet with, like, an advisor
19 representative?
20 A Correct.
21 Q And what role do you play with the RIA?
22 A With the RIA I am the licensed compliance officer.
23 Q And what are your responsibilities with the RIA?
24 A Just to oversee the compliance, you know, making
25 sure that all the different categories in terms of the

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1 compliance manual, you know, make sure files are ready so that
2 when we have our first examination, that we're ready to
3 respond and have the appropriate customer documentation in
4 place for those purposes.
5 Q Are there others that work on compliance for the
6 RIA?
7 A We have a -- our third-party firm called "Foreside,"
8 and it's a service provider in the RIA space for compliance.
9 And so because I'm not a -- I don't have a big compliance
10 background, we try to outsource as many of the compliance work
11 to them, between them and just -- we have just specific RIA
12 counsel that also helps advise as regards to compliance.
13 Q Okay. Who are the principals of the RIA?
14 A Principals, I mean -- do you mean, like, owners?
15 Q Yes, who are the owners?
16 A So the owner is -- of the RIA is DiversyFund, Inc.
17 DiversyFund, Inc. owns 100 percent of the RIA.
18 Q Okay. Does the RIA have employees?
19 A No -- well, I wouldn't classify myself as an
20 employee, but -- because I'm not receiving any wage from the
21 RIA, but it's just myself.
22 Q And who else does work for the RIA?
23 A No one at DiversyFund. Just myself with the support
24 of Foreside.
25 Q And does DiversyFund -- you mentioned it has a

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1 website. And what is the website address?
2 A It is diversyfund.com.
3 Q And what's on the website generally?
4 A Information about DiversyFund. There's blog posts,
5 there's information about -- well, I don't know if we still
6 have information about REIT I on the front-facing website.
7 Certainly for REIT I customers on the back-end portal they
8 would have access to REIT I information. And then there's
9 information on the front-facing portal about REIT II,
10 multifamily investments in general. There's one page that has
11 information on the team. I don't know how updated it is as
12 far as our current employees.
13 Q And who is the intended audience for the website?
14 A I don't know that we have -- I would call it an
15 intended audience, it's just whoever comes to the website, we
16 try to make available information about the company and about
17 what we're doing investment wise, what our strategy is.
18 Q Is it targeted at prospective investors or current
19 investors or both?
20 A I don't know that I would classify it as targeted.
21 I mean, we have both prospective investors and current
22 investors that come to the website.
23 Q Okay. And what role do you play with the website?
24 A Really no role with the website. That's handled by
25 the tech folks certainly. Code, anything that needs to be

<p style="text-align: right;">Page 88</p> <p>1 coded. Product, you know, will use data to determine what 2 customers like to see on the website. I think marketing plays 3 a role with some of the materials on the website such as blog 4 posts. I think some of the content that's on the website is 5 created by the marketing department. 6 Q Okay. And who reviews the content on the website? 7 A I don't know how the process works. So as far as 8 all the folks that would be part of reviewing that, I'm not 9 familiar with that. 10 Q Do you review what's on the website? 11 A Very rarely. On a rare occasion I'll poke around, 12 but I'm not part of the formal review process. 13 Q Okay. How often would you say you review the 14 website? 15 A Oh, I mean, not even -- less frequently than 16 monthly. It's very -- very rare. I'm pretty busy with the 17 investment side, so -- 18 Q Okay. And who has final approval of the website 19 content? 20 A That I don't know. The probably differs depending 21 on whether it's front end, blog post, portal. Depends on what 22 division is dealing with that. 23 Q Okay. And who can make changes to the website? 24 A I think there is some -- I mean, the tech folks 25 certainly can. I think marketing -- I think there is some</p>	<p style="text-align: right;">Page 90</p> <p>1 MS. BARRY: I have a few if you don't mind. 2 MR. ROSENTHAL: Sure. Go ahead. 3 BY MS. BARRY: 4 Q Mr. Lewis, you talked about when you're going -- 5 when you're requesting or soliciting institutional investors 6 you talked about family offices and real estate private equity 7 funds, things of that nature. So in terms of REIT II, you 8 discussed -- or you said you may have reached out to 10 to 15 9 institutional investors. Do you recall who they were? 10 A I think -- I think it was more five to ten -- 11 Q Oh, sorry. 12 A -- but I don't recall the exact number either. I 13 don't recall any at this time. I'd have to go look at 14 records. 15 Q Okay. And in terms of -- is it correct that there 16 are no institutional investors for REIT II? And also there 17 are no institutional investors in REIT I; is that right? 18 A To my knowledge, yeah. We -- there are some 19 entities that have invested in both, so it's hard to say 20 whether or not that's -- would be classified as an 21 institutional investor, but I'm not aware of any, at least 22 from my own outreach. 23 Q And just to clarify, in terms of marketing, that is 24 not a division that you are overseeing? 25 A Correct.</p>
<p style="text-align: right;">Page 89</p> <p>1 functionality where -- like, I think marketing can make a blog 2 post without having to ask tech to do it. I think the website 3 allows for that. So I think those -- and then product, the 4 product team in connection with the tech team probably are 5 making -- are making changes to the website as well. 6 Q And how often does the website get changed? 7 A I don't know the frequency. I mean, technically 8 anytime you post a new update on the portal, that would 9 constitute a change. If you do any blog post, that would 10 constitute a change. But I'm not familiar with how frequently 11 those changes are happening. 12 Q Do you save each version of the website? 13 A I'm sorry, what was the question, Will? 14 Q Does each version of the website get saved? 15 A No. We actually, in connection with the discovery, 16 inquired about that and there's not a mechanism by which the 17 prior versions of the website are being captured or archived. 18 Q Are they -- are they currently being saved? 19 A No, I don't -- they don't have a -- based on the 20 protocols they're using, they say they don't have that 21 ability. 22 MR. ROSENTHAL: Vickie or Jen or Stephen, do you 23 have any questions? 24 MS. LEVIN: I don't have any right now. 25 MR. KAM: None from me.</p>	<p style="text-align: right;">Page 91</p> <p>1 Q And is that something that Mr. Cecillio oversees? 2 A Well, the head of marketing is a gentleman named 3 Navid Firoozi, and then Craig supervisors him. 4 Q And when -- in terms of retail investors, then, I 5 thought -- and correct me if I'm wrong. I thought I 6 understood that the website was the primary way that investors 7 learned about REIT I and -- or REIT II and REIT I. 8 A For retail investors? 9 Q Yes. 10 A Yeah, my understanding is that marketing is trying 11 to drive traffic to the website, and then once they're at the 12 website the website tries to explain what the REIT -- REIT I 13 or REIT II is focusing on. 14 Q Okay. Those are the questions I had. Thank you so 15 much. 16 BY MR. ROSENTHAL: 17 Q Okay. Did all the investments in REIT II go through 18 the website? 19 A I don't know. I mean, I assume the majority. I 20 believe in the past with REIT I there were some manual 21 transactions. In the past every once in a while you'd have 22 someone who wanted to send in a wire, you know, rather than go 23 through the automated ACH process. I have no idea whether 24 that's -- any of those exceptions have been made for REIT II 25 or if they were all ACH transactions through our third-party</p>

<p style="text-align: right;">Page 92</p> <p>1 escrow.</p> <p>2 MR. ROSENTHAL: Okay. Stephen, did you have</p> <p>3 anything?</p> <p>4 MR. KAM: No, nothing.</p> <p>5 MR. ROSENTHAL: Okay. Off the record at 12:15 p.m.</p> <p>6 (Whereupon, at 12:15 p.m., a luncheon recess was</p> <p>7 taken.)</p> <p>8</p> <p>9</p> <p>10</p> <p>11</p> <p>12</p> <p>13</p> <p>14</p> <p>15</p> <p>16</p> <p>17</p> <p>18</p> <p>19</p> <p>20</p> <p>21</p> <p>22</p> <p>23</p> <p>24</p> <p>25</p>	<p style="text-align: right;">Page 94</p> <p>1 A I don't know if that's accurate. There -- it might</p> <p>2 be described elsewhere in the website. So I couldn't speak on</p> <p>3 behalf of when a customer first learned about it.</p> <p>4 Q Okay.</p> <p>5 A But certainly at least have to learn about it at</p> <p>6 that point before completing an investment.</p> <p>7 Q Are there any places on the website that describe</p> <p>8 the RIA?</p> <p>9 A I'm not sure.</p> <p>10 Q Okay.</p> <p>11 BY MS. LEVIN:</p> <p>12 Q Are there any places in the offering circular or in</p> <p>13 an offering circular supplemental for REIT II that describe</p> <p>14 the RIA?</p> <p>15 A For REIT II? The REIT II --</p> <p>16 Q For REIT II.</p> <p>17 A -- circular and supplements just describe the</p> <p>18 REIT II securities offering.</p> <p>19 Q Okay. Thank you.</p> <p>20 BY MR. ROSENTHAL:</p> <p>21 Q Okay. Aside from counsel, so not asking about</p> <p>22 counsel, did you receive advice on setting up the RIA from</p> <p>23 anyone?</p> <p>24 A Not -- not aside from counsel.</p> <p>25 Q Okay. Did you talk with any compliance consultants</p>
<p style="text-align: right;">Page 93</p> <p>1 AFTERNOON SESSION</p> <p>2 (1:17 p.m.)</p> <p>3 EXAMINATION BY COUNSEL FOR THE SEC (RESUMED)</p> <p>4 MR. ROSENTHAL: On the record at 1:17 p.m.</p> <p>5 BY MR. ROSENTHAL:</p> <p>6 Q Mr. Lewis, can you describe, how is the RIA --</p> <p>7 the investor disclosed to clients?</p> <p>8 A How is it disclosed to clients?</p> <p>9 Q Yes.</p> <p>10 A What do you mean by that? Like how does it</p> <p>11 disclose its fees or --</p> <p>12 Q How do clients learn about the RIA?</p> <p>13 A Through the checkout process when they're determined</p> <p>14 to invest, you know, with DiversyFund, then they're presented</p> <p>15 with the RIA client agreement and the related documentation as</p> <p>16 part of that checkout process.</p> <p>17 Q And what is the related documentation?</p> <p>18 A The ADV brochure part 2, the form -- I can't</p> <p>19 remember the exact name -- the client relationship agreement,</p> <p>20 the client agreement itself for the RIA. And at the same time</p> <p>21 they're also presented with the offering statement for the</p> <p>22 REIT II, the LLC agreement and subscription agreement for</p> <p>23 REIT II as well.</p> <p>24 Q Okay. So they don't learn about the RIA until the</p> <p>25 checkout process; is that accurate?</p>	<p style="text-align: right;">Page 95</p> <p>1 prior to starting the RIA?</p> <p>2 A We had spoken to Foreside. I don't know at what</p> <p>3 point in that process. I don't recall speaking to them about</p> <p>4 setting it up, though. It was more just what services they</p> <p>5 could offer, and I don't recall if it was before or after the</p> <p>6 RIA was officially up and running.</p> <p>7 Q Okay. Do you know when you started -- around when</p> <p>8 you started talking with Foreside?</p> <p>9 A I don't. I have to check records.</p> <p>10 Q Okay. What's -- is there a full title for Foreside?</p> <p>11 A A title?</p> <p>12 Q The full name.</p> <p>13 A I don't know the full name. It's just Foreside all</p> <p>14 one word, F-O-R-E-S-I-D-E.</p> <p>15 Q And who do you -- who have you communicated with at</p> <p>16 Foreside?</p> <p>17 A There's -- the lead liaison there is a woman by the</p> <p>18 name of Lisa Evans.</p> <p>19 Q And what role does Foreside play?</p> <p>20 A We -- we're trying to outsource as much of the</p> <p>21 compliance as possible, so they maintain a compliance</p> <p>22 calendar, they have, you know, reminders about recordkeeping</p> <p>23 they -- I think they submit the ADV forms. You know, we had</p> <p>24 to do an update. They're the ones who submit -- press the</p> <p>25 button to file those.</p>

<p style="text-align: right;">Page 96</p> <p>1 Q Okay. And so when you say "outsource compliance,"</p> <p>2 you're referring to the RIA compliance; is that correct?</p> <p>3 A Yep.</p> <p>4 Q Okay. And so the Foreside, they provide -- do they</p> <p>5 provide general compliance advice to the RIA?</p> <p>6 A I don't know what you mean by "advice." I would say</p> <p>7 they provide compliance services.</p> <p>8 Q Okay. So what are their services?</p> <p>9 A I would have to reference their menu of items that</p> <p>10 we have in our agreement with them.</p> <p>11 Q Okay. So you mentioned the compliance calendar.</p> <p>12 What's on the compliance calendar?</p> <p>13 A I'd have to refer to it. I wouldn't want to speak</p> <p>14 without referring to it.</p> <p>15 Q Okay. Did Foreside provide advice on the client --</p> <p>16 the RIA client agreement?</p> <p>17 A What do you mean by "advice"?</p> <p>18 Q Did they review the client agreement and, you know,</p> <p>19 recommend any changes or anything to the client agreement?</p> <p>20 A I don't believe so. I think that was all done with</p> <p>21 RIA counsel.</p> <p>22 Q Okay. And does the Foreside, do they draft the form</p> <p>23 ADV or who drafted the ADV?</p> <p>24 A That was drafted by counsel.</p> <p>25 Q Did -- has Foreside reviewed the form ADV?</p>	<p style="text-align: right;">Page 98</p> <p>1 Q And that person's name is?</p> <p>2 A Escapes me right now. I'd have to go back.</p> <p>3 Q Okay. Thank you.</p> <p>4 BY MR. ROSENTHAL:</p> <p>5 Q And the RIA client agreement, did you review and</p> <p>6 approve that document?</p> <p>7 A I reviewed it and made sure that to the best of my</p> <p>8 understanding, you know, it had the items that we needed in</p> <p>9 there.</p> <p>10 Q And who drafted the compliance manual?</p> <p>11 A The compliance manual, I don't know to the extent</p> <p>12 that Foreside worked with Carter and English, but I think</p> <p>13 Foreside played a big role in preparing that.</p> <p>14 Q Do you conduct compliance reviews for the RIA?</p> <p>15 A Yeah. Yeah, we're starting to do compliance</p> <p>16 reviews.</p> <p>17 Q And who conducts those reviews?</p> <p>18 A I'm scheduled to do those with the help of -- the</p> <p>19 help of Foreside and McCarter.</p> <p>20 Q When did REIT II begin operating?</p> <p>21 A What do you mean by "operating"?</p> <p>22 Q When did it begin its operations?</p> <p>23 A Yeah, I just -- the issue is what do you mean by</p> <p>24 "operations"? Do you mean purchasing securities? Do you mean</p> <p>25 purchasing properties? Do you mean -- I just want to be clear</p>
<p style="text-align: right;">Page 97</p> <p>1 A I don't know if they reviewed it. It goes -- once</p> <p>2 counsel drafts it, the information goes into their system so</p> <p>3 they can press the button to file it.</p> <p>4 BY MS. LEVIN:</p> <p>5 Q Mr. Lewis, do you review the form ADV after counsel</p> <p>6 drafts it but before it gets submitted?</p> <p>7 A Yeah, I read the -- you know, everything they</p> <p>8 drafted.</p> <p>9 Q So if you had any changes to it, you would have made</p> <p>10 those at that point before it gets submitted? You review and</p> <p>11 approve the form ADV; is that fair?</p> <p>12 A I reviewed and -- yeah, prior to submitting it said</p> <p>13 that, you know, most of the changes -- all the changes that I</p> <p>14 could see we needed to make, to make it as accurate as</p> <p>15 possible based on my knowledge at the time, seemed to be in</p> <p>16 there.</p> <p>17 Q And who's the counsel that drafts it?</p> <p>18 A A firm named McCarter English.</p> <p>19 Q McCarter English. Where are they located?</p> <p>20 A They have offices everywhere, so I'm not sure --</p> <p>21 Q Okay.</p> <p>22 A -- where the counsel is located.</p> <p>23 Q Okay. And do you work with a specific attorney</p> <p>24 there?</p> <p>25 A Yes. Yeah.</p>	<p style="text-align: right;">Page 99</p> <p>1 on --</p> <p>2 Q When did you start operating anywhere for REIT II?</p> <p>3 A Well, by "operations" if you mean acquiring</p> <p>4 properties, our first property was acquired for REIT II</p> <p>5 December of 2021.</p> <p>6 Q And when was REIT II qualified?</p> <p>7 A I believe the date was January 29, 2021.</p> <p>8 Q Okay. And what happened in the two days after</p> <p>9 January 29, 2021?</p> <p>10 A What do you mean by "what happened"?</p> <p>11 Q What did REIT II do in those two days?</p> <p>12 A Other than just commencing the offering, it had not</p> <p>13 raised any dollars through the offering during those two days,</p> <p>14 so it could not buy any property until a later date once it</p> <p>15 had raised equity. So really just it was conducting the</p> <p>16 offering.</p> <p>17 Q And how did it conduct the offering?</p> <p>18 A By virtue of the offering statement being qualified</p> <p>19 and published on the SEC website, it broadcast to the</p> <p>20 entire -- entire world via the internet, made it so the</p> <p>21 offering was now available so we could potentially get an</p> <p>22 investor through that channel.</p> <p>23 BY MS. LEVIN:</p> <p>24 Q Was it -- when was the first time REIT II was</p> <p>25 described on diversifyfund.com?</p>

<p style="text-align: right;">Page 100</p> <p>1 A That I don't know, what date it first went up.</p> <p>2 Q Okay. Do you have a rough idea?</p> <p>3 A No, I don't, because there's so many different</p> <p>4 avenues that REIT II could be mentioned, whether it's a blog</p> <p>5 post or a website page or the back-end portal. I would have</p> <p>6 to defer to marketing and tech.</p> <p>7 Q Okay. So marketing and tech to have records of</p> <p>8 that?</p> <p>9 A They might. I can't speak for them.</p> <p>10 Q Okay. Thank you.</p> <p>11 BY MR. ROSENTHAL:</p> <p>12 Q And when did REIT II sales start?</p> <p>13 A The first sale of security, I believe, was around</p> <p>14 the end of August or beginning of 20 -- or September 2021</p> <p>15 would have been the first sale.</p> <p>16 Q And if this offering was qualified in January 2021,</p> <p>17 why didn't sales start until August or September?</p> <p>18 A We had our first sale, you know, at the end of</p> <p>19 August or beginning of September. As far as why, you'd have</p> <p>20 to ask the institutional investors or other investors why they</p> <p>21 didn't invest prior to that.</p> <p>22 Q Okay. So what was -- before August what was being</p> <p>23 done to solicit investors?</p> <p>24 A I don't know what was being done as far as the</p> <p>25 website. What I do know is that through my efforts with the</p>	<p style="text-align: right;">Page 102</p> <p>1 REIT II stopped?</p> <p>2 A I'm not sure. I know about the current stop.</p> <p>3 (SEC Exhibit No. 7 was</p> <p>4 identified for the record.)</p> <p>5 BY MR. ROSENTHAL:</p> <p>6 Q I'm going to show you a document that's been marked</p> <p>7 as Exhibit 7. Can you see that on the screen?</p> <p>8 A Yeah, is it possible to make it a little bit larger?</p> <p>9 Or maybe I can do it on my end. One sec. Okay. Yes, I can</p> <p>10 see --</p> <p>11 Q Okay. So I'm going to describe the document. On</p> <p>12 the top of the document it states, "Form 1-SA semiannual</p> <p>13 report pursuant to Regulation A for the semiannual period</p> <p>14 ended June 30, 2021, DF Growth REIT II, LLC," and it's</p> <p>15 a 12-page document. I'm going to scroll through it. If you</p> <p>16 want me to stop, you can let me know. You can take as much</p> <p>17 time as you want to review it. I'm going to ask you if --</p> <p>18 MR. BHANDARI: So in the interest of time -- because</p> <p>19 it's very difficult to read the document, it's quite small,</p> <p>20 maybe you can ask him a question. If he needs to look at</p> <p>21 something to get context, he'll let you know.</p> <p>22 MR. ROSENTHAL: Sure. Okay.</p> <p>23 BY MR. ROSENTHAL:</p> <p>24 Q Did I describe this document accurately?</p> <p>25 A Yeah, looks like Form 1-SA for the semiannual report</p>
<p style="text-align: right;">Page 101</p> <p>1 support of Kevin Mawby and -- I don't recall -- I can't speak</p> <p>2 for Craig, but I was certainly reaching out to potential</p> <p>3 institutional investors for a 5 to \$10 million check.</p> <p>4 Q And when did you first reach out to institutional</p> <p>5 investors about REIT II?</p> <p>6 A Yeah, we mentioned this earlier. I don't know the</p> <p>7 exact date. I'd have to check my records.</p> <p>8 Q Okay. Are sales of REIT II ongoing?</p> <p>9 A Right now the offering is currently stopped.</p> <p>10 Q When did REIT II sales stop?</p> <p>11 A I don't know the exact date, but around January 27.</p> <p>12 There may have been a couple of --</p> <p>13 Q Okay. Did --</p> <p>14 A -- that lagged behind that.</p> <p>15 Q And that's 2022?</p> <p>16 A Correct.</p> <p>17 Q Did any investors reach out to REIT II prior to</p> <p>18 August 2021?</p> <p>19 A What do you mean by "reached out to REIT II"?</p> <p>20 Q To inquire about investing in REIT II.</p> <p>21 A I don't know. You're talking about inbound</p> <p>22 unsolicited?</p> <p>23 Q Or in response to outbound.</p> <p>24 A Yeah, I don't know.</p> <p>25 Q And were there any other periods when sales in</p>	<p style="text-align: right;">Page 103</p> <p>1 ending June 30, 2021 for Growth REIT II.</p> <p>2 Q Do you recognize this document?</p> <p>3 A Yes.</p> <p>4 Q And what is it?</p> <p>5 A It's the semiannual report for the period ending</p> <p>6 June 30, 2021 for DF Growth REIT II.</p> <p>7 Q Okay. I'm going to scroll to the end. The last</p> <p>8 page, the signatures, did you sign this document</p> <p>9 electronically?</p> <p>10 A Yeah, what do you mean by signing electronically?</p> <p>11 Q Did you sign this document?</p> <p>12 A So we -- the process with our counsel is they would</p> <p>13 prepare the document, draft it, and then I would look it over</p> <p>14 and they would ask if it's ready to file. And so there's not</p> <p>15 a formal signing process within that process.</p> <p>16 Q Okay. Did you agree to have your name signed to</p> <p>17 this document?</p> <p>18 A I didn't make that explicit agreement. What I would</p> <p>19 do is I would tell counsel it looks ready to file.</p> <p>20 Q Okay. So the document says, "Pursuant to the</p> <p>21 requirements of Regulation A, this report has been signed by</p> <p>22 the following persons in the capacity and on the dates</p> <p>23 indicated." And it lists Alan Lewis, September 28, 2021. So</p> <p>24 did you sign this document?</p> <p>25 A Like I said before, there wasn't a formal signing</p>

<p style="text-align: right;">Page 104</p> <p>1 process. I agreed for it to be filed by counsel.</p> <p>2 Q Okay. What was your role in this document --</p> <p>3 MS. BARRY: Can I just ask one question to clarify?</p> <p>4 BY MS. BARRY:</p> <p>5 Q Mr. Lewis, you said that you agreed to have this</p> <p>6 document filed. Would it be safe to say that you agreed to</p> <p>7 have an electronic signature in your name when you understood</p> <p>8 that that was what was required when you said that this is</p> <p>9 ready to be filed?</p> <p>10 A That was not what I was contemplating at the time.</p> <p>11 I just was focused on getting it filed. I'm not trying to be</p> <p>12 difficult, I'm just trying to be accurate that that's what</p> <p>13 took place was just approving it to be filed.</p> <p>14 MR. BHANDARI: If what you're looking for is whether</p> <p>15 he would accept that he -- it's his adopted statement, I think</p> <p>16 we can work that out, and the answer is yes. He's just</p> <p>17 telling you the context for how these things get done.</p> <p>18 MS. BARRY: Okay.</p> <p>19 BY MR. ROSENTHAL:</p> <p>20 Q And what was your role in this document?</p> <p>21 A Do you mean my role in preparing in document?</p> <p>22 Q Yes.</p> <p>23 A So counsel would draft it and then they would send</p> <p>24 it to me to review.</p> <p>25 Q Did you review it?</p>	<p style="text-align: right;">Page 106</p> <p>1 investments starting in the second half of the year." Is that</p> <p>2 second sentence -- is that accurate?</p> <p>3 A Well, it depends on what you mean by "the sentence."</p> <p>4 Q Is it accurate that the company had not yet</p> <p>5 commenced its operations as of June 30, 2021?</p> <p>6 A If you mean by "operations" hadn't purchased any</p> <p>7 properties or completed a sale of securities, then yes, that</p> <p>8 type of operation had not been commenced. No sales had been</p> <p>9 commenced at that point and no properties had been purchased</p> <p>10 because no equity had been raised yet.</p> <p>11 BY MS. LEVIN:</p> <p>12 Q So this is REIT II's document, right, that was</p> <p>13 filed. So why don't you tell us what was meant by that</p> <p>14 sentence.</p> <p>15 A By the sentence?</p> <p>16 Q Yes.</p> <p>17 A Yeah, it meant that as of the date June 30, 2021,</p> <p>18 the company had not yet completed a sale of any securities and</p> <p>19 it had -- because it had not completed any sale of securities,</p> <p>20 it was not able to purchase or invest in any properties at</p> <p>21 that point.</p> <p>22 Q Anything else that was meant by that sentence?</p> <p>23 A No. I mean, that's my understanding of that</p> <p>24 statement.</p> <p>25 Q Okay. Thank you.</p>
<p style="text-align: right;">Page 105</p> <p>1 A Yes, I did review it.</p> <p>2 Q Did you approve it?</p> <p>3 A Yes, I informed counsel that it was ready to be</p> <p>4 filed.</p> <p>5 Q And who had final approval?</p> <p>6 A Final approval in what sense?</p> <p>7 Q Who had the -- who had the final approval to file</p> <p>8 the document?</p> <p>9 A As far as filing it?</p> <p>10 Q The final approval that the document was final and</p> <p>11 was ready.</p> <p>12 A I don't know that I would characterize it as a final</p> <p>13 approvement. It's just I would look at it and tell counsel as</p> <p>14 far as I was concerned it looked good to file. And then it</p> <p>15 Craig had any input, you know, he could always make input as</p> <p>16 well.</p> <p>17 Q And who else approved this document?</p> <p>18 A I don't know that I would use the word "approve."</p> <p>19 It's just I would look at it, Craig would look at it, our</p> <p>20 finance people would look at it, counsel would look at it.</p> <p>21 Q And I scrolled to page 1 of this document and it</p> <p>22 says, "The company was formed on August 6, 2020 and qualified</p> <p>23 by the Securities and Exchange Commission on January 29, 2021.</p> <p>24 As of June 30, 2021, the company has not yet commenced its</p> <p>25 operations, but plans to begin raising money and making</p>	<p style="text-align: right;">Page 107</p> <p>1 BY MR. ROSENTHAL:</p> <p>2 Q Okay. I'm pulling up another document. It's been</p> <p>3 marked as Exhibit 15. I will put it on the screen in a minute</p> <p>4 and describe it for the record.</p> <p>5 (SEC Exhibit No. 15 was</p> <p>6 identified for the record.)</p> <p>7 BY MR. ROSENTHAL:</p> <p>8 Q This is Exhibit 15. It is a document produced by</p> <p>9 DiversyFund. It was Bates stamped DF-000915. Again, that's</p> <p>10 three zeros and then 915. It appears to be a list of</p> <p>11 investors in REIT I on one tab and a list of investors in</p> <p>12 REIT II on a second tab. Can you see the document?</p> <p>13 A Let me enlarge it.</p> <p>14 Q Yeah.</p> <p>15 A Can you scroll down, Will, so the header on the</p> <p>16 first row shows?</p> <p>17 Q Yeah. Let me see. Can you see that now?</p> <p>18 A No, I'm zoomed in, so -- oh, now I can see it.</p> <p>19 Q Do you recognize this document?</p> <p>20 A I believe so. It appears to be a document prepared</p> <p>21 by Ryan Wagner.</p> <p>22 Q Who is Ryan Wagner?</p> <p>23 A He's our data guy that works with tech product and</p> <p>24 marketing.</p> <p>25 Q Okay. And is this document an accurate</p>

<p style="text-align: right;">Page 108</p> <p>1 representation of the number of REIT II investors?</p> <p>2 A I have no idea.</p> <p>3 Q Is this document maintained in the normal course of</p> <p>4 business?</p> <p>5 A I don't know much at all about how this is</p> <p>6 maintained, so I -- it's just not my side of the business.</p> <p>7 Q Okay. And for REIT II I'm going to scroll all the</p> <p>8 way to the bottom. Do you see the last row with X in it, in</p> <p>9 the fourth column, column D, it says "Invest date" and the</p> <p>10 invest date is 2/3/2022, so February 3, 2022?</p> <p>11 A Yes.</p> <p>12 Q Were there investments made in REIT II on</p> <p>13 February 3, 2022?</p> <p>14 A What do you mean by "investments"?</p> <p>15 Q Did an investor invest money in REIT II on</p> <p>16 February 3?</p> <p>17 A Referring to this James individual?</p> <p>18 Q Yes, or any investors.</p> <p>19 A I'm not sure. My understanding in looking at some</p> <p>20 of these amounts that came in after January 27, you'll notice</p> <p>21 that this one in particular is for \$100, and our site does not</p> <p>22 permit any sale of securities below the \$500 minimum. And so</p> <p>23 my understanding in talking with our head of product was that</p> <p>24 any amounts on here that are less than 500 such as the ones</p> <p>25 you see for 50 and 100, which encompass all the items listed</p>	<p style="text-align: right;">Page 110</p> <p>1 that works with SaaSquatch.</p> <p>2 Q And so this investment of \$100, was it made on</p> <p>3 February 3?</p> <p>4 A It wouldn't be characterized as an investment</p> <p>5 because it was really a -- my understanding is that it's a</p> <p>6 referral bonus given by the parent co., DiversyFund, Inc., to</p> <p>7 the people involved with the referral. I don't know if it's</p> <p>8 the referee and the referrer, one or the other. I'm not sure.</p> <p>9 But they are not putting in that \$100 or \$50.</p> <p>10 Q Okay. I'm not sure I understand. Can you describe</p> <p>11 that again or a little more?</p> <p>12 A Well, to be quite frank, I'm not sure I understand</p> <p>13 it either because I'm just going off of what limited</p> <p>14 information I have. But my understanding is that when someone</p> <p>15 comes in through the referral program, they -- that \$100, for</p> <p>16 example, by James, James did not put in that \$100.</p> <p>17 Q Did he -- did he receive \$100? Did James</p> <p>18 receive \$100?</p> <p>19 A Hundred dollars of cash?</p> <p>20 Q Or any other form.</p> <p>21 A No, James is receiving \$100 worth of REIT II shares.</p> <p>22 Q I see. Okay. For his referral?</p> <p>23 A Yeah. That's my understanding. But we would need</p> <p>24 to clarify with someone from tech or marketing who set this</p> <p>25 up.</p>
<p style="text-align: right;">Page 109</p> <p>1 on here after the 27th, are from a referral program that is</p> <p>2 communicated with the website through an API.</p> <p>3 Q What is an API?</p> <p>4 A I don't know what it stands for, but it's a tech</p> <p>5 application whereby, you know, one website can communicate</p> <p>6 with another, communicate information. In this case it would</p> <p>7 be the third-party referral company program.</p> <p>8 Q Okay. Do you know what company referred investors</p> <p>9 to REIT II?</p> <p>10 A Well, I don't know if it would characterize them as</p> <p>11 referring investors to REIT II. My understanding is that it's</p> <p>12 if a customer refers a fellow customer to REIT II. And the</p> <p>13 name of the company that reports that referral information is</p> <p>14 called SaaSquatch.</p> <p>15 Q And so you believe these investments under 500 came</p> <p>16 from referrals through SaaSquatch; is that accurate?</p> <p>17 A I wouldn't call it a referral through SaaSquatch.</p> <p>18 It would be -- my understanding is that it's a referral from</p> <p>19 one customer to a friend or acquaintance that then funds</p> <p>20 escrow. They're not required to actually become a customer</p> <p>21 just to fund an escrow account, and then SaaSquatch reports</p> <p>22 the information to create the record through their API.</p> <p>23 Q Okay.</p> <p>24 A As far as the mechanics of how they get that</p> <p>25 information, I wouldn't know. It would have to be someone</p>	<p style="text-align: right;">Page 111</p> <p>1 Q So then the amounts listed, are those amounts of --</p> <p>2 what are those amounts?</p> <p>3 A I believe there's amounts of 100 and amounts of 50</p> <p>4 that have come through the referral program. The website does</p> <p>5 not allow for any transaction as far as an individual</p> <p>6 purchasing securities for themselves, does not allow for any</p> <p>7 amount under 500.</p> <p>8 Q Okay. So when it says "amount," that's amount of</p> <p>9 what?</p> <p>10 A Well, it depends. It may be different for these</p> <p>11 referral programs and how you describe it for -- my assumption</p> <p>12 for anything that's 500 or over is showing you the dollars of</p> <p>13 cash, if you will, dollars of money that someone paid for in</p> <p>14 exchange for that amount of securities. I don't know if that</p> <p>15 same characterization applies for the 100 and \$50 amounts that</p> <p>16 came through the referral program.</p> <p>17 Q Did investors in REIT I who were making recurring</p> <p>18 contributions for investing in REIT I have those contr butions</p> <p>19 start going to REIT II?</p> <p>20 A Some of them did, not all.</p> <p>21 Q Do you know how many?</p> <p>22 A I don't. Just the ones that were -- signed REIT II</p> <p>23 documentation in order to move over to REIT -- their</p> <p>24 auto-invest to REIT II.</p> <p>25 Q And how did they sign agreements to be rolled over</p>

<p style="text-align: right;">Page 112</p> <p>1 into REIT II?</p> <p>2 A I don't know. I don't know how the tech and product</p> <p>3 folks rolled that out exactly.</p> <p>4 Q Did those investors have a choice to have their</p> <p>5 investment go into REIT II?</p> <p>6 A Yeah, they had a choice of either once REIT I was</p> <p>7 full in our conducting an offering, it was either your</p> <p>8 auto-invest will be turned off, right, so you'll know longer</p> <p>9 be having amounts auto-debited out of your checking account on</p> <p>10 a monthly basis, or you can choose to have your auto-invest</p> <p>11 amount applied to REIT II going forward.</p> <p>12 Q And was there, like, a document that they received</p> <p>13 that informed them that?</p> <p>14 A I don't know if I'd call it a document, but there</p> <p>15 was certainly communication regarding it.</p> <p>16 Q In what form?</p> <p>17 A I don't know.</p> <p>18 BY MS. LEVIN:</p> <p>19 Q So how do you know there was communication regarding</p> <p>20 it?</p> <p>21 A Just because I heard marketing talk about it in</p> <p>22 leadership.</p> <p>23 Q Who in marketing?</p> <p>24 A Navid Firoozi.</p> <p>25 Q Thank you.</p>	<p style="text-align: right;">Page 114</p> <p>1 Q Okay. And how do you track investor equity?</p> <p>2 A What do you mean by "track"? Like track purchases?</p> <p>3 Q How do you know -- how do you know who -- what --</p> <p>4 who has equity in REIT II?</p> <p>5 A That same -- those same records would encompass</p> <p>6 that. So when the record shows that Joe Smith, for example,</p> <p>7 purchased \$500 worth of securities on a certain date, then</p> <p>8 that goes into PrimeTrust's record keeping. And then we</p> <p>9 also -- when we move the money over and release it from escrow</p> <p>10 to REIT II, then REIT II's bank account will reflect the</p> <p>11 dollar amounts, and REIT II has financials prepared by our</p> <p>12 finance division that also reflect each customer's ownership</p> <p>13 amount.</p> <p>14 BY MS. LEVIN:</p> <p>15 Q And as a quick question -- sorry to interrupt again,</p> <p>16 but is the finance division included in these leadership</p> <p>17 meetings that you described?</p> <p>18 A To an -- not the individuals who are in the finance</p> <p>19 division. Fateh Kamal, our COO, supervises the finance</p> <p>20 division. So by virtue of his participation, that's how</p> <p>21 finance is represented in leadership meetings.</p> <p>22 Q Understood. Thank you.</p> <p>23 BY MR. ROSENTHAL:</p> <p>24 Q And when you said the finance department, they</p> <p>25 maintain financials that track equity, what documents do you</p>
<p style="text-align: right;">Page 113</p> <p>1 BY MS. BARRY:</p> <p>2 Q Can I just jump in here? Sorry. When you say</p> <p>3 "leadership" -- I've heard you say it a couple times. Can you</p> <p>4 just tell us who you're referring to when you say</p> <p>5 "leadership"?</p> <p>6 A Certainly, yeah. When I say "leadership" I'm</p> <p>7 referring to our weekly leadership meetings which involves</p> <p>8 myself; Craig Cecilio; our COO Fateh Kamal; Navid Firoozi,</p> <p>9 who's the head of marketing; David Legacki, who's the head of</p> <p>10 product; and the interim head of tech, because we don't have a</p> <p>11 specific tech head at the current time; and then also Isaac</p> <p>12 Dixon, who heads real estate.</p> <p>13 Q Thank you.</p> <p>14 BY MR. ROSENTHAL:</p> <p>15 Q And how do you track how much money REIT II has</p> <p>16 raised?</p> <p>17 A I don't know exactly how they track it on the</p> <p>18 product and tech side, but I do know that the dollars</p> <p>19 initially come into our third-party escrow agent, which is a</p> <p>20 bank called "PrimeTrust." And so there's a record there, and</p> <p>21 then we have a record of every dollar that comes over from</p> <p>22 PrimeTrust to REIT II. Finance would keep that record. It</p> <p>23 would be reflected in the QuickBooks files that you have access</p> <p>24 to. And then there may be additional record keeping on the</p> <p>25 product and tech side, but I'm not familiar with that.</p>	<p style="text-align: right;">Page 115</p> <p>1 mean?</p> <p>2 A I have no idea. We'd have to ask finance.</p> <p>3 Q Okay. And so the escrow process you were describing</p> <p>4 when investors invest in REIT II, their money first goes</p> <p>5 through the escrow, correct?</p> <p>6 A Correct.</p> <p>7 Q Does it go into one escrow account or are there</p> <p>8 multiple escrow accounts?</p> <p>9 A I'm not sure how PrimeTrust is dealing with that.</p> <p>10 Q Okay. And who's responsible for managing the</p> <p>11 escrow?</p> <p>12 A PrimeTrust.</p> <p>13 Q Who oversees the -- on DiversyFund's side the rescue</p> <p>14 escrow process?</p> <p>15 A I don't know that anyone could be deemed to oversee</p> <p>16 it because they're a third party. So they're independent of</p> <p>17 us.</p> <p>18 Q Okay. Who tracks the funds coming from escrow?</p> <p>19 A Being released from escrow to the REIT?</p> <p>20 Q Yes.</p> <p>21 A I don't know. Finance might. Product and tech</p> <p>22 might. I'm not sure what the process is for tracking.</p> <p>23 Q Okay. Do the funds -- does someone have to agree to</p> <p>24 have the funds released from escrow or do they get released</p> <p>25 automatically?</p>

<p style="text-align: right;">Page 116</p> <p>1 A The process as I understand it is that they come 2 into escrow, they have to go through an AML check, and the 3 funds also have to be released from the in-coming bank's ACH. 4 There's a time lag before the funds, I guess, appear, so to 5 speak, in the escrow account. And then at some point I 6 believe someone in finance will on a somewhat regular basis, 7 maybe weekly or every other week, would release in batches 8 those dollars that had been in escrow that had cleared the AML 9 and KYC processes.</p> <p>10 Q And then the money that's cleared when it comes to 11 REIT II, where does it get deposited or where does it go?</p> <p>12 A My understanding is it goes into REIT II's bank 13 account.</p> <p>14 Q And who has control of REIT II's bank account?</p> <p>15 A What do you mean by "control"?</p> <p>16 Q Who can move money in or out of REIT II's bank 17 account?</p> <p>18 A We have controls on the REIT bank accounts so that 19 it requires different people to set up -- and there are 20 certain amounts that this applies to. My last understanding 21 was that anything, say, over \$25,000 requires one person to 22 set up a wire and then one person to -- or then two people to 23 approve it in addition to the wire setup so that we have 24 controls on any outgoing funds.</p> <p>25 Q Can that be any two people at DiversyFund?</p>	<p style="text-align: right;">Page 118</p> <p>1 vendors such as we currently are going through our annual 2 audit, you know, for the annual REIT II filing. Legal counsel 3 would be bills paid there, you know, and any other related 4 REIT II vendors.</p> <p>5 Q The last property, could you repeat the name of that 6 one?</p> <p>7 A Yes. Are you referring to Swaying Oaks or Mission 8 Villas?</p> <p>9 Q Mission Villas.</p> <p>10 A Yeah.</p> <p>11 Q And when did those invest -- all three of those 12 investments, when were those made?</p> <p>13 A NCP Dove was made in December 2021. Swaying Oaks, I 14 believe, just closed this past Friday. I don't know the date 15 exact date of the Mission Villas investment.</p> <p>16 Q And how do you decide what assets to target for 17 REIT II?</p> <p>18 A We start with our business plan, which is to create 19 a diversified portfolio of multi -- primarily multifamily 20 value-add assets. We try to balance out economies of scale by 21 having more than one purchase in a potential market while also 22 trying to spread out assets, you know, across various markets 23 in the U.S.</p> <p>24 And we also -- in looking at a particular asset, we 25 will go in and the investment committee has formulated some</p>
<p style="text-align: right;">Page 117</p> <p>1 A No, it's limited to the two folks in finance, 2 Jonathan Neff, Samantha Li, which Samantha Li is now on 3 maternity leave, Craig Cecilio, myself and Fateh Kamal, our 4 COO.</p> <p>5 Q Did REIT II receive investor funds in January '22?</p> <p>6 A In January 2022?</p> <p>7 Q Yes.</p> <p>8 A Yeah.</p> <p>9 Q Were those funds recorded in QuickBooks?</p> <p>10 A I'm not sure, but I would assume so.</p> <p>11 Q And how often are the QuickBooks updated?</p> <p>12 A That I couldn't speak to, what the process that 13 finance goes through as far as frequency.</p> <p>14 Q And how have REIT II investor funds been used?</p> <p>15 A Our REIT II invested -- co-invested with REIT I in a 16 property that actually is comprised of two underlying assets 17 in North Charleston, South Carolina. We refer to those as 18 "NCP Dove." I believe REIT II invested somewhere around 5 19 million in that -- those two properties.</p> <p>20 REIT II has also invested I think around a 21 million, 1.5, 1.6, into a property in San Antonio that we 22 refer to as "Swaying Oaks." I believe REIT II also invested 23 about 675K into -- as a co-investment into a property that 24 REIT I is invested in called "Mission Villas" in San Antonio, 25 and then REIT II would also have spent money on third-party</p>	<p style="text-align: right;">Page 119</p> <p>1 investment targets and underwriting assumptions. And so our 2 acquisitions team will look for assets that meet those 3 criteria based on those underwriting assumptions being 4 applied, which makes it so that we're able to compare apples 5 to apples from property to property.</p> <p>6 Now, these are things like assumptions such as your 7 exit cap rate, your escalation of rents year over year, your 8 percentage escalation of price year over year, your rent 9 concessions, your vacancy rate, you know, the expected rent 10 bumps post renovation on a per-unit basis. These are all 11 things that go into a pretty extensive underwriting process 12 that entails spreadsheets that have multiple tabs. And at 13 that point that's part of our underwriting process to get to 14 an asset return that makes -- is attractive to the REIT 15 customer.</p> <p>16 And then, of course, we'll put out an offer out on a 17 property. And as you may be aware, the market's fairly 18 competitive right now. So, you know, you're not guaranteed to 19 get every offer accepted by a potential seller. So we'll put 20 out multiple offers that meet our underwriting criteria hoping 21 to get a couple of those accepted.</p> <p>22 Q Okay. And the properties that REIT II has invested 23 in, are they all apartment buildings?</p> <p>24 A Yes.</p> <p>25 Q Okay. Is that generally what REIT II is targeting</p>

<p style="text-align: right;">Page 120</p> <p>1 is apartment buildings?</p> <p>2 A Yeah. When we -- when the offering statement talks</p> <p>3 about "multifamily value-add," "multifamily" is the industry</p> <p>4 term for apartment buildings.</p> <p>5 Q Okay. And are -- can you describe a little more</p> <p>6 what type -- I mean, you mentioned some of the criteria, but</p> <p>7 are there other sort of factors or types of multifamily you're</p> <p>8 looking at?</p> <p>9 A Certainly. Because the REIT is targeting what we</p> <p>10 refer to as "multifamily value-add," it means that REIT II is</p> <p>11 looking at properties that have some upside potential, what we</p> <p>12 call "forced appreciation." So as we're all familiar with,</p> <p>13 when you buy, for example, your own home, a single-family</p> <p>14 residence, if the market goes up like it's been going up,</p> <p>15 you're experiencing an increase in value of the asset that's</p> <p>16 due to market appreciation just by virtue of pricing in that</p> <p>17 local market being bid up, which is the case in most markets</p> <p>18 in the U.S. right now.</p> <p>19 Forced appreciation also creates value at the asset</p> <p>20 level, but it means that it's something that you as a sponsor</p> <p>21 have control over. You can force that appreciation through</p> <p>22 execution of a business plan, whereas market appreciation you</p> <p>23 have nothing to do with it, right? You're just subject to how</p> <p>24 the market pricing trends, and you can't really affect that on</p> <p>25 an individual sponsor basis.</p>	<p style="text-align: right;">Page 122</p> <p>1 what the REIT -- REIT II is looking for is assets that have</p> <p>2 that potential. So at the other extreme, the REIT II is not,</p> <p>3 for example, interested in buying a brand-new asset that has</p> <p>4 no need for renovation or really any upside from mismanagement</p> <p>5 at the property management level. That would not have a</p> <p>6 value-add return to it. That return profile is much lower and</p> <p>7 not in line with the investment growth category that REIT II</p> <p>8 is focused on in terms of creating wealth for the REIT</p> <p>9 customers.</p> <p>10 So when we're looking for value-add it means</p> <p>11 typically these are assets that tend to be a little older.</p> <p>12 Our oldest asset in REIT II would be Mission Villas. It's a,</p> <p>13 I believe, 1965 vintage or somewhere close to that. So, you</p> <p>14 know, there's certainly a need for heavy renovations. But</p> <p>15 with the housing shortage in a market like San Antonio, as we</p> <p>16 fix up the units, there certainly is a need with the local</p> <p>17 tenant population to have a nicer unit. They want a nicer</p> <p>18 space. That way you can actually start to clean up a tenant</p> <p>19 population and get rid of folks who might be drug users or</p> <p>20 criminal activities on the property.</p> <p>21 And so your core tenants, you know, who are working</p> <p>22 class families with kids benefit from the fact that we're</p> <p>23 coming in, putting money into these properties that have been</p> <p>24 neglected and dilapidated in some instances and really fixing</p> <p>25 up with lighting, with amenities, with playgrounds, cleaning</p>
<p style="text-align: right;">Page 121</p> <p>1 So forced appreciation comes down to conducting</p> <p>2 renovations both on the exterior of a property and on the</p> <p>3 interior of units. That allows you to then bump the rent.</p> <p>4 So, for example, on the NCP Dove properties in North</p> <p>5 Charleston, when we came in some of the rents we were able to</p> <p>6 after unit -- renovating a unit, we're able to bump the rent</p> <p>7 by 200 to \$250 per month from its prior rental amount. And by</p> <p>8 virtue of increasing the rent, you're increasing the net</p> <p>9 operating income of the asset, which means that when you apply</p> <p>10 it to the existing cap rate in that market, that asset becomes</p> <p>11 more valuable by virtue of the NOI increasing. And so that's</p> <p>12 an example of forced appreciation.</p> <p>13 Another example would be coming in and managing the</p> <p>14 asset better. That's something that a sponsor could control</p> <p>15 by virtue of supervising the property manager. All of our</p> <p>16 REIT I and REIT II properties have a third-party property</p> <p>17 manager whose job it is to try to get the highest rents</p> <p>18 possible for those units in that market, to keep the residents</p> <p>19 happy, to oversee the maintenance calls that when someone</p> <p>20 moves out they're trying to turn the unit, as we say in the</p> <p>21 industry, as quickly as possible to minimize the downtime of</p> <p>22 that unit between residents. And so by managing those things</p> <p>23 well, it'll lead to better overall financial performance of</p> <p>24 the asset and increase that forced appreciation.</p> <p>25 So from a value-add standpoint, that's primarily</p>	<p style="text-align: right;">Page 123</p> <p>1 up a lot of the -- if there is crime on the property, cleaning</p> <p>2 up the crime on the property so that the core tenants that we</p> <p>3 want to keep there really feel it's a much safer and better-</p> <p>4 kept environment for them.</p> <p>5 So that's been a big part of REIT II's mission is</p> <p>6 not only to deliver this benefit to the REIT II customers</p> <p>7 financially, but in the meantime we're also trying to do a lot</p> <p>8 of good through just helping the tenant population's need for</p> <p>9 mature assets have a much better living environment.</p> <p>10 Q And you mentioned the age of the property. Is there</p> <p>11 certain sort of age of the properties that you're targeting?</p> <p>12 A There's a wide range. Like I said, we're not -- the</p> <p>13 REIT II is not targeting any brand-new properties because that</p> <p>14 would not fit into a growth or value-add investment profile as</p> <p>15 far as upside goes. So we really don't want to go much older</p> <p>16 than the '60s. You start to have issues with plumbing needing</p> <p>17 to be replaced. And although that's not a deal breaker, and</p> <p>18 we certainly have looked at properties that have those issues,</p> <p>19 you want to look for a risk-adjusted play where you're trying</p> <p>20 to minimize your downside while increasing and maximizing your</p> <p>21 upside potential for your REIT customers.</p> <p>22 So in general we've been focused on '80s and '90s</p> <p>23 product, some newer in the 2000s, which are still almost 20</p> <p>24 years old and in need of renovations. But yeah, as we get</p> <p>25 into older vintages, we're very wary of some of the unforeseen</p>

<p style="text-align: right;">Page 124</p> <p>1 renovation risk that goes into there. And so we're ordering 2 third-party due diligence reports such as a PCR, which is a 3 property condition report, and those vendors will go in and do 4 a very thorough check of the asset, such as actually scoping 5 out sewer and plumbing pipes. They'll send a scope inside the 6 pipe to see if there's any degree of rot or structural damage 7 about to lead to extensive leakage. They'll check the roofs, 8 the integrity of the roofs. They'll look at -- check for 9 pests like termites and stuff like that.</p> <p>10 They'll look at the zoning compliance to make sure 11 it's compliant with the current density and zoning with the 12 city or county. They'll basically just try to look at 13 everything from top to bottom. They'll do a mold check, 14 looking for all these things so we can quantify what is the 15 potential cost of rehabbing those units. Because we never 16 want to be surprised by a renovation cost that we didn't 17 foresee, because that's always -- affects the business plan.</p> <p>18 That said, we always, as most prudent real estate 19 investors do, try to bake in a contingency reserve into the 20 overall capital expenditure budget so that we do have some 21 cushion for unforeseen renovation expenses. Or sometimes 22 there are instances where we'll have a general contractor 23 provide a soft bid, and then once you finally have acquired 24 the asset and get down to hard bidding it through their 25 subcontractors, pricing escalates, which we're certainly</p>	<p style="text-align: right;">Page 126</p> <p>1 offering statement, they've checked the box -- 2 MR. BHANDARI: Actually can I pause you for a 3 second, Alan? I think that may not be Will's question. 4 BY MR. ROSENTHAL: 5 Q Yeah, sorry, the property investments that REIT II 6 has made, I ke, for example, NCP Dove, can you walk me through 7 how that investment worked and where the money goes for that? 8 A Sure. Yeah. I apologize. I thought you were 9 talking about the process of a REIT II customer. 10 MR. BHANDARI: So you're basically running forward 11 from the closing statement forward, Will? 12 MR. ROSENTHAL: I'm asking him just to describe the 13 process -- 14 MR. BHANDARI: Okay. 15 MR. ROSENTHAL: -- of making an investment. 16 MR. BHANDARI: Wherever you want to start. 17 THE WITNESS: Sure. Yeah. So -- well, I'll just 18 sort of walk you through an example, because that might be 19 more helpful. You know, with NCP Dove we identified the 20 property. And sometimes there are deposits that are required 21 to be made to -- in order to enter into escrow with the seller 22 of the property. And so the investment committee will meet 23 about the up-and-coming property that we're looking to 24 acquire. And initially first deposit is what we call a 25 refundable deposit. Typically right now in the market you</p>
<p style="text-align: right;">Page 125</p> <p>1 seeing right now in some instances with pricing of materials 2 and labor. 3 Q Okay. Has REIT II disclosed its investments that 4 it's made to investors? 5 A We -- REIT II has disclosed the NCP Dove. We're 6 just in the process of preparing the disclosure for the 7 Swaying Oaks transaction that just closed on Friday and the 8 Mission Villas investment. 9 Q Okay. And how has it disclosed those investments? 10 A It's a combination of filing a supplement with the 11 SEC, you know, to the offering statement. And then also on 12 the web portal, that's where we also make announcements about 13 investments and acquisitions. Sometimes marketing -- and I'm 14 not familiar with the details and timing, but sometimes 15 they'll post on the front-facing website as well. I know many 16 of our assets are mentioned there as well in addition to the 17 back portal. 18 Q Okay. And when you make an investment, can you walk 19 me through sort of the process and where the money goes? 20 A Yeah, so you're just ta king about the process from 21 a customer standpoint or process from the dollars standpoint? 22 Q The dollars standpoint. 23 A Okay. So my understanding is that a customer when 24 they're going through the checkout process on the website and 25 finally at the end of that process and they've read the</p>	<p style="text-align: right;">Page 127</p> <p>1 get -- you receive -- and this is always subject to 2 negotiation on an asset-by-asset basis. But usually you have 3 a 30-day due diligence window -- well, let me back up even 4 further. 5 Initially what happens is a property is listed for 6 sale or -- by a broker, or in some cases it'll be what we call 7 an off-market listing, which means a broker is still involved, 8 but rather than blasting it to 100,000 people in their network 9 to solicit bids, they would approach a curated handful of 10 small buyers -- or a small handful of buyers that they know 11 have closed on similar properties and are capable of writing 12 the size of equity check in order to purchase the property. 13 Sometimes they'll do that because the seller doesn't want a 14 lot of attention or doesn't want to have to go through 20 15 different site visits and freak out the residents and the 16 current property management. 17 And so we are thankfully to the point, because of 18 economies of scale in all of REIT I purchases, where we're 19 actually getting some invitations to these off-market 20 listings, which ultimately in general -- not always, but leads 21 to better pricing on the acquisition, so that the -- 22 ultimately the REIT II investors would benefit from having 23 that lower pricing by virtue of us finally getting invited to 24 some of these off market listings, and something the fund is 25 always working towards of the fund is getting to that level.</p>

<p style="text-align: right;">Page 128</p> <p>1 So at that point you, along with all the bidders, 2 would -- you conduct your underwriting, you would run it 3 through. And then for us, you know, once we've done our 4 underwriting and it looks good, we give the thumbs up to write 5 an LOI, letter of intent. And within that piece -- document, 6 you're saying here's the price we're willing to pay, here's 7 the terms on which we're willing to close. We want, for 8 example, a 30-day due diligence window. Our initial suggested 9 deposit, say, it's 100 grand, and then we want 30 days before 10 that 100 grand becomes what's called a hard deposit where it 11 becomes nonrefundable if you fail to close for any reason. 12 And then you'll usually have a closing period after 13 that initial 30 days of due diligence, another 30 days that 14 you can extend for another month or two. Because usually it's 15 the lender that's holding up the transaction. Sometimes it's 16 the equity raise from the REIT itself. But at that point you 17 are required -- so you put in your LOI. The seller will then 18 usually go to best and final where they whittle it down to, 19 say, they're top three bids and they'll say, "Okay. We like 20 your terms, but can you sharpen your pencils and do a little 21 bit better on price? We just want to let you know that this 22 other bidder is a little bit higher than you." Sometimes 23 they'll tell you the price, sometimes they won't. Basically 24 it's the broker trying to get everyone to bid up their pricing 25 a little bit playing the potential buyers off of each other.</p>	<p style="text-align: right;">Page 130</p> <p>1 advantage in that regard because we have the dollars ready and 2 waiting to go. So at that point if we are picked as a winner 3 bidder and our LOI -- revised LOI is accepted, then you're 4 going into -- the attorneys will then draft a PSA, a purchase 5 and sale agreement. Once the PSA is -- language is agreed 6 upon by both sides, then you are now entering into escrow. 7 What that means is that a third-party escrow agent, 8 usually associated with the title company that will be doing 9 title insurance for us as the new owner/buyer and title 10 insurance for the lender, usually then they open escrow. The 11 REIT II will be required to deposit -- make its initial 12 deposit into escrow, and that's that first deposit I referred 13 to earlier that is refundable during the first 30-day due 14 diligence period. 15 So if we go and start conducting due diligence -- 16 and at that point after signing the PSA and opening escrow, we 17 can always back out and retain -- and receive back the full 18 deposit that we put into escrow. After we get through the -- 19 well, during that 30-day due diligence we're of course 20 conducting due diligence. We'll visit the site, we'll talk 21 with the potential property managers that we want to hire as 22 we rarely keep the existing property manager. 23 And then we'll talk with general contractors to get 24 soft bids on what it'll take to renovate, and then work with 25 brokers in the area to find comps, comparable assets that are</p>
<p style="text-align: right;">Page 129</p> <p>1 And so in that case we usually lead with a very 2 conservative number because we're -- if we can get an asset 3 for lower, then that's certainly beneficial to the REIT 4 customers. So we usually have some room to increase our price 5 a little bit to give the seller some concession there. 6 And so then we'll revise our LOI, resubmit that, and 7 then at that point the seller, with the broker's help, will 8 select their winning bid. Part of that is not only the price, 9 but also surety of closing, which is they'll ask, you know, 10 "Where is your equity coming from?" The fact that we have a 11 REIT that has captive equity ready to deploy is certainly an 12 advantage for us when it comes to surety of closing because 13 there are a number of competing sponsors who are syndicating 14 through Reg D offerings where they kind of have to -- we'll 15 call it "passing the hat." 16 They'll go put a deal under contract and then while 17 they're so busy trying to close that deal and do all their due 18 diligence and get the lender lined up, they are still having 19 to also go out to their high net worth community and raise 20 under a Reg D offering that, say, \$3 million of equity that 21 they need to bring to the table within 60 to 90 days. And so 22 there's some risk that that party may not be able to raise 23 enough in time and then no seller wants to fall out of 24 contract because the buyer can't raise the money. 25 So the fact that we have a REIT gives us an</p>	<p style="text-align: right;">Page 131</p> <p>1 comparable in vintage and just the state of the asset to have 2 an idea what we'll be able to bump the rents up post 3 renovation to then more accurately update our pro forma. 4 So during the course of the due diligence we're 5 always updating our underwriting pro forma based on 6 information we're getting in the due diligence period, so that 7 by the time we're closing our underwriting is even more 8 accurate in terms of predicting what kind of return this asset 9 will create net for the REIT investors. 10 And so at the end of the due diligence period, call 11 it 30 days -- it could be longer, we rarely do shorter -- then 12 we'll be required usually to put in a second deposit from 13 REIT II where that money along with the initial deposit now 14 have become nonrefundable, meaning if we fail to close for 15 whatever reason within the PSA's contractual time limit, then 16 we would forfeit that deposit. Luckily that hasn't happened 17 at all with REIT II. 18 So then at that point we would work -- be working 19 with a lender as well concurrently during this period to line 20 up the loan, and then the lender has their own due diligence 21 requirement, which the real estate team has to scramble to 22 quickly get all those items to the lender. Some come from the 23 seller, but a lot driven by us on the buy side. And then when 24 we finally have a lender ready to close the loan -- that's 25 usually what we're waiting on. Sometimes we'll need to extend</p>

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1 with the seller because the lender -- you know, the lenders
2 are so slammed right now with multiple transactions because
3 there's so much acquisition activity that they're often
4 running behind their initial forecasted schedules.
5 Once the lender is ready to close and we're ready to
6 close as a buyer because we feel good about the asset and
7 pulling the trigger, then at that point we will need -- the
8 REIT II will need to wire in its equity amount. So just as an
9 example, it's pretty common that we'll deploy 65 percent
10 leverage from a lender. Which means that if you're buying
11 a \$10 million asset, 65 percent of that means you're getting
12 a \$6.5 million loan, and then the other additional 3 and a
13 half million would come from the REIT, from REIT II equity.
14 Some lenders will require that -- let's say on that
15 particular asset, of all the equity a million dollars is going
16 to go towards renovations. Some lenders, but not all, will
17 require a construction holdback whereby they'll park that
18 million dollars out of their loan proceeds and on a monthly
19 basis or however often, once our GC construction team has
20 completed that month's worth of renovations, then they'll take
21 their receipts and submit them to the lender's construction
22 holdback for reimbursement of those amounts, and then those
23 amounts will be released from the holdback.
24 So as we get to closing, the REIT II will wire in
25 its portion equity amount, the lender will wire in to escrow

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1 their loan amount. And then escrow, once they have all the
2 documentation signed and notarized, will say, "We are ready to
3 record" -- they're ready to record the new deed, changing the
4 deed to the SPV that holds title to the asset, and also ready
5 to record the lender's first position lien, you know, their
6 mortgage or deed of trust, depending on the state, in the
7 property records so that they have that security against the
8 property in place and, you know, for their collateral.
9 And so at that point the REIT II has wired in two
10 deposits and it has wired a very large equity amount, like in
11 that example 3 and a half million minus the two deposits that
12 are already in escrow. And then usually we either draw on the
13 construction loan holdback for renovation expenses, or if the
14 lender has not required a construction loan holdback, then
15 some of our properties will come back to the REIT saying,
16 "Hey, we need an additional" -- and this is already
17 budgeted into our business plan, but we're ready to have
18 another 200,000, say, this month to pay for the planned
19 repair of the roofs on these units or the new 15 units
20 that got turned from an interior renovation perspective.
21 And so that flow of funds is going from REIT II's
22 bank account directly to escrow to close on the asset, and
23 then escrow releases those funds to the seller. And in each
24 one of those transactions the third-party escrow is able to
25 provide a closing statement, an escrow statement to show the

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1 amounts that they received from the buyer and released to
2 seller and the amounts they received from lender, you know, so
3 all those amounts are accounted for.
4 BY MR. ROSENTHAL:
5 Q Okay. So for, like, the NCP Dove example I think
6 you said REIT II invested 5 million. Where did the 5 million
7 go for that investment?
8 A So the 5 million -- and the REIT I also invested 5
9 million. They both invested approximately the same amount for
10 a total of 10. We had a joint venture partner on that one, a
11 group called "Yankee Capital" that also put in an additional 5
12 million. So -- and then the group that brought the deal in, I
13 think they put in under a million of equity. They just
14 couldn't -- initially they were trying to get the deal done
15 all by themselves and just didn't have the wherewithal to
16 raise that kind of capital. They were -- kind of bit off more
17 than they could chew, and that's why we came in and help
18 rescue the deal and get it done. It was a really attractive
19 deal, so we were glad to be in a position to invest.
20 And so REIT II's 5 million got wired from REIT II's
21 bank account directly to that third-party escrow to be held in
22 escrow and then released upon closing. It would be -- all the
23 equity and the loan amounts would be released to the seller so
24 they could take their purchase price and run off into the
25 sunset.

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1 Q And who was the escrow company for that?
2 A I don't recall.
3 MR. ROSENTHAL: Let's go off the record at 2:30.
4 (Recess.)
5 MR. ROSENTHAL: On the record at 2:41 p.m.
6 BY MR. ROSENTHAL:
7 Q Mr. Lewis, I want to go back to a couple things.
8 First, regarding REIT II, can you tell me what actions you or
9 anyone at DiversyFund took regarding REIT II on January 30,
10 through January 31 after it was qualified?
11 MR. BHANDARI: Well, I'm going to -- I'm just going
12 to quickly for the record -- in my view this is not to be --
13 this -- the rules of practice don't provide for deposition
14 testimony of witnesses to prepare for a Rule 258 proceeding.
15 A lot of these questions have really been focused on grounds
16 that are solely at issue in Rule 258. So I'm just -- I'm
17 going to allow the question to go, but I hope you'll allow me
18 to just state my continuing objection and not otherwise
19 interfere with the record. Does that sound fine?
20 MR. ROSENTHAL: Yes.
21 BY MR. ROSENTHAL:
22 Q You can answer the question, Mr. Lewis.
23 A Yeah, could you repeat the question, please?
24 Q What action, if any, did you or anyone at
25 DiversyFund take regarding REIT II on January 30 or January 31

<p style="text-align: right;">Page 136</p> <p>1 after it was qualified?</p> <p>2 A I don't recall --</p> <p>3 MR. BHANDARI: You know that's a Saturday and a</p> <p>4 Sunday, right?</p> <p>5 THE WITNESS: Yeah.</p> <p>6 MR. ROSENTHAL: Yes.</p> <p>7 BY MR. ROSENTHAL:</p> <p>8 Q Can you answer, question?</p> <p>9 A Yeah, I don't recall. I'd have to check records.</p> <p>10 Q Okay. What about the two business days after? What</p> <p>11 action did you or anyone at DiversyFund take regarding</p> <p>12 REIT II?</p> <p>13 A Again, I would have to check records like calendar</p> <p>14 and e-mails. And I could only speak for myself.</p> <p>15 Q Okay. And I think we will make a request regarding</p> <p>16 the institutional investors you contacted, that you provide us</p> <p>17 information related to those investors and when you contacted</p> <p>18 them. I appreciate your answer that --</p> <p>19 MR. BHANDARI: Under what authority is your request,</p> <p>20 Will?</p> <p>21 MS. LEVIN: We can send a subpoena.</p> <p>22 MR. BHANDARI: Okay.</p> <p>23 BY MR. ROSENTHAL:</p> <p>24 Q Okay. The referral bonuses you mentioned, I just --</p> <p>25 I want to make sure I'm not misunderstanding something, but</p>	<p style="text-align: right;">Page 138</p> <p>1 A Yes. Yeah, REIT I invested in both Mission Villas</p> <p>2 and Swaying Oaks.</p> <p>3 Q Did they invest the same amount as REIT II?</p> <p>4 A For Swaying Oaks my understanding is that the dollar</p> <p>5 amounts are very similar, you know, about 1.5 to 1.6 from each</p> <p>6 REIT for a total of 3 million and change. For Mission Villas</p> <p>7 REIT I put in, like, 3 or 4 million when it was acquired.</p> <p>8 REIT II's contribution to Mission Villas has been after the</p> <p>9 fact, after the acquisition. The acquisition happened last</p> <p>10 year. So REIT II -- REIT II's investment into Mission Villas</p> <p>11 has been to fund ongoing capital improvements on the</p> <p>12 renovation budget.</p> <p>13 Q Okay. And do each of those investment properties</p> <p>14 have a bank account associated with them?</p> <p>15 A Yes. Yeah, at least one. It's common that the</p> <p>16 property manager will want to have several bank accounts to</p> <p>17 keep certain funds distinct from each other. For example,</p> <p>18 every property in almost every state that I'm aware of,</p> <p>19 whether it's required by the state or just good business</p> <p>20 practices, we will have a separate account for the rent</p> <p>21 deposits.</p> <p>22 So, for example, someone signs a lease for 12</p> <p>23 months, they're going to put in unusually one month's worth of</p> <p>24 rent as a security deposit and those need to be held</p> <p>25 separately in trust, you know, so that when they move out</p>
<p style="text-align: right;">Page 137</p> <p>1 when -- and so please correct me if I'm wrong. When someone</p> <p>2 refers an investor to REIT II, as a -- sort of as a bonus for</p> <p>3 that referral they receive equity in REIT II; is that correct?</p> <p>4 A I don't know that it's helpful for me to guess.</p> <p>5 It's something I'm really unfamiliar with, so it would be more</p> <p>6 accurate to ask the folks in marketing or tech that deal with</p> <p>7 SaaSquatch.</p> <p>8 Q Okay. And then going back to Exhibit 15, which</p> <p>9 shows the investments and the investors in REIT I and REIT II,</p> <p>10 I can pull it up if you want to, but just I think you</p> <p>11 mentioned you -- the document was created by Ryan. Do you</p> <p>12 know, what was Ryan's last name?</p> <p>13 A Ryan Wagner.</p> <p>14 Q Ryan Wagner. Okay. And he's an employee of</p> <p>15 DiversyFund, right?</p> <p>16 A Correct.</p> <p>17 Q Okay. And he created that spreadsheet using</p> <p>18 information from DiversyFund, correct?</p> <p>19 A I don't know where he pulled the information from.</p> <p>20 I mean, it just wouldn't be helpful for me to make an</p> <p>21 assumption about how he got it.</p> <p>22 Q Okay. So the investments that REIT II has made,</p> <p>23 aside from the NCP Dove, which we talked about the other two,</p> <p>24 the Swinging Oaks and the Mission Villas, did REIT I also</p> <p>25 invest in those?</p>	<p style="text-align: right;">Page 139</p> <p>1 they're given whatever deposit they maintain after deductions</p> <p>2 made for property damage. And then there's the operating</p> <p>3 account which collects the rents and out of which also</p> <p>4 expenses are paid by the property manager in terms of paying</p> <p>5 their payroll for their people, maintenance, property</p> <p>6 insurance, property taxes, all those good things.</p> <p>7 And then sometimes there's a third account that's</p> <p>8 used to hold the construction renovation dollars. If they're</p> <p>9 not held in a holdback with the lender, then often the</p> <p>10 property manager will have a separate bank account with</p> <p>11 those -- we call them "capex," the capex dollars, capital</p> <p>12 expenditures. Because what you don't want to do is have those</p> <p>13 comingled with the operating budget and then it makes it very</p> <p>14 difficult to keep tabs on.</p> <p>15 We generally try to maintain a three-month reserve</p> <p>16 operating expenses, opex, for the operating account and you</p> <p>17 don't want it to -- if you have the capex dollars mix with the</p> <p>18 opex dollars, then it's very difficult to see how the</p> <p>19 property's operating -- on the expenditure side is operating</p> <p>20 under the correct expense ratios. For example, we try to keep</p> <p>21 our expense ratios on a property level under 40 percent. So</p> <p>22 you don't want to be spending more than 40 percent of your</p> <p>23 collected rents on expenses so you can keep a healthy margin</p> <p>24 there. Of course it's different when you have a heavier</p> <p>25 value-add versus stabilized and you're trying to get occupancy</p>

<p style="text-align: right;">Page 140</p> <p>1 up and rents up.</p> <p>2 Q Does NCP Dove have multiple bank accounts?</p> <p>3 A The two that I'm aware of is there are sometimes</p> <p>4 lenders -- this is the exception to the rule, but times they</p> <p>5 will require a lockbox account. The technical term is a DACA,</p> <p>6 D-A-C-A, account. And what they'll do is they'll -- all the</p> <p>7 rents -- they'll require you under the terms of the loan</p> <p>8 agreement to place all collected rents -- the tenants will</p> <p>9 have to wire -- or rather ACH their dollars into that lockbox</p> <p>10 account such that if there's ever a default on the loan, then</p> <p>11 the lender is able to press a button, so to speak, with the</p> <p>12 bank and it locks up the account so that the owner, the</p> <p>13 borrower, can no longer disburse funds. They're actually</p> <p>14 locked up. And then the lender will use those to cover loan</p> <p>15 amounts and interest.</p> <p>16 If there's no default of the loan, then of course</p> <p>17 those funds continue to go into the lockbox account and the</p> <p>18 borrower, via the property manager, is able to release those</p> <p>19 from the DACA account into an operating account that the</p> <p>20 property manager can then pay the property's expenses from.</p> <p>21 So NCP Dove in particular does have a lockbox</p> <p>22 account and a separate operating account that those lockbox</p> <p>23 rents are swept into. I don't know how frequently, monthly,</p> <p>24 weekly, but there's an operating account. I don't know, but I</p> <p>25 would assume based on just general practices that there is</p>	<p style="text-align: right;">Page 142</p> <p>1 what's been collected versus what is being accumulated on the</p> <p>2 balance sheet as a bad debt if someone is not paying their</p> <p>3 rent. Certainly have some degree of that across the industry</p> <p>4 during COVID, for example.</p> <p>5 And so then the property manager is maintaining</p> <p>6 books where they're tracking the rents, the revenue from</p> <p>7 rents. They are tracking all the expenditures because they</p> <p>8 handle directly the payment of invoices for the various</p> <p>9 property expenditures and the hiring of vendors, and signing</p> <p>10 those contracts. Sometimes our in-house asset manager who</p> <p>11 supervises the property manager, Ginger Vyterna, sometimes</p> <p>12 she's having regular meetings with each property manager with</p> <p>13 each property. So she's involved there with making sure the</p> <p>14 property manager is performing as expected.</p> <p>15 And then the property manager will take those</p> <p>16 financials at the end of a month -- at the end of a month and</p> <p>17 they will close them out for that month basically making sure</p> <p>18 everything's recorded properly and accounted for, and that it</p> <p>19 ticks and ties to the actual cash balances in the opex</p> <p>20 account. And then they will send those closed-out financials</p> <p>21 to our finance division, Jonathan Neff and Samantha Li, they</p> <p>22 will take a look at them.</p> <p>23 And then currently this is -- currently I believe</p> <p>24 our finance division then is having the property managers then</p> <p>25 add onto this -- their financials the -- any depreciation and</p>
<p style="text-align: right;">Page 141</p> <p>1 also, at the property manager's level, another account for the</p> <p>2 rents and potentially the -- so the capex account as well.</p> <p>3 Q Okay. Has NCP Dove had any income?</p> <p>4 A What do you mean by "income"? Do you mean rents?</p> <p>5 Q Yes, in any form.</p> <p>6 A Sometimes in the real estate business income can</p> <p>7 mean different things. It can be applied to revenue or rents,</p> <p>8 or sometimes people refer to it as net income, which is your</p> <p>9 NOI, your rents minus your operating expenditures, which is</p> <p>10 your net operating income. So are you referring to rents?</p> <p>11 Q Yes, rents.</p> <p>12 A Yeah. Yeah, it does.</p> <p>13 Q Okay. And have there been expenses for NCP Dove?</p> <p>14 A Yes.</p> <p>15 Q And how are those -- the rents and the expenses for</p> <p>16 NCP Dove, how are those recorded?</p> <p>17 A You're talking about in terms of financially</p> <p>18 recorded?</p> <p>19 Q Yes.</p> <p>20 A So with most of our properties, if not all, the</p> <p>21 process is that the property manager is the first line of</p> <p>22 defense in terms of keeping financial records. So they are</p> <p>23 the ones that are signing the leases and know who should be</p> <p>24 paying what amount each month on a per-unit basis. We call it</p> <p>25 the rent roll. And so they're tracking the rent roll to see</p>	<p style="text-align: right;">Page 143</p> <p>1 amortization that needs to be accounted for, which is kind of</p> <p>2 the final step to completing the financials. And at that</p> <p>3 point, once the property manager has added that and made any</p> <p>4 adjustments that need to be that were missed in the closeout,</p> <p>5 then our finance team, Jonathan -- which is just Jonathan Neff</p> <p>6 at this point since Samantha is on maternity leave -- then</p> <p>7 Jonathan will review those and then be able to record them on</p> <p>8 our side for the SPV and effectively finalize them is my</p> <p>9 understanding for purposes of that property's monthly</p> <p>10 financials so they can eventually be reviewed by the</p> <p>11 third-party auditors that come in and review the REITs. And</p> <p>12 they're -- they go into every single one of the underlying</p> <p>13 properties to audit the SPVs underneath those.</p> <p>14 Q Okay. So are those -- the income and expenses from</p> <p>15 NCP, is that reflected in REIT II's QuickBooks?</p> <p>16 A I don't know how the SPV level financials interact</p> <p>17 with the REIT's financials; if they're all one and the same,</p> <p>18 if they're consolidated, you know, from a QuickBooks</p> <p>19 standpoint. That's too technical for my knowledge.</p> <p>20 Q Okay. Have any REIT II investor funds gone to</p> <p>21 REIT I?</p> <p>22 A No. Like, REIT II making a transaction directly to</p> <p>23 REIT I? No.</p> <p>24 Q Correct. Okay. Have any REIT II properties been</p> <p>25 sold?</p>

<p style="text-align: right;">Page 144</p> <p>1 A No.</p> <p>2 Q Have you invested personally in any REIT I or</p> <p>3 REIT II properties?</p> <p>4 A No.</p> <p>5 Q Are REIT I and REIT II dependent on each other?</p> <p>6 A What do you mean by "dependent"?</p> <p>7 Q Do they depend on each other.</p> <p>8 A I don't know what that means.</p> <p>9 Q Does the success of REIT I depend on REIT II?</p> <p>10 A I'm not trying to be difficult, what do you mean by</p> <p>11 "success"?</p> <p>12 Q Does whether -- however you define it. Does whether</p> <p>13 REIT I succeeds depend on REIT II?</p> <p>14 A I don't -- I don't know that you would apply that</p> <p>15 term to REIT I, "success." REIT I's goal is to maximize</p> <p>16 returns for its customers on a risk-adjusted basis, which</p> <p>17 means REIT I wants to make investments and operate in such a</p> <p>18 way where it's increasing the return to the customers without</p> <p>19 taking an inordinate amount of risk on, based on the amount of</p> <p>20 upside potential that it's taking on.</p> <p>21 There are a number of factors that affect that</p> <p>22 return, one of which is -- and this is in the offering</p> <p>23 statement -- is for both REITs is their ability to access</p> <p>24 capital from any source if they're needed for capital</p> <p>25 improvements or for other commitments that the existing</p>	<p style="text-align: right;">Page 146</p> <p>1 offering statement that spoke to this -- that if REIT II is</p> <p>2 not able to raise, you know, the anticipated amount, 50</p> <p>3 million, and raised a much small amount, which is the current</p> <p>4 case at 10 million raised approximately so far in REIT II,</p> <p>5 then it limit's REIT II's ability to build a diversified</p> <p>6 portfolio. What happens is you start to create a</p> <p>7 concentration risk to the customers, whereas you can see we're</p> <p>8 currently invested in three assets instead of 10 to 15, which</p> <p>9 we would be able to do if REIT II's offering was open and we</p> <p>10 could continue to raise capital and deploy that to build a</p> <p>11 portfolio on behalf of the REIT II customers.</p> <p>12 So by limit -- by not having the ability to raise</p> <p>13 capital for REIT II, its business plan, it will not be able to</p> <p>14 be completed as expected where we can build a very diversified</p> <p>15 portfolio of assets in the range of 10 to 15 total across a</p> <p>16 more diversified geography and additional markets. And so the</p> <p>17 REIT II customers won't have the benefit of that -- of that</p> <p>18 investment strategy.</p> <p>19 Q Is there a minimum amount that REIT II needs to</p> <p>20 raise?</p> <p>21 A A minimal amount in terms of what?</p> <p>22 Q In terms of anything. Is there a certain -- a</p> <p>23 certain minimal amount that REIT II needs to raise?</p> <p>24 MR. BHANDARI: Objection, vague.</p> <p>25 THE WITNESS: Sanjay, what was the objection?</p>
<p style="text-align: right;">Page 145</p> <p>1 portfolios -- or existing properties in the REIT I portfolio</p> <p>2 may have.</p> <p>3 So to the extent that REIT II's offering has been</p> <p>4 shut down and there is -- or was some expectation prior to</p> <p>5 that occurring that REIT II would be able to raise dollars</p> <p>6 that would be co-invested into some of the REIT I properties</p> <p>7 that had capital needs, and so there certainly is an effect</p> <p>8 that REIT I experiences by virtue of REIT II not having</p> <p>9 capital to co-invest in some of the REIT I properties that</p> <p>10 have capital needs.</p> <p>11 REIT I, as you know, the offering is closed, so we</p> <p>12 cannot raise more capital. And DiversyFund's only other</p> <p>13 vehicle available at the time for raising capital was REIT II.</p> <p>14 And so when we first launched REIT II we operated under</p> <p>15 certain assumptions that we had at that time based on our</p> <p>16 assumption that REIT II would continue to raise capital same</p> <p>17 as REIT I had, and you look at the trends and data and are</p> <p>18 able to make capital budget planning based on those</p> <p>19 expectations. We certainly did not expect that the SEC could</p> <p>20 come in and shut down the REIT II offering without warning,</p> <p>21 which obviously has some effects on both REITs.</p> <p>22 Q Does stopping REIT II sales harm both REIT I and</p> <p>23 REIT II?</p> <p>24 A Well, stopping REIT II's offering hurts REIT II with</p> <p>25 regard -- and I remember there was a disclosure in REIT II's</p>	<p style="text-align: right;">Page 147</p> <p>1 MR. BHANDARI: Just vague. But you can answer,</p> <p>2 Alan, if you understand.</p> <p>3 THE WITNESS: Yeah, I don't think that word "need"</p> <p>4 would be an accurate way to apply it.</p> <p>5 (SEC Exhibit No. 10 was</p> <p>6 identified for the record.)</p> <p>7 BY MR. ROSENTHAL:</p> <p>8 Q Okay. I'm going to pull up on the screen a document</p> <p>9 that's been marked as Exhibit 10. I will represent to you</p> <p>10 that this document is part of a web capture of diversifyfund.com</p> <p>11 that we completed in November 2021. At the top of the page it</p> <p>12 says, "REIT I versus REIT II investments." I'll scroll down</p> <p>13 to the bottom. It's just one page. It was completed</p> <p>14 November 22, 2021. And do you recognize this document?</p> <p>15 A I do.</p> <p>16 Q What is it?</p> <p>17 A It's a capture of a web page that you -- that the</p> <p>18 SEC had sent to us via counsel.</p> <p>19 Q Okay. And who drafted this portion of DiversyFund's</p> <p>20 website?</p> <p>21 A I'm not sure. I mean, it says "Christopher Finlay,"</p> <p>22 so I'm going to assume Christopher from customer service did</p> <p>23 it.</p> <p>24 Q Okay. So he worked in customer service for</p> <p>25 DiversyFund?</p>

<p style="text-align: right;">Page 148</p> <p>1 A Yep.</p> <p>2 Q Did you review this web page?</p> <p>3 A Prior to seeing it from the SEC's submission to</p> <p>4 counsel?</p> <p>5 Q Yes.</p> <p>6 A Yeah, I did not view it before seeing it from SEC to</p> <p>7 our counsel.</p> <p>8 Q Do you know who reviewed this web page before it was</p> <p>9 put up to the public?</p> <p>10 A I do not.</p> <p>11 Q Do you know who approved it?</p> <p>12 A I do not.</p> <p>13 Q Do you see the second-to-last question on the page?</p> <p>14 It says, "Will launching REIT II impact my original REIT</p> <p>15 investment this any way?" And the answer is, "No, REIT I will</p> <p>16 not be impacted by REIT II in any way. The assets in REIT I</p> <p>17 will continue to be owned and operated by REIT I." Is that</p> <p>18 statement accurate?</p> <p>19 A Which statement?</p> <p>20 Q The statement I just read.</p> <p>21 A The question or the sentence --</p> <p>22 Q The answer.</p> <p>23 A So I think it's important to look at the question.</p> <p>24 When I look at the question it's very qualified and narrow in</p> <p>25 what's it's asking, and therefore the answer needs to be</p>	<p style="text-align: right;">Page 150</p> <p>1 Q And the second question says, "Will all my</p> <p>2 investments, REIT I and REIT II, be under the same five-year</p> <p>3 term?" And the answer is, "No, REIT I and REIT II operate as</p> <p>4 separate investment vehicles. While they have similar</p> <p>5 investment strategies, they operate on their own five-year</p> <p>6 investment term." So that answer that REIT I and REIT II</p> <p>7 operate as separate investment vehicles, is that accurate?</p> <p>8 A Well, it depends on what you mean by "separate</p> <p>9 investment vehicles."</p> <p>10 Q I'm -- what do you -- when -- what do you take it to</p> <p>11 mean, the statement on DiversyFund's website?</p> <p>12 A Yeah, I understand that REIT I and REIT II are two</p> <p>13 separate funds individual from each other. They were set up</p> <p>14 on individual dates. They conduct separate -- that have</p> <p>15 conducted separate security offerings on different dates.</p> <p>16 They have their own bank accounts, they have their own</p> <p>17 QuickBooks files, they have their own portfolios. Although</p> <p>18 they are co-invested in three similar properties, they still</p> <p>19 are their own funds. Each REIT will pay out different returns</p> <p>20 to their customers. They have a different customer list. So</p> <p>21 there are many characteristics that would make them clearly</p> <p>22 separate funds.</p> <p>23 (SEC Exhibit No. 5 was</p> <p>24 identified for the record.)</p> <p>25 BY MR. ROSENTHAL:</p>
<p style="text-align: right;">Page 149</p> <p>1 understood within that very narrow qualification.</p> <p>2 Specifically the question says, "Will launching</p> <p>3 REIT II impact my original REIT I investment in any way?" And</p> <p>4 so it's narrowly tailored to this qualifier of "launching."</p> <p>5 And so when the answer says, "No, REIT I will not be impacted</p> <p>6 by REIT II in any way," I read that to say, "No, REIT I will</p> <p>7 not be impacted by the launching of REIT II in any way," to</p> <p>8 refer back to the actual question that prompted that.</p> <p>9 Q Okay. So even though it says, "REIT I will not be</p> <p>10 impacted by REIT II in any way," you believe that REIT I is</p> <p>11 being impacted by REIT II?</p> <p>12 A I don't know that that's an accurate way of phrasing</p> <p>13 it.</p> <p>14 Q How would you phrase it?</p> <p>15 A When REIT II launched, I think a lot of our REIT I</p> <p>16 customers were confused and concerned about would REIT II be</p> <p>17 buying them out, would REIT II be taking over REIT I assets.</p> <p>18 And so my understanding as I'm reading this question is trying</p> <p>19 to explain to the customer that by REIT II being launched, it</p> <p>20 will not affect the REIT I's existing portfolio in the extent</p> <p>21 that REIT II was not buying any of REIT I's assets. That's</p> <p>22 why it said the assets in REIT I will continue to be owned and</p> <p>23 operated by REIT I to reassure a potential REIT I customer</p> <p>24 that REIT II was not going to interfere or change or alter</p> <p>25 their existing REIT I portfolio.</p>	<p style="text-align: right;">Page 151</p> <p>1 Q I'm now pulling up on the screen what has been</p> <p>2 marked as Exh bit Number 5. This is a multiple page document.</p> <p>3 You can review it while I describe it for the record. On the</p> <p>4 top it states, "Form 1-A Regulation A offering statement, Part</p> <p>5 II - offering circular amendment number 1 DF Growth REIT II,</p> <p>6 LLC." Is that an accurate description of this document?</p> <p>7 A It appears to be so, yeah.</p> <p>8 Q And do you recognize this document?</p> <p>9 A I do.</p> <p>10 Q What is it?</p> <p>11 A It looks like Form 1-A Regulation A offering</p> <p>12 statement, Part II - offering circular amendment number 1 for</p> <p>13 DF Growth REIT II LLC dated January 19, 2021.</p> <p>14 Q I'm going to go to the end. Did you sign this</p> <p>15 document?</p> <p>16 A Again, the -- same as -- similar to before, the</p> <p>17 process by which we go through this with our counsel was he</p> <p>18 would prepare and draft it, I would review it, and then I</p> <p>19 would let him know when from my perspective it looked good.</p> <p>20 Q So what was your role with this document?</p> <p>21 A After counsel prepared it, then I read it as best I</p> <p>22 could, sometimes you're scanning through certain areas quicker</p> <p>23 than others just in the rush to get all your workload done and</p> <p>24 get this filed as quickly as possible. So I would review it</p> <p>25 and then let counsel know if I had any suggested changes or</p>

<p style="text-align: right;">Page 152</p> <p>1 questions.</p> <p>2 Q Who else reviewed this document?</p> <p>3 A I don't know.</p> <p>4 Q Did you approve this document?</p> <p>5 A What I communicated to counsel was that it looked</p> <p>6 good and I thought it was ready to file.</p> <p>7 Q I'll go back up, back to the cover page. There's a</p> <p>8 sentence I'm highlighting that says, "The offering has no</p> <p>9 minimum amount. Thus, we will begin to deploy (spend) the</p> <p>10 money we raise right away, no matter how much or how little we</p> <p>11 raise." Is that statement accurate?</p> <p>12 A The statement refers to a couple of different items</p> <p>13 that sometimes are used in these offering statements. One is</p> <p>14 sometimes offering statements have a minimum raise amount in</p> <p>15 order for it to be effective, meaning they'll say, for</p> <p>16 example, "If we don't raise at least a million dollars by a</p> <p>17 certain date," which amount will be kept in a third-party</p> <p>18 escrow typically, "then we're going to return all these</p> <p>19 dollars for the customer and the offering will be rescinded," I</p> <p>20 guess, for lack of a better term.</p> <p>21 In the case of REIT II, we did not want to have any</p> <p>22 sort of minimum amount without regard to an escrow that if we</p> <p>23 failed to raise that amount, the offering would be unwound.</p> <p>24 The second part from the statement is, "We will</p> <p>25 begin to deploy (spend) the money we raise right away, no</p>	<p style="text-align: right;">Page 154</p> <p>1 needs we try and anticipate as best we can when we create a</p> <p>2 pro forma capital expenditure budget. Sometimes, as mentioned</p> <p>3 earlier, there are issues with labor or materials pricing</p> <p>4 escalating prior to getting a hard bid on locking pricing</p> <p>5 down, which will create an overrun on the renovation budget</p> <p>6 that will create an additional capital need. If the -- if</p> <p>7 either REIT doesn't have an existing offering available, then</p> <p>8 it has to look to other sources for providing that capital.</p> <p>9 Q Okay. Has REIT II disclosed that some of the funds</p> <p>10 raised would go to the capital needs of REIT I?</p> <p>11 A The REIT II discloses that it's going to be</p> <p>12 investing in properties, regardless of whether it's a</p> <p>13 co-investment with REIT I, whether it's a co-investment with a</p> <p>14 third party or whether it's an investment into a property that</p> <p>15 it's investing in all by itself without any other parties</p> <p>16 involved.</p> <p>17 Q I'm going to share that again. I didn't mean to --</p> <p>18 this is the same document. This is on page 58 under "Plan of</p> <p>19 operation." The last sentence reads, "Whether we raise 50</p> <p>20 million in the offering or something less, we believe the</p> <p>21 proceeds of this offering will satisfy our cash requirements.</p> <p>22 If we raise less than 50 million, we will simply make fewer</p> <p>23 investments. Although we might decide to raise more capital,</p> <p>24 we know of no reason why we would need to." Is that statement</p> <p>25 accurate?</p>
<p style="text-align: right;">Page 153</p> <p>1 matter how much or little we raise," that was to allow us to</p> <p>2 be able to spend dollars the minute we had a first sale on</p> <p>3 vendors and expenditures because you have to allow dollars to</p> <p>4 accumulate in order to deploy or spend them on buying a</p> <p>5 property because we're buying much larger properties that</p> <p>6 require typically multimillion checks.</p> <p>7 But we did want to have the ability to deploy and</p> <p>8 spend REIT II dollars immediately to pay our vendors because</p> <p>9 they've performed work -- such as the legal counsel, for</p> <p>10 example, had performed work and were waiting. Fortunately we</p> <p>11 had a relationship with our counsel where they were willing to</p> <p>12 wait until the offering got qualified and until dollars came</p> <p>13 into the REIT in order to be paid on their -- for their legal</p> <p>14 services.</p> <p>15 Q Okay. So how do you reconcile that statement with</p> <p>16 stating that REIT II stopping sales would impact and limit</p> <p>17 both REIT I and REIT II?</p> <p>18 A Well, I never said that it would limit. Did not use</p> <p>19 that word. So there's nothing to reconcile in that sense.</p> <p>20 Q Okay. How do you reconcile with stating that they</p> <p>21 would impact REIT I and REIT II?</p> <p>22 A I don't know that I said they would impact either.</p> <p>23 If we want to go back to that, I can revisit it. REIT I has a</p> <p>24 need to -- both REITs have a capital improvement need ongoing</p> <p>25 for existing properties. Some of those capital improvement</p>	<p style="text-align: right;">Page 155</p> <p>1 A I have to look at this. So we take one sentence at</p> <p>2 a time. "Whether we raise 50 million in the offering or</p> <p>3 something else, we believe the proceeds of the offering will</p> <p>4 satisfy our cash requirements." This is just simply saying</p> <p>5 that raising a lower amount, be it 50 million or 10 million,</p> <p>6 will satisfy the cash requirements for that point. It doesn't</p> <p>7 say that -- whether or not there could be any unexpected cash</p> <p>8 requirements. It's just those cash requirements that were</p> <p>9 known at the time of making this disclosure, which at that</p> <p>10 point you could actually quantify. If we expect to invest in</p> <p>11 this property, based on what cash we have on hand, we can</p> <p>12 tailor it -- tailor the amount raised in the REIT II level to</p> <p>13 the investments we targeted and try to predict as best as</p> <p>14 possible what the cash requirements would be for that</p> <p>15 particular asset.</p> <p>16 As mentioned, often it's the case in real estate</p> <p>17 there are some unexpected cash requirements that can come up</p> <p>18 after you've invested into a project and after you've done</p> <p>19 your initial capex budget that you can't anticipate. And so</p> <p>20 when those arise, sometimes there can be surprises.</p> <p>21 Q Okay. So the proceeds that the REIT II offering has</p> <p>22 raised so far, does that satisfy REIT II's cash requirements?</p> <p>23 A I don't -- I don't really know that I would</p> <p>24 understand it that way. What I would look at is in our</p> <p>25 attempt to do right by our customer, our goal is always to try</p>

<p style="text-align: right;">Page 156</p> <p>1 to deliver as healthy of a return to our REIT customers 2 without taking on an undue amount of risk making risk-adjusted 3 investments. 4 And so the more diversified that the REIT II's 5 portfolio is -- and we had every reason to expect based on our 6 experience and data with REIT I and REIT II initially, that we 7 would be able to eventually raise the full amount based on 8 those assumptions at the time of making this disclosure. And 9 that would allow us to build a much larger portfolio by 10 deploying 50 million of equity compared to the 10 million 11 we've raised to date, and diversify the REIT customers' 12 dollars over a much larger group of assets that ultimately is 13 for one purpose, to the REIT customers' benefit. 14 So when we are able to -- when we are constrained 15 from raising additional capital and have to invest in a lower 16 amount of assets, we still expect to make a great return for 17 our investors, but it won't be as healthy of a portfolio from 18 a diversification standpoint as a more diversified portfolio 19 would be if we were able to raise the full 50. 20 Q What fees does REIT II charge? 21 A The fees for REIT II are in the -- there's a 22 supplement filed. So if you have that, we could walk through. 23 It would be more helpful to read them off than try to recite 24 them from memory. 25 Q Okay. And have the REIT II fees changed?</p>	<p style="text-align: right;">Page 158</p> <p>1 that because we had set up the fee structure catering more to 2 the cost of marketing to the retail investor, a lot of 3 institutional investors that we talked to said that the 4 REIT I's acquisition fee at an asset level, the property 5 level, was much higher than they were comfortable with 6 compared to their other investments they would make where they 7 typically saw them closer to 2 percent. 8 Sometimes you'd go as high as 4 percent depending on 9 whether you were purchasing a particular asset at a 10 significantly-below-market price where the institutional 11 investor would be comfortable with taking -- allowing the 12 sponsor take a higher acquisition fee because of the pricing 13 going in and the going-in cap rate was so attractive to them. 14 So in taking that feedback from our conversations 15 with institutional investors through the course of trying to 16 raise institutional capital to REIT I, we realized that we're 17 still committed to raising institutional capital for REIT II, 18 and so we thought there was -- we thought there was some 19 ability to find maybe a family office that wouldn't be as 20 sensitive to the acquisition fee being higher than they would 21 usually see. But we just found that through feedback that 22 that wasn't the case, that everyone seemed to be presenting 23 that as a potential hurdle for investing in REIT II. 24 And so that prompted the decision to finally lower 25 that acquisition fee. It used to be, I believe, 6 to 8</p>
<p style="text-align: right;">Page 157</p> <p>1 A The REIT II fees did change from the original filing 2 that you were showing there on the amended number 1 to that 3 supplement. 4 Q And why did they change? 5 A There were -- there were two main drivers for the 6 change. One was in our attempt to -- from day one with 7 REIT -- going back to REIT I, we have always been very 8 interested in bringing on institutional capital into the 9 REITs, those 5 to \$10 million checks. The reason for that is 10 we're spending at the parent co. level a lot of time and 11 effort to market to the retail investor. There is certainly a 12 cost of time and money from a resource standpoint. 13 When you're able to obtain a 5 to \$10 million check 14 from an institutional investor, what that allows you to do is 15 accelerate the process of raising the REIT's anticipated 16 maximum offering amount and accelerates the process of being 17 able to build out a more diversified portfolio. And so it's a 18 benefit to the customer. It's a benefit to the parent company 19 because then we're able to capture fees from those 20 acquisitions and without spending the high marketing cost that 21 we have that's involved with marketing to retail investors. 22 And so it's a win-win there. 23 So from the first -- from the first inception of 24 REIT I we've always looked for ways to court potential 25 institutional investors. The feedback we got with REIT I was</p>	<p style="text-align: right;">Page 159</p> <p>1 percent of the total cost of acquiring an asset including the 2 capex budget, and lowering it to 1 to 4 percent, you know, a 3 much smaller range, in order to be more attractive to 4 institutional capital as we were going through that courting 5 process. 6 And then in connection with that, in order to create 7 the same amount of revenue for the parent co. to make sure 8 that we were covering our costs of marketing to the retail 9 investor, which in the process of aggregating microdollars -- 10 if we're raising \$500 minimums and I think our averages have 11 been anywhere from 1,500 to 2,500, the average raise per 12 customer, those are very small amounts in the investment 13 world. And so we have to make sure that we're covering our 14 costs in order to do that and remain a viable option as a 15 company. 16 And so that's where in reducing the acquisition fee 17 from 6 to 8 percent of the cost of acquiring an asset to 1 18 to 4 percent, we also introduced the O&O fee, the organization 19 and offering expense reimbursement fee, and looked at what 20 rate do we need to peg that at in order to not create any 21 additional fee burden to the customer, but not also lowering 22 the revenue to DiversyFund. So basically trying to give back 23 into the same amount of fee load from the customer's 24 perspective and the parent co.'s perspective. 25 The other driver behind changing the fees was that</p>

<p style="text-align: right;">Page 160</p> <p>1 it also allowed from the parent co.'s perspective, us to -- 2 when we were just operating under the acquisition fee, which 3 was the bulk of the fee revenue coming from the REIT activity 4 to parent co., what would happen is we'd have to wait for a 5 real estate closing to occur in order to capture that 6 acquisition fee at the closing. 7 And it created some -- because, as we discussed 8 earlier, many real estate deals get delayed because the lender 9 isn't ready to close on time or something else may occur that 10 pushes the closing date back. And that unpredictability of 11 when you'll experience a revenue event to the parent co. level 12 made it very challenging to manage some our parent co. 13 expenditures such as marketing spend and marketing budgets. 14 And so by changing the fee structure for REIT II and 15 lowering the acquisition fee and introducing the O&O 16 reimbursement fee for marketing and tech expenses, it allowed 17 us -- it allowed the parent company to more quickly recoup the 18 dollars that it was spending marketing to the retail crowd 19 instead of having to wait until a real estate closing 20 occurred, which was more difficult to predict from timing-wise 21 and created what's called "lumpy revenue" rather than a 22 smoother, more predictable revenue. 23 By creating smoother revenue for the parent co. 24 through the marketing and expense reimbursement, it really put 25 the parent co. in a better position financially in terms of</p>	<p style="text-align: right;">Page 162</p> <p>1 structure from REIT I. 2 In making the decision to change the fee structure, 3 it was really a combination of input at the leadership level 4 of looking at some of the challenges we've had to -- obviously 5 at that point we had not been successful in -- dispute 6 multiple conversations, in convincing the institutional 7 investor to invest in the REITs, and we were looking at the 8 feedback that we got from them. They loved our portfolios, 9 they seemed to like the value-add strategy, which is extremely 10 popular, but the most common point of feedback was the 11 acquisition fees being higher than they preferred to see. 12 And so I think in looking at that we tried to see 13 are there any changes we could make without increasing a fee 14 burden to the customer, so it's net neutral to the customer's 15 experience, but allows us to be more attractive of an 16 investment at the REIT level to an institutional investor by 17 simply changing fee buckets around. That discussion is 18 largely what prompted the change by leadership to switch the 19 fee structure. 20 Q And when you say "the change by leadership," who was 21 that? 22 A At that time I don't -- excuse me. At the time it 23 was certainly me and Craig. I think Isaac Dixon was on board 24 at that time. I can't remember the exact date who else was 25 part of the leadership.</p>
<p style="text-align: right;">Page 161</p> <p>1 just managing our operations. DiversyFund, Inc., you know, 2 it's important for it to remain in good financial health 3 because, you know, it's the one that employs the real estate 4 professionals who are ultimately working on the REIT 5 portfolios' assets for the benefit of the REIT customers. 6 And so to the extent that REIT -- the parent co., 7 DiversyFund, Inc., is impacted financially by having 8 difficulty predicting when it can get a reimbursement from 9 marketing or fee revenue from an acquisition of a property, it 10 really can impact just the overall business. And so we want 11 to make sure that we're always in a strong position to be able 12 to continue to manage the portfolios in a professional manner, 13 in a well -- in a well-thought-through manner without having 14 to have distractions from cash flow issues at the parent 15 co. issue -- at the parent co. level. 16 Q So who made the decisions on fees, on what fees to 17 charge for REIT II? 18 A On the change or the original ones? 19 Q Both. 20 A The original one I don't know that I would 21 characterize it as a decision. It was more just inheriting 22 the existing structure from REIT I and just -- and just 23 effectively copying it fee for fee. From the lawyer's 24 perspective, it made their job a lot easier from a drafting 25 perspective just to import from a template basis the existing</p>	<p style="text-align: right;">Page 163</p> <p>1 (SEC Exhibit No. 6 was 2 identified for the record.) 3 BY MR. ROSENTHAL: 4 Q Okay. I'm going to pull up on the screen a document 5 that's been marked as Exhibit 6. It is a multipage document. 6 I'm going to describe it. At the top it says, "Offering 7 circular supplement number 1. Date of original offering 8 circular January 19, 2021, August 26, 2021, DF Growth REIT II 9 So this appears to be supplemental number 1 to DF Growth 10 REIT II. Is that accurate? 11 A Yep. 12 Q Do you recognize this document? 13 A I do. 14 Q What is it? 15 A It's the offering circle supplement number 1 for 16 DF Growth REIT II LLC dated August 26, 2021. 17 Q Okay. And who drafted this document? 18 A Our legal counsel. 19 Q Did you review this document? 20 A Yes, I reviewed this document. 21 Q Do you know who else reviewed it? 22 A I don't want to speak on anyone else's behalf. 23 Q Did you approve this document? 24 A Similar to the prior discussions, the process by 25 which we went to file this was our counsel would draft it, I</p>

<p style="text-align: right;">Page 164</p> <p>1 would review it, anyone else who reviewed it would review it. 2 We would ask questions, make comments as needed, and then from 3 my perspective I would tell counsel when I thought it looked 4 good. 5 Q Okay. And so on the first page there it says, 6 "Change in fee structure. The section of the offering 7 circular captioned 'Compensation of management - fees' is 8 revised in its entirety to provide as follows." So this 9 document revised entirely REIT II's fees; is that accurate? 10 A It revised the limited section from the offering 11 circular, "Compensation of management - fees." 12 Q Was it intended to be a complete replacement of the 13 fees for REIT II? 14 A It was intended to revise the section labeled, 15 "Compensation of management - fees." 16 Q Okay. So this first fee, the organization and 17 operating expense reimbursement -- I'll scroll down -- is that 18 accurate? 19 A Accurate in what sense? Accurate in that's what the 20 REIT II is charging for reimbursement -- 21 Q Yes. 22 A So yeah, the offering -- the organization offering 23 expense reimbursement, I don't really consider that a fee in 24 that, you know, it's a source of revenue. It's a 25 reimbursement of actual expenditures and it's limited in the</p>	<p style="text-align: right;">Page 166</p> <p>1 investor shares. The sponsor may, in its sole discretion, 2 require the payment of the asset management fee up to five 3 years in advance, which shall be nonrefundable." 4 "Estimate: The amount of the organization and 5 offering fee depends on the amount of capital raised. We 6 cannot make a reasonable estimate at this time." 7 So my understanding is that we have charged a 2 8 percent asset management fee for year one. But similar to 9 REIT I, we actually waived the asset management fee entirely. 10 For REIT II our expectation is to waive the asset management 11 fee for subsequent years, at least now as of the current time, 12 so that it would be only charging for the first year's 2 13 percent fee. 14 Q Okay. So has REIT II charged an asset management 15 fee? 16 A I can't confirm that, but I would assume so. 17 Finance would be able to confirm what's actually been charged 18 Q Okay. Do you know when that was charged? 19 A I just said I don't know when it was -- if it was 20 charged, so I don't know when it was charged. 21 Q Okay. And then the next fee is the acquisition fee. 22 Is the description of the acquisition fee accurate? 23 A "The sponsor will charge each project entity (or the 24 company itself, if the company owns real estate directly) an 25 acquisition fee of between 1 and 4 percent of the total</p>
<p style="text-align: right;">Page 165</p> <p>1 expenditure. It's not dollar for dollar. It's limited and 2 capped at, to my understanding, 10 percent of the equity 3 amount. 4 So that if the parent co. -- let's say you 5 raise \$1 million and it's capped at 10 percent, which would 6 be \$100,000. If the parent co. on all the items listed in 7 potential reimbursements spent \$200,000, the parent co. would 8 not be reimbursed for that full 200, but would be capped at 9 only being reimbursed for that \$100,000, which is that 10 maximum 10 percent of equity dollars raised. 11 Q So has REIT II charged these expense reimbursement? 12 A I suppose the accurate way has been has DiversyFund, 13 Inc., the parent co., charged REIT II for those reimbursement 14 expenses, and my understanding is it has. 15 Q Okay. Do you know what the amount has been? 16 A I don't. 17 Q Do you know if it exceeded 10 percent of the capital 18 raise? 19 A I don't. I would assume not. 20 Q So then the next fee is an asset management fee 21 there. Is this description of the asset management fee 22 accurate? 23 A "The sponsor will charge the company an annual asset 24 management fee equal to 2 percent of the" -- there's a typo -- 25 "of the of the capital raised from the sale of class A</p>	<p style="text-align: right;">Page 167</p> <p>1 project costs, including both hard costs (for example, the 2 cost of property) and soft costs (for example, professional 3 fees). Where property is owned by an entity in which there is 4 another financial partner - a joint venture - the sponsor 5 might be entitled to a similar acquisition fee to the extent 6 negotiated with the financial partners in such joint venture 7 (which could be higher than the 1 to 4 percent acquisition fee 8 for direct investment). However, the company's share of the 9 fee will not exceed 1 to 4 percent of the company's share of 10 the total sale price." 11 "Estimate: If the company raises the full 75 12 million and maintains an average leverage ratio (borrowing) 13 of 55 percent, the sponsor fee would range between 1.6 million 14 and 6.6 million approximately." 15 Is there anything else below that? 16 Q No. 17 A Okay. So that was it. 18 Q Is that description accurate? 19 A Yes, that description looks accurate to me. 20 Q Okay. And has REIT II charged acquisition fees? 21 A I know that I believe we have on NCP Dove and 22 Swaying Oaks. I don't know if we charged acquisition fee 23 related to the Mission Villas funding. 24 Q And what were those fees that were charged? 25 A I don't -- I don't know the exact amounts. We'd</p>

<p style="text-align: right;">Page 168</p> <p>1 have to check with finance.</p> <p>2 Q Okay. When were they charged?</p> <p>3 A The NCP Dove was in December, and then Swaying Oaks</p> <p>4 was much more recently. Just -- it closed last Friday.</p> <p>5 Q Okay. And for that were the acquisition fees</p> <p>6 charged when the transaction closed?</p> <p>7 A Typically it would be charged when the closing</p> <p>8 occurred. I would have to check on a case-by-case basis.</p> <p>9 Q Then the next fee is the property disposition fee.</p> <p>10 Is this description of the property disposition fee accurate?</p> <p>11 A "Where the company owns property directly or is the</p> <p>12 sole owner of a project entity, the sponsor will receive a</p> <p>13 property disposition fee equal to 1 percent of the total sale</p> <p>14 price of each property. Where property is owned by an entity</p> <p>15 in which there is another financial partner - a joint</p> <p>16 venture - the sponsor might be entitled to a similar</p> <p>17 disposition fee to the extent negotiated with the financial</p> <p>18 partners in such joint venture (which could be higher than</p> <p>19 the 1 percent disposition fee for direct investment).</p> <p>20 However, the company's share of the fee will not exceed 1</p> <p>21 percent of the company's share of the total sale price."</p> <p>22 "Estimate: The amount of the disposition fee will</p> <p>23 depend on the selling price of assets by the company and any</p> <p>24 joint ventures and, in the case of joint ventures, the terms</p> <p>25 our sponsor negotiates with joint venture partners. We can</p>	<p style="text-align: right;">Page 170</p> <p>1 directly, or is the sole owner of a project entity, the</p> <p>2 sponsor will receive a financing fee equal to 1 percent of the</p> <p>3 amount of each loan placed on a property, whether at the time</p> <p>4 of acquisition or pursuant to a refinancing. The financing</p> <p>5 fee will be in addition to any fees paid to third parties,</p> <p>6 such as mortgage brokers. Where property is owned by an</p> <p>7 entity in which there is another financial partner - a joint</p> <p>8 venture - the sponsor might be entitled to a similar financing</p> <p>9 fee to the extent negotiated with the financial partners in</p> <p>10 such joint venture (which could be higher than the 1 percent</p> <p>11 financing fee for direct investment). However, the sponsor's</p> <p>12 share of the fee will not exceed 1 percent of the company's</p> <p>13 shares of the loan."</p> <p>14 "Estimate: The amount of the financing fee will</p> <p>15 depend on the selling price of assets by the company and any</p> <p>16 joint ventures and, in the case of joint ventures, the terms</p> <p>17 our sponsor negotiates with joint venture partners. We cannot</p> <p>18 make a reasonable estimate at this time."</p> <p>19 Q Is that description accurate?</p> <p>20 A Yes, it looks accurate to me.</p> <p>21 Q And has REIT II charged financing fees?</p> <p>22 A That I don't know. I don't know whether we charged</p> <p>23 a financing fee for NCP Dove or Swaying Oaks on those</p> <p>24 closings. And then I suspect we haven't charged -- I think we</p> <p>25 may not have even charged any fee on the Mission Villas</p>
<p style="text-align: right;">Page 169</p> <p>1 cannot make a reasonable estimate at this time."</p> <p>2 Q Is that description accurate?</p> <p>3 A That description is accurate.</p> <p>4 Q And has REIT II charged property disposition fees?</p> <p>5 A No, REIT II has not had any properties that have</p> <p>6 gone through the disposition phase, so no disposition fees</p> <p>7 have been charged.</p> <p>8 Q Okay. And the next fee, the financing fee, is that</p> <p>9 description accurate?</p> <p>10 MR. BHANDARI: Before we go on, if we could just</p> <p>11 take a quick break. We've been going about an hour and a</p> <p>12 half. Could we just take a quick five-minute comfort break</p> <p>13 here?</p> <p>14 MR. ROSENTHAL: Sure. Yeah. Off the record</p> <p>15 at 3:40.</p> <p>16 (Recess.)</p> <p>17 MR. ROSENTHAL: On the record at 3:46 p.m.</p> <p>18 THE WITNESS: Will, do we need to wait for Stephen?</p> <p>19 MR. ROSENTHAL: I think we can continue without him.</p> <p>20 THE WITNESS: Okay.</p> <p>21 BY MR. ROSENTHAL:</p> <p>22 Q Okay. I'm re-sharing the same document, which is</p> <p>23 Exhibit 6. So the financing fee, is this description of the</p> <p>24 financing fee accurate?</p> <p>25 A Let's see. "Where the company owns property</p>	<p style="text-align: right;">Page 171</p> <p>1 investment, though I'm not sure. I'd have to check with</p> <p>2 finance.</p> <p>3 Q Okay. And the next fee, the construction management</p> <p>4 fee, is this description accurate?</p> <p>5 A Let's see. "The sponsor might provide construction</p> <p>6 management services. If so, the sponsor" -- there's a typo,</p> <p>7 "would be entitled to a construction management fee equal to 7</p> <p>8 and a half percent of actual construction costs."</p> <p>9 "Estimate: The amount of the construction</p> <p>10 management fee will depend on the nature and cost of the</p> <p>11 construction services the manager provides. We cannot make a</p> <p>12 reasonable estimate at this time."</p> <p>13 Q Is that description accurate?</p> <p>14 A Yes.</p> <p>15 Q And has REIT II charged any construction management</p> <p>16 fees?</p> <p>17 A I don't -- I don't believe so. Although we</p> <p>18 certainly reserve the right to bring construction management</p> <p>19 in-house, we have not done so to date for either REIT.</p> <p>20 Q Okay. And the next fee is a guaranty fee. Is the</p> <p>21 description of the guaranty fee accurate?</p> <p>22 A Let's see. "If the sponsor or an affiliate</p> <p>23 guarantees indebtedness of the company or a project entity,</p> <p>24 including guaranties of any so-called 'badboy' carveouts, the</p> <p>25 guarantor will be entitled to a guaranty fee equal to a half</p>

<p style="text-align: right;">Page 172</p> <p>1 percent of the loan." 2 "Estimate: The amount of the guaranty fee will 3 depend on the amount of loans requiring a guaranty. We cannot 4 make a reasonable estimate at this time." 5 Q Is that description accurate? 6 A Yes, looks accurate. 7 Q Okay. Has REIT II charged any guaranty fees? 8 A No, even though we've had guarantors required for 9 all the loans, my understanding is that we have not paid any 10 guaranty fees. 11 Q Okay. And then the next section is typed "Other 12 fees." Is that description accurate? 13 A "The company or project entities might engage the 14 sponsor or its facilities to perform other services. The 15 compensation paid to the sponsor or its affiliates in each 16 case must be fair to the company and the project entities, 17 comparable to the compensation that would be paid to an 18 unrelated party and disclosed to investors." 19 "Estimate: We cannot make a reasonable estimate of 20 other fees at this time." 21 Q Is that description accurate? 22 A Yes, it looks accurate to me. 23 Q Has REIT II charged any other fees? 24 A I'm not aware of any that REIT II has charged, but 25 we certainly -- we do this to reserve the right, but as we</p>	<p style="text-align: right;">Page 174</p> <p>1 second sentence. 2 A Hold on. Sorry, Will, let me zoom in. 3 Q Sure. 4 A Okay. The second sentence or second paragraph? 5 Q The second paragraph, and the second sentence in the 6 second paragraph. Do you see that, "Starting with"? 7 A Yes. 8 Q Okay. So I'm going to read it. "Starting with a 9 minimum investment of only \$500 and no management fees, we 10 make it possible for you to diversify your portfolio with one 11 of the most attractive - and historically profitable - forms 12 of alternate asset investment: Multifamily commercial real 13 estate." So that statement that there are no management fees, 14 is that accurate? 15 A It was accurate with respect to REIT I. REIT I we 16 had a 2 percent management fee and purposely from day one 17 waived it in order to attract -- attract customers from a 18 marketing standpoint. And so with respect to REIT I it was 19 accurate. 20 Q Is it accurate with respect to REIT II? 21 A REIT II does have a 2 percent management fee that's 22 charged. 23 Q So does that mean it's not accurate? 24 A REIT II does not have -- REIT II does charge 25 management fees. And so this was referring to REIT I, not</p>
<p style="text-align: right;">Page 173</p> <p>1 take things that we're paying a third party for and bringing 2 that -- if we were ever to bring them inhouse for the goal of 3 having better control over -- better quality control over 4 those services, then it allows us to charge effectively a 5 market rate fee. 6 (SEC Exhibit No. 11 was 7 identified for the record.) 8 BY MR. ROSENTHAL: 9 Q Okay. I'm now pulling up on the screen a document 10 that's been marked as Exhibit 11. I will represent to you 11 that this document is part of a web capture of diversifyfund.com 12 we completed in September 2021. At the top of the document it 13 states, "The path to financial freedom." Do you recognize 14 this document? 15 A Yes, I do. 16 Q What is it? 17 A It is a screen capture that the SEC forwarded to our 18 counsel from, I believe, our website. 19 Q Okay. And who drafted this portion of DiversyFund's 20 website? 21 A I do not know who drafted it. 22 Q Did you review this portion of DiversyFund's 23 website? 24 A No, I don't recall reviewing this. 25 Q In the middle paragraph there I'm going to read the</p>	<p style="text-align: right;">Page 175</p> <p>1 REIT II. 2 BY MS. LEVIN: 3 Q Well, how would an investor looking at your website 4 determine that this statement was referring to REIT I and not 5 REIT II? 6 A Well, I can't speak for customers' experience. You 7 know, all the mentions of no management fees have always been 8 with respect to REIT I. So to the extent that REIT II does 9 charge management fees, my understanding was that any mentions 10 of that while referring to REIT II were supposed to be taken 11 off the site. So I can't speak for marketing, but I don't 12 know why they would have that here. 13 Q How did you gain that understanding? 14 A Which understanding? That it's -- 15 Q Your understanding -- your under -- you just 16 testified that your understanding was that any mention was 17 going to be removed from the website. Where did you gain that 18 understanding? 19 A Oh, when we launched REIT II there were discussions 20 about some of the fee changes in leadership regarding -- 21 between REIT I or REIT II. And so those discussions should 22 have facilitated that any mention of no management fees in 23 connection with REIT II would not be made to the website. 24 Q And who were those discussions with? 25 A It would have started with the leadership team, and</p>

<p style="text-align: right;">Page 176</p> <p>1 then marketing or product or tech would have gone to their 2 respective teams to try to make those changes. 3 Q I'm not asking you to speculate, of course. Did you 4 personally have discussions in a leader -- in a leadership 5 team context regarding this specific disclosure regarding 6 management fees? 7 A We never discussed this -- we -- in leadership we 8 don't discuss particular web pages. We don't pull up the 9 website and go through it. In leadership what we do is just 10 say, "Hey, marketing, hey, product, hey, tech, we're rolling 11 out REIT II and we want to make sure that you're informed of 12 any unique things that you need to be aware of for purposes of 13 making sure all of our discussions of the differences of 14 REIT II are properly and accurately taken care of." 15 Q So I understand what you're saying, but I'm -- 16 that's not what I'm asking. I'm not asking what would you do, 17 I'm asking what in fact happened. 18 A In the leadership discussion? I don't recall the 19 exact discussion. I just -- I do -- 20 Q Okay. 21 A -- recall that we informed leadership that unlike 22 REIT I, REIT II did not have -- or unlike REIT I, REIT II 23 would have management fees. 24 Q And who is the "we" you're referring to? 25 A Everyone in the leadership group. At the time of</p>	<p style="text-align: right;">Page 178</p> <p>1 Q I understand. But don't you know who was ultimately 2 responsible for the website disclosures? 3 A I don't. 4 MR. BHANDARI: Objection, asked and answered, 5 argumentative. 6 MS. LEVIN: Okay. Objection noted. 7 BY MS. LEVIN: 8 Q And I understand your answer is you don't know. 9 So if you were an investor, would it be important to 10 you to know whether or not management fees were being charged 11 by an offering that you were considering investing in? 12 A From my perspective as an investor, your primary 13 goal is to build wealth. And so fees become less important 14 when you're confident that you're going to be able to track a 15 healthy return without taking on an undue amount of risk. 16 And so I would be more inclined to look at how 17 diversified is the portfolio going to be, what kind of team is 18 behind sourcing the transactions and executing on the business 19 plan under the asset management umbrella. And so those would 20 be the things I would be focused on. 21 It's interesting when you look at various investment 22 types -- and I've dealt with a lot of them over my career -- 23 you are less worried about expenses and fees, more worried 24 about what's your net return. Because it's a factor of 25 looking at what gross return the asset generates and then</p>
<p style="text-align: right;">Page 177</p> <p>1 REIT II's launch, let's see -- yeah, I don't know that Fateh 2 and Navid had started yet, but Isaac would have been there, 3 Isaac Dixon, and David Legacki would have been there at that 4 point. 5 Q And again, you're referring to leadership. So at 6 that point who are you referring to? 7 A Everyone in the leadership meeting, which would be 8 myself, Craig Cecilio, and then depending on when the 9 discussion happened, I can't recall whether Navid and Fateh 10 had been on board at that point, but certainly Isaac Dixon and 11 David Legacki. 12 Q And who was responsible for making sure the website 13 was accurate in terms of its disclosures? 14 A Yeah, I don't know who at the end of the day on the 15 marketing, product or tech side has that responsibility. 16 Q Who is ultimately responsible for it? 17 A I wouldn't know who would be ultimately responsible 18 for that. 19 Q You don't? 20 A Correct. 21 Q Okay. Aren't you a principal of the company? 22 A I'm the chief investment officer, and so my focus is 23 on the REITs and the portfolios and the real estate division 24 and making sure that the portfolio is performing as best as 25 possible without taking on undue amount of risk.</p>	<p style="text-align: right;">Page 179</p> <p>1 looking at once you deduct the fees and expenses -- whether 2 it's a fee or it's an expense it doesn't matter. You're only 3 looking at what the net return is. 4 And so in my conversations prior to DiversyFund when 5 I would work directly with extremely sophisticated and very 6 experienced real estate investors, high net worth individuals 7 and some institutional funds, the fees were really not the 8 primary concern. It was can this team execute on delivering a 9 net return that I would be happy with. 10 Q And what -- do you have any experience working with 11 investors who are not high net worth individuals, who are your 12 average retail investor, and what would be important to them? 13 A Certainly. 14 Q And what's that experience? 15 A I think they're even more focused on what their net 16 return is because they're just looking at, "What does this 17 investment do for me at the end of the day?" They don't 18 really tend to, in general, focus on fees and expenditures. 19 They're just looking at, "If I give you \$100, what are you 20 going to be able to deliver back to me in what time frame?" 21 Q The fee would detract from the return, correct? 22 A The fee certainly would reduce the amount of returns 23 because you're starting on the gross level of. But the 24 question is from our -- from our typical customers who are 25 non-accredited, outside of offerings such as DiversyFund's</p>

<p style="text-align: right;">Page 180</p> <p>1 REIT offerings, they do not have access to these kinds of 2 portfolios. They can go try to do their own investment, 3 taking on their own risk with their own time. 4 And often we have folks who have said they tried to 5 do, you know, fix-and-flip residential or vacation rentals and 6 have just been very frustrated with how much work it takes and 7 how it's not just easy to make money in real estate like 8 sometimes it's portrayed in social media with all these 9 so-called "guru" accounts that folks see. 10 And so my limited -- it's anecdotal obviously, but 11 as you look at my experience with unsophisticated retail 12 investors, they really at the end of the day don't have this 13 ability to invest in institutional grade multifamily value-add 14 portfolios -- which multifamily happens -- value-add in 15 particular, happens to be historically one of the best 16 performing asset classes in the real estate umbrella. It's 17 beat office, it's beat retail, it's beat hospitality, it's 18 beat senior housing, it's beat single-family residential. And 19 so our customers are getting access to this for the first 20 time. 21 And so the cost of expenditure and fees in order for 22 us to deliver that certainly is higher than if we were going 23 and just working with already wealthy institutions who can 24 write a single check. You know, we have a cost involved with 25 aggregating microdollars, which is the cost of delivering this</p>	<p style="text-align: right;">Page 182</p> <p>1 that I'm very proud of. 2 Q Okay. 3 BY MR. ROSENTHAL: 4 Q Okay. And when this statement was on DiversyFund's 5 website in September 2021, investors were investing through 6 DiversyFund's website in REIT II at the time, correct? 7 A Yeah, the exact date of the first sale of REIT II 8 securities through the website would have been sometime in 9 either late August or early September. I don't have the exact 10 date in front of me so I couldn't confirm that. 11 Q Okay. But there were sales in September 2021 that 12 took place, correct? 13 A At some point in September, I believe so. 14 Q And is this statement about the no management fees, 15 is it still on DiversyFund's website? 16 A No. As soon as you brought it to our attention we 17 took it down. 18 Q Okay. So it was taken down once the SEC brought it 19 to your attention? 20 A Yes. 21 (SEC Exhibit No. 12 was 22 identified for the record.) 23 BY MR. ROSENTHAL: 24 Q I'm now going to be sharing -- showing auto- 25 document --</p>
<p style="text-align: right;">Page 181</p> <p>1 investment service to our everyday unsophisticated investors. 2 And have so they are -- although the fees and 3 expenses are higher compared to institutional investment, they 4 don't have access to institutional investments. They can't 5 invest. There's just no avenue for them to do it. And I look 6 at my parents, for example, they never had the chance to build 7 up the real estate. They were stuck with the stock market. 8 And so that's been my mission here is to change that. 9 When I worked on Wall Street I hated the fact that 10 there's an old boys club that seriously limits people's access 11 to these type of investments, and they -- all they cared about 12 is, "Can you give me \$1 million check? And if you can't give 13 me \$1 million, I don't even want to talk to you." And so 14 people like my parents got dismissed out of hand from having 15 any access to that. 16 So over time, yes, we do hope that we can bring down 17 our fees as we get better at marketing and have economies of 18 scale that come from raising additional funds and building 19 bigger portfolios. But for now I feel, and my experience has 20 been, that our everyday unsophisticated retail customers are 21 just looking to us to help them build wealth and to give them 22 a net return that they're happy with. And we, quite 23 confidently, are tracking that. In fact, I'm really happy 24 with the portfolio that both REITs have been able to 25 accumulate to date. We've done a great job sourcing assets</p>	<p style="text-align: right;">Page 183</p> <p>1 A Apologies, did we lose -- what is her name, 2 Jennifer? 3 Q Yeah, that's okay. We can continue without her. 4 A Okay. 5 Q This is Exh bit Number 12. That's on the screen. I 6 will represent to you that document is part of a web capture 7 of diversyfund.com we completed in November 2021. At the top 8 it states REIT II fee structure. Do you recognize this 9 document? 10 A Yes, I do. 11 Q And what is it? 12 A It's a screen capture from our website that the SEC 13 sent to our counsel. 14 Q And who drafted this portion of DiversyFund's 15 website? 16 A I can't be sure, but it has Christopher Finlay from 17 customer service name on it, so I assume he did. 18 Q Okay. Did you review this portion of DiversyFund's 19 website? 20 A I did not. 21 Q So there's a question, "How does the new fee 22 structure work?" And it describes the fee structure. Is this 23 description of REIT II's fee structure accurate? 24 A Let's see. Let me blow it up. Can you go back to 25 the top, please?</p>

<p style="text-align: right;">Page 184</p> <p>1 Q Sure.</p> <p>2 A "How does the new fee structure impact my returns?"</p> <p>3 "The new fee structure was designed to have no negative impact</p> <p>4 on overall fees charged to the REIT. It simply breaks up fees</p> <p>5 into different buckets to allow for greater flexibility for</p> <p>6 our management team and enhance the real estate team's</p> <p>7 effectiveness."</p> <p>8 "How does the new fee structure work?" "We are</p> <p>9 always looking for ways to improve how we create wealth for</p> <p>10 our customers. The new fee structure has several components</p> <p>11 that help us be more competitive in acquiring multifamily</p> <p>12 properties so that we can build better portfolios."</p> <p>13 "Platform costs: Offering and organization expense</p> <p>14 reimbursement. Expenses charged to investors for the actual</p> <p>15 costs of marketing and Fintech platform operations - expenses</p> <p>16 are capped at 10 percent of equity dollars. Asset management</p> <p>17 fee. Platform fee equal to 2 percent of equity dollars per</p> <p>18 year."</p> <p>19 "Real estate fees" -- and, Will, can you scroll down</p> <p>20 a little bit, please?</p> <p>21 "Real estate fees: Acquisition fees. 1 percent" --</p> <p>22 "1 to 4 percent of total cost of asset. Finance fee. 1</p> <p>23 percent at any loan amount."</p> <p>24 "How does DiversyFund make money?" "DiversyFund</p> <p>25 makes money through the platform and asset fees, and when we</p>	<p style="text-align: right;">Page 186</p> <p>1 well, what's the change in the fee structure? And so while I</p> <p>2 can't speak for him, I assume that in hearing that feedback</p> <p>3 from customer service in leadership meeting that one of his</p> <p>4 purposes was to really focus on what's the difference, which</p> <p>5 the difference in the two fee structures is the acquisition</p> <p>6 fee going down from 6 to 8 percent down to 1 to 4 and creating</p> <p>7 an O&O fee for the first time to replace the lower acquisition</p> <p>8 fee.</p> <p>9 Q Okay. So this web page, it doesn't mention a</p> <p>10 property disposition fee, a construction management fee, or a</p> <p>11 guaranty fee, correct?</p> <p>12 A This page does not mention the guaranty fee, doesn't</p> <p>13 mention the construction management fee, neither of which</p> <p>14 we've ever charged on either REIT. And then what was the</p> <p>15 other one you mentioned?</p> <p>16 Q I property disposition fee.</p> <p>17 A Yeah, we haven't charged any of those for REIT II.</p> <p>18 But yeah, it's not mentioned on here, on this page.</p> <p>19 Q Why does the offering circular supplement mention</p> <p>20 those fees and not this web page?</p> <p>21 A I can't speak for why Christopher did not include</p> <p>22 those, what his purpose was in creating this. I mean, our</p> <p>23 offering circular lists all the fees accurately and our</p> <p>24 checkout process ensures that no investor is investing without</p> <p>25 having access to the offering statement and its description of</p>
<p style="text-align: right;">Page 185</p> <p>1 sell REIT assets that have increased in value, we will be paid</p> <p>2 a portion of any profits over the preferred rate of return</p> <p>3 of 7 percent to our investors."</p> <p>4 "Why was the fee structure changed?" "The new fee</p> <p>5 structure, provides greater flexible for our real estate team</p> <p>6 in selecting assets and provides a better opportunity to</p> <p>7 partner with other investment firms to maximize potential</p> <p>8 returns for our customers."</p> <p>9 Is there anything else, Will?</p> <p>10 Q That's it.</p> <p>11 A Okay.</p> <p>12 Q Is this description of REIT II's fees accurate?</p> <p>13 A The fees that it does talk about are accurate</p> <p>14 descriptions. As the SEC has pointed out, it doesn't cover</p> <p>15 every single fee that REIT II could potentially charge.</p> <p>16 Q And why doesn't it?</p> <p>17 A I don't know. I don't know how Christopher Finlay</p> <p>18 went about preparing this, what his purpose was in doing it.</p> <p>19 All that I do recall with respect to his purpose was that his</p> <p>20 main -- his main goal was trying to -- remember, we had a</p> <p>21 bunch of REIT I customers who had auto-invest on and we were</p> <p>22 asking them to determine whether they wanted to roll that over</p> <p>23 into REIT II to continue their auto-invest or simply stop</p> <p>24 their auto-invest and no longer participate in that program.</p> <p>25 And so from what I recall, he had questions about,</p>	<p style="text-align: right;">Page 187</p> <p>1 all fees before they finally purchase a security.</p> <p>2 Q Okay. And this web page also doesn't mention the</p> <p>3 other fees that the offering circular supplement may charge</p> <p>4 the other fees, correct?</p> <p>5 A Which fees are you referring to?</p> <p>6 Q The last section of the offering circular supplement</p> <p>7 had a section titled "Other fees." And that's not</p> <p>8 described --</p> <p>9 A I don't see the "Other fee" category mentioned here.</p> <p>10 Again, I don't believe we charged any other fees either for</p> <p>11 REIT II.</p> <p>12 Q Okay. Why were those other fees described in the</p> <p>13 offering circular supplement and not on this web page?</p> <p>14 A The other fees are described in the offering</p> <p>15 circular supplement because it's -- the offering circular's</p> <p>16 job, from my understanding, is to disclose all fees that could</p> <p>17 potentially be charged to the investor, and then we make sure</p> <p>18 that the investor receives that offering statement so they can</p> <p>19 read it prior to completing a purchase of securities in</p> <p>20 REIT II. As to why that mention of other fees is not in this</p> <p>21 particular web page, I can't speak to that.</p> <p>22 Q Has REIT II issued dividends to investors?</p> <p>23 A I don't know. I'd have to confirm with finance.</p> <p>24 The intention certainly was during the -- for both REITs</p> <p>25 during the capital raising period, the initial period, to do a</p>

1 reinvested dividend, and then at a later date all REITs are
2 required that when they have income generated at the REIT
3 level, that you're required to distribute -- I can't remember
4 if it's 90 or 95 percent of it, but any profits after you're
5 deducting your operating expenses and depreciation expense,
6 then those would have to be paid through as -- at least
7 annually as a dividend as well from REIT portfolio operations.

8 Q Okay. So how are dividends for REIT II generated?

9 A Well, it depends on which -- one, I'd have to
10 confirm with finance if we've even paid a dividend before I
11 could speak to that. I can speak to the REIT I dividends if
12 you want to talk about those. I'm more familiar with those.

13 Q For REIT II, regardless of whether they've actually
14 been issued, what are the REIT II dividends based on?

15 A Well, during -- what's typical for REITs, probably
16 about a third of REITs, from my understanding, when you're --
17 or at least value-add REITs, what happens is when you're in
18 the phase of raising capital and initially deploying that
19 capital, whatever period of time that takes, you are burdened
20 with renovation expense. And so the properties typically
21 won't cast off actual operating income. And so to incentivize
22 investors who tend to prefer dividends, there is often a
23 dividend that sometimes can be paid, a fixed dividend for a
24 period of time before you get to a period where the portfolio
25 is actually generating operating income that can pay a

1 variable dividend depending on what dollars come in.

2 Q So I'm not sure I understand that. So what is that
3 fixed dividend based on?

4 A It would just be based on an expectation of what
5 your investors typically want to see. It depends on the asset
6 class. You know, if it's a core or core plus, then there --
7 you know, a fixed dividend during initial period probably
8 wouldn't be as relevant because those are cash flowing out of
9 operations of their own typically from day one because there's
10 no renovation component.

11 If you're in a value-add space like we are where
12 you're spending the first 18 to 36 months doing renovations,
13 so there is not income coming from the properties because
14 that's being poured back into renovations, to the extent there
15 is NOI at the property level, then that's -- would be when you
16 would typically see a REIT pay a fixed dividend, during that
17 period.

18 Q Okay.

19 BY MS. LEVIN:

20 Q And by "NOI," you mean net operating income?

21 A Correct. Well, I guess it would be -- take it even
22 a step further. So with -- if you take a individual property,
23 you have your EGI, your effective gross income, from rents
24 collected and then you're deducting out your expenses for
25 operating the property, and that's your NOI, your net

1 operating income.

2 And then at that point then you have to turn around
3 and pay your debt service, which is the payments that you owe
4 the lender for their loan, to the extent you have one. And on
5 all of our properties we always deploy leverage because it
6 helps to -- when used properly and conservatively, helps to
7 magnify the investor's return.

8 And so when you take the NOI less the debt service,
9 that's what's determined as your free cash flow. And the free
10 cash flow would be the dollars -- well, first then with free
11 cash flow the first priority is to maintain a three-month
12 operating reserve on the opex account for that property to
13 make sure that you have enough to weather any storm such as
14 COVID or unexpected issues that may come up in the macro or
15 micro market. And then once the reserve is established, then
16 excess free cash flow could -- would go -- be repatriated back
17 to the REIT.

18 And then to the extent that that free cash flow
19 accumulates in the REIT's expenses, because the REIT has its
20 own vendors, auditors, legal counsel, what have you. To the
21 extent that that free cash flow finally gets to the point that
22 it is exceeding the REIT's expenses -- and you also have to
23 add in the depreciation expense that flows through from the
24 individual SPVs up to the REIT level, because they're all LLCs
25 and so it's a pass-through ownership. Then once that exceeds

1 that, that would be free cash flow that the REIT would be
2 obligated to disburse in order to maintain REIT status under
3 the REIT rules.

4 Q Okay. So I think you said in the initial period the
5 dividends would be based on the investor expectations. Is
6 that right?

7 A Yeah, well, the way to look at it is it's based on
8 the type of asset class, what's typical expectation for that
9 asset class. In our case, it's value-add.

10 Q Okay. So for the initial period for REIT II there's
11 a fixed dividend based on the expectations based on the asset
12 class?

13 A Well, for REIT I we had that pegged at 5 percent. I
14 don't know -- on the reinvestment side I'd have to confirm
15 with finance if we're paying that for REIT II.

16 Q Okay. And who determines that?

17 A It's a function of, you know, investment committee
18 and finance and looking at our expectation of how fast can
19 this portfolio start to turn over its own operating cash flow,
20 like what -- how -- it's a function of how quickly are we
21 going to raise capital at the REIT level, how quickly can we
22 deploy it.

23 The particular property we invest in, how long are
24 they going to take to get through their renovation business
25 plans and be in a point where the free cash flow gets

<p style="text-align: right;">Page 192</p> <p>1 significant.</p> <p>2 Q Okay.</p> <p>3 So since you're on the investment committee,</p> <p>4 have you been involved in determining the dividends?</p> <p>5 A Certainly for REIT I. For REIT II, you know, it</p> <p>6 just hasn't come up. We've been so busy. So I don't know --</p> <p>7 I'd have to confirm with finance if we're even doing the same</p> <p>8 thing we did with REIT I.</p> <p>9 (SEC Exhibit No. 14 was</p> <p>10 identified for the record.)</p> <p>11 BY MR. ROSENTHAL:</p> <p>12 Q So I'm going to show you a document marked as</p> <p>13 Exhibit 14.</p> <p>14 And at the top -- I'll represent to you that this</p> <p>15 is a page of a web capture of diversifyfund.com we completed in</p> <p>16 November 2021, and at the top it says, "Why was my first</p> <p>17 dividend lower than I expected?" Do you recognize this</p> <p>18 document?</p> <p>19 A Yes.</p> <p>20 Q What is it?</p> <p>21 A It's a screen capture that you sent to my counsel</p> <p>22 from the website.</p> <p>23 Q Who drafted this portion of DiversyFund's website?</p> <p>24 A My assumption is Christopher Finlay based on the</p> <p>25 fact that his name is at the top.</p>	<p style="text-align: right;">Page 194</p> <p>1 tied to the actual rents.</p> <p>2 Q Okay. But that wouldn't be every month, right?</p> <p>3 A Well, it would depend on what the portfolio is</p> <p>4 doing.</p> <p>5 It certainly could be. If the portfolio is at the</p> <p>6 level where it's post renovation and healthy and the market's</p> <p>7 doing well, then it certainly and easily could be a monthly</p> <p>8 dividend from rental -- rents collected.</p> <p>9 Q Okay.</p> <p>10 But then that -- when the fixed dividends in</p> <p>11 the initial period, those are not based on the rents that are</p> <p>12 collected, correct?</p> <p>13 A When it's a fixed dividend during the initial</p> <p>14 period, those would not be coming from rents collected.</p> <p>15 Q Okay. Next I'm going to show you Exhibit 18.</p> <p>16 (SEC Exhibit No. 18 was</p> <p>17 identified for the record.)</p> <p>18 BY MR. ROSENTHAL:</p> <p>19 Q This is a document that was produced by DiversyFund,</p> <p>20 and it is Bates stamped DF-001314. Do you recognize this</p> <p>21 document?</p> <p>22 A I do not.</p> <p>23 Q Okay.</p> <p>24 So is this a list of dividends paid out?</p> <p>25 A I don't know.</p>
<p style="text-align: right;">Page 193</p> <p>1 Q Did you review it?</p> <p>2 A I did not.</p> <p>3 Q Okay.</p> <p>4 Do you see where under where it says</p> <p>5 "Dividends" in bold, the first sentence says, "Dividends are</p> <p>6 the profit generated from in-coming rents"? Do you see that?</p> <p>7 A Yes.</p> <p>8 Q Is that accurate?</p> <p>9 A Dividends can be profits generated from in-coming</p> <p>10 rents. Dividends can also be fixed dividends. Like I</p> <p>11 described earlier, a dividend can be from the disposition of a</p> <p>12 property. Dividends can be from a cashout refinance. And so</p> <p>13 this covers one means of a dividend being paid.</p> <p>14 Q Okay.</p> <p>15 In those cases like the fixed dividends, it's</p> <p>16 not accurate, is it?</p> <p>17 A This is describing a dividend from profit from</p> <p>18 in-coming rents.</p> <p>19 Q Okay.</p> <p>20 So then the next sentence says, "REIT</p> <p>21 investors receive a dividend every month from the rents that</p> <p>22 are collected."</p> <p>23 Is that statement accurate?</p> <p>24 A That statement would pertain to when either REIT</p> <p>25 gets to the point where it's distributing dividends that are</p>	<p style="text-align: right;">Page 195</p> <p>1 I've not seen this document before.</p> <p>2 I don't know who prepared it, where it came from, what it</p> <p>3 reflects, so I couldn't -- I wouldn't be comfortable speaking</p> <p>4 accurately about anything regarding this document.</p> <p>5 Q Okay.</p> <p>6 And for REIT I, what form did the dividends</p> <p>7 that were issued -- did they take?</p> <p>8 A What do you mean by "form"?</p> <p>9 Q How did -- did investors receive cash dividends?</p> <p>10 A Like a cash distribution to their bank accounts?</p> <p>11 Q Correct.</p> <p>12 A No, they did not.</p> <p>13 Q So what did they receive?</p> <p>14 A They received a dividend reinvestment. So</p> <p>15 effectively they were given -- rather than cash in their bank</p> <p>16 account, they were given an additional amount of shares, which</p> <p>17 increased their portion -- basically their percentage</p> <p>18 ownership of the REIT.</p> <p>19 MR. ROSENTHAL: Vickie, do you have any questions?</p> <p>20 MS. LEVIN: No, nothing further at this time. As</p> <p>21 you'll go into, we may call Mr. Lewis back.</p> <p>22 MR. ROSENTHAL: Okay, yes.</p> <p>23 BY MR. ROSENTHAL:</p> <p>24 Q So at this time we don't have any further questions.</p> <p>25 So we are adjourning your testimony, but we may call you again</p>

1 to testify in this matter. We will contact your counsel to
2 arrange this.

3 Although your testimony is adjourned, you
4 remain under subpoena.

5 Mr. Lewis, do you wish to clarify anything or add
6 anything to the statements you have made today?

7 A I can't -- yeah, I don't have anything that I wish
8 to add or clarify.

9 MR. ROSENTHAL: And, Counsel, do you wish to ask any
10 clarifying questions?

11 MR. BHANDARI: No.

12 MR. ROSENTHAL: Okay. Off the record at 4:29 p.m.

13 (Whereupon, at 4:29 p.m., the examination was
14 concluded.)

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1 CERTIFICATE OF SHORTHAND REPORTER - NOTARY PUBLIC

2 I, Rebecca L. Stonerock, Registered Professional
3 Reporter, the officer before whom the foregoing proceedings
4 were taken, do hereby certify that the foregoing transcript is
5 a true and correct record of the proceedings; that said
6 proceedings were taken by me stenographically and thereafter
7 reduced to typewriting under my supervision; and that I am
8 neither counsel for, related to, nor employed by any of the
9 parties to this case and have no interest, financial or
10 otherwise, in its outcome.

11
12 My commission expires:
13 October 14, 2022

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16 _____
17 NOTARY PUBLIC IN AND FOR
18 THE DISTRICT OF COLUMBIA

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1 PROOFREADER'S CERTIFICATE

2
3 In the Matter of: DIVERSYFUNDS INC.
4 Witness: Alan Lewis
5 File Number: LA-05266-A
6 Date: Thursday, April 21, 2022
7 Location: Los Angeles, California

8
9 This is to certify that I, Christine Boyce,
10 (the undersigned), do hereby certify that the foregoing transcript
11 is a complete, true and accurate transcription of all matters
12 contained on the recorded proceedings of the investigative
13 testimony.

14
15
16 _____
17 (Proofreader's Name) 4-28-2022

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Division of Enforcement's Exhibit 23

From: paul calo texcalo@yahoo.com
Subject: DiversyFund Request
Date: May 11, 2022 at 12:25:27 PM
To: DiversyFund hello@diversyfund.com
Cc: Anthony Lawson alawson@altoira.com

Hello my name is Paul Calo. I invested \$20,000 in DiversyFund about a year ago based on your advertisements regarding the advantages of Private Crowd Funding into the real estate market. I previously invested into publicly traded REITS and have been more than happy doing so. Everything is out in the open and information is supplied to me every quarter. I get to vote on board members and proposals, and get yearly updates on the performance of their properties by the CEO in a taped public meeting every year. My dividends are paid to me religiously, and shares are repurchased with those dividends. I also get official statements proving the ownership stake I have in the REIT.

Currently with DiversyFund,

- 1) I haven't received one statement.
- 2) My dividends have stopped after just a few months.
- 3) I'm told my dividends are being reinvested into improving the properties but there is no way of knowing that for sure.
- 4) I invested in Growth REIT but now the name is changed to Growth REIT 1 and a new investment, Growth REIT 2 has opened. What if Growth REIT 2 fails? Is my investment at risk? Are they truly separate investments?
- 5) There is no phone number to call.
- 6) The only information I get, is the online "Dashboard " which is really more of just an advertisement to invest more money into the fund. If you are accepting more money from me, does it go into Growth REIT 1 or Growth REIT 2???
- Growth REIT 1 is closed so how come it isn't explained that new money will go into a new investment with a new liquidation timeline???
- 7) How does an automated investment get calculated at payout? Do investors need to have blind faith that it will be fair and equitable?
- 8) My balance in the DiversyFund dashboard does not match my balance in my Alto IRA.
- 9) I get no information from DiversyFund regarding my investment. Nothing in the mail, nothing in emails. Anytime I ask about audits, I'm directed to the SEC website which is not very easy to navigate. I would've hoped that a more user

friendly year end audit would be prepared by DiversyFund. I would also expect some type of commentary from the owners of the fund on investment timelines, plans, performance, ect, ect.

In conclusion, I don't feel that there was an honest disclosure as to how little of information and documentation would be supplied to me. I would appreciate my initial investment of \$20,000 be returned to my Alto IRA. You can keep the dividends at this point and I wish you luck in attracting new investors. This just isn't the type of investment for me.

Thankyou
Paul Calo

On May 9, 2022, at 4:13 PM, Kari H (DiversyFund) <hello@diversyfund.com> wrote:

##- Please type your reply above this line -##

You are registered as a CC on this request (50284). Reply to this email to add a comment to the request.



Kari H (DiversyFund)

May 9, 2022, 1:13 PM PDT

Hello,

Thank you. I will forward this to the correct person.

Have a great day!

Kari H

Division of Enforcement's Exhibit 24

DIVERSY ADVISORY SERVICES, LLC

CLIENT AGREEMENT

YOU MUST READ AND CONSIDER THIS AGREEMENT CAREFULLY AND CONTACT DIVERSY ADVISORY SERVICES, LLC ("DA SERVICES") TO ASK ANY QUESTIONS YOU MAY HAVE BEFORE ENTERING INTO IT. THIS AGREEMENT MAY BE EXECUTED IN ONE OR MORE COUNTERPARTS, EACH OF WHICH WILL BE DEEMED AN ORIGINAL, BUT ALL OF WHICH TOGETHER WILL CONSTITUTE ONE AND THE SAME AGREEMENT. THIS AGREEMENT SHALL BE EXECUTED BY APPLYING AN ELECTRONIC SIGNATURE USING DOCUSIGN OR SIMILAR ONLINE ELECTRONIC SIGNING SERVICE AND ANY COUNTERPART SO DELIVERED SHALL BE DEEMED TO HAVE BEEN DULY AND VALIDLY DELIVERED AND BE VALID AND EFFECTIVE FOR ALL PURPOSES. BY SIGNING THIS AGREEMENT, YOU ACKNOWLEDGE AND AGREE THAT:

- THIS AGREEMENT MAY BE AMENDED, ALTHOUGH NOT ASSIGNED, FROM TIME TO TIME WITHOUT PRIOR NOTICE OR CONSENT FROM YOU.
-
- DA SERVICES MAY BE REQUIRED TO DELIVER CERTAIN DOCUMENTS TO CLIENTS FROM TIME TO TIME. EXAMPLES OF SUCH DOCUMENTS INCLUDE, BUT ARE NOT LIMITED TO, THE AMENDED AGREEMENTS, FORM ADV PART 2A, AND/OR THE FIRM'S PRIVACY POLICY. BY EXECUTION OF THIS AGREEMENT, CLIENT CONSENTS TO THE USE OF ELECTRONIC MEANS, SUCH AS EMAIL, TO MAKE SUCH DELIVERY. THIS DELIVERY MAY INCLUDE NOTIFICATION OF THE AVAILABILITY OF SUCH DOCUMENT(S) ON THE INTERACTIVE WEBSITE; CLIENT AGREES THAT SUCH NOTIFICATION WILL CONSTITUTE "DELIVERY." CLIENT AGREES TO PROVIDE DA SERVICES WITH AN EMAIL ADDRESS AND TO KEEP THIS INFORMATION CURRENT AT ALL TIMES BY PROMPTLY NOTIFYING DA SERVICES OF ANY CHANGE IN EMAIL ADDRESS. THIS CONSENT WILL REMAIN IN EFFECT UNTIL REVOKED IN WRITING TO DA SERVICES AT ITS MAIN OFFICE ADDRESS. THE AMENDED AGREEMENTS WILL BE AVAILABLE ON THE DIVERSY FUND, INC. ("DIVERSY") WEBSITE AT DIVERSYFUND.COM (THE "INTERACTIVE WEBSITE").
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- YOU WILL RECEIVE NOTIFICATION VIA EMAIL AND BY PUSH NOTIFICATION WHEN YOU LOG INTO THE INTERACTIVE WEBSITE OF ANY AMENDMENTS OR NEW VERSIONS OF ANY OF THE AGREEMENTS (THE "REVISED AGREEMENTS") HAVE BEEN POSTED TO THE INTERACTIVE WEBSITE. .
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- THE REVISED AGREEMENTS WILL TAKE EFFECT WHEN YOU CLICK THE "I ACCEPT" BUTTON THAT WILL APPEAR WHEN YOU LOG INTO THE INTERACTIVE WEBSITE. BY CLICKING THE "I ACCEPT" BUTTON, YOU (A) ACKNOWLEDGE THAT YOU HAVE READ AND UNDERSTAND THE REVISED AGREEMENTS; (B) REPRESENT AND WARRANT THAT YOU HAVE THE RIGHT, POWER, AND AUTHORITY TO ENTER INTO THE REVISED AGREEMENTS AND IF ENTERING INTO THE REVISED AGREEMENTS FOR AN ORGANIZATION, THAT YOU HAVE THE LEGAL AUTHORITY TO BIND THAT ORGANIZATION; AND (C) ACCEPT THIS AGREEMENT AND AGREE THAT YOU ARE LEGALLY BOUND BY ITS TERMS BY CLICKING "I ACCEPT" OR BY CONTINUING TO USE SERVICES PROVIDED BY DA SERVICES WITHOUT OBJECTING TO ANY AMENDMENTS OR NEW VERSIONS OF ANY OF THE AGREEMENTS POSTED ON THE INTERACTIVE WEBSITE, YOU AGREE TO AND ACCEPT ALL TERMS AND CONDITIONS OF ANY REVISED AGREEMENTS, INCLUDING ANY NEW OR CHANGED TERMS OR CONDITIONS. IF YOU DO NOT AGREE TO ACCEPT ALL TERMS AND CONDITIONS OF THE REVISED AGREEMENTS, PLEASE SELECT THE "I DECLINE" BUTTON. IF YOU DO NOT AGREE TO AND ACCEPT ALL TERMS AND CONDITIONS OF THE REVISED AGREEMENTS, DA SERVICES RESERVES THE RIGHT TO TERMINATE THE CLIENT'S PLAN IN ACCORDANCE WITH SECTION 10 OF THIS AGREEMENT.
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- **IMPORTANT NOTICE REGARDING ARBITRATION: WHEN YOU AGREE TO THE ADVISORY CLIENT AGREEMENT YOU ARE AGREEING (WITH LIMITED EXCEPTIONS) TO RESOLVE ANY DISPUTE BETWEEN YOU AND DA SERVICES THROUGH BINDING, INDIVIDUAL ARBITRATION RATHER THAN IN COURT. PLEASE REVIEW CAREFULLY SECTION 16 OF THE ADVISORY CLIENT AGREEMENT FOR DETAILS REGARDING ARBITRATION.**

DA SERVICES CLIENT AGREEMENT

You ("Client") and Diversy Advisory Services, LLC, a Delaware limited liability company and a registered investment adviser with the Securities and Exchange Commission ("DA Services"), agree to enter into an agreement that will allow DA Services to provide certain advisory services to you, as further described herein. This Client Agreement ("Agreement") is effective as of the first day Client agrees to it (the "Effective Date"). In consideration of the mutual covenants herein, Client and DA Services agree as follows:

1. Services. Client retains DA Services to perform one or more of the following services, which it is important to understand that these Services will not involve comprehensive or overall financial guidance intended to cover all areas of the Client's financial plan or needs:

1. to provide Client with recommended portfolio compositions pursuant to an investment plan to purchase securities of DA Services-affiliated issuers, including fractional shares thereof ("Securities") recommended by DA Services based on profile information and features designated by Client (the "Investment Plan"). Client shall be responsible for executing any documents associated with such Investment Plan, which will be made available to Client on the Interactive Website.
- 2.
3. if elected by Client, to periodically withdraw funds from Client's designated bank account at intervals selected by Client in order to purchase securities (i) directly into a DA Services-affiliated issuer that is selected by DA Services or (ii) in accordance with the Investment Plan selected by Client, the choice of program being directed by the Client (the "Auto-Investment Plan"); provided, however, that DA Services may update the Auto Investment Plan selected by the Client from time to time to reflect any changes to the underlying Investment Plan to substitute or replace certain DA Services-affiliated issuers with certain other or successor DA Services-affiliated issuers that have substantially the same investment criteria, as determined by DA Services' Investment Committee, at the same time the Investment Plan is updated on the Interactive Website.
- 4.
5. if elected by Client, to allocate Client's distributions to purchase securities (i) directly into a DA Services-affiliated issuer that is selected by DA Services or (ii) in accordance with the Investment Plan selected by Client, the choice of program being directed by the Client (the "Reinvestment Plan"). DA Services shall allocate such distributions by directing such distributions as directed by the Client pursuant to the Reinvestment Plan from the bank account(s) of the issuer or issuers to purchase Securities of the issuer or issuers Investment Plan selected by Client on the Interactive Website as provided in this Agreement. The Investment Plan, Auto-Investment Plan and the Reinvestment Plan are collectively referred to herein as the "Plans".

DA Services is an adviser of limited focus and is being selected by Client as a part of its overall financial plan. DA Services will limit its activities to the type and scope of the investments and strategies described in its disclosure materials; and it will not have any duty or obligation to advise or take any action on behalf of Client in any legal proceedings, including bankruptcies or class actions, involving Securities held by Client or the issuers of Securities. Notwithstanding anything in this Agreement to the contrary, DA Services shall have no authority hereunder to take or have possession of any assets of Client or to direct delivery of any Securities or payment of any funds associated with the Securities to itself or to direct any disposition of such Securities or funds except to Client and on Client's instructions or as provided in Section 7 (entitled "Payment of Fees"). When investing, a Client's funds are transferred from such Client's external bank account directly to account escrow agent which then transfers the capital directly into the Funds. At no point in time are Client's funds aggregated or collected into a bank account of Diversy or DA Services. DA Services does not have custody or possession of either Client's funds or securities but understands that through its affiliation with DF Manager, LLC (the "Manager"), Diversy, and the Funds that DA Services may be deemed to have legal custody, as this term is defined under the Investment Advisers Act of 1940, as amended.

2. Limited Power of Attorney. To enable DA Services to exercise fully its authority as provided in Section 1, Client hereby constitutes and appoints DA Services as Client's agent and attorney-in-fact with full power and authority for Client and on Client's behalf solely for the purpose of purchasing and selling Securities in accordance with the Plans selected by the Client. Client further grants to DA Services as Client's agent and attorney-in-fact full power and authority to do and perform every act necessary and proper to be done in the exercise of the foregoing powers as fully as Client might or could do if personally present including but not limited to signing subscription and operating agreements relating to the purchase of Securities on behalf of Client. This power of attorney includes arranging for delivery and payment in connection with the Payment of Fees detailed in Section 7 below, and acting on behalf of Client in all matters incidental to the handling of the Plan without prior approval of each specific transaction. In no event will DA Services be obligated to affect any transaction for Client which would violate applicable federal or state law, or rule or regulation of any regulatory or self-regulatory body. This power of attorney is coupled with an interest and shall terminate only on termination of this Agreement or on receipt by DA Services of written notice of the death, incapacity

or dissolution of Client.

3. Representations and Warranties.

(a) Client represents and warrants to DA Services and agrees with DA Services as follows:

1. Client has the requisite legal capacity, authority and power to execute, deliver and perform his or her obligations under this Agreement. This Agreement has been duly authorized, executed and delivered by Client and is the legal, valid and binding agreement of Client, enforceable against Client in accordance with its terms. Client's execution of this Agreement and the performance of his or her obligations hereunder do not conflict with or violate any obligations by which Client is bound, whether arising by contract, operation of law or otherwise. If Client is an entity, the trustee, agent, representative or nominee (the "Client Representative") executing this Agreement on behalf of Client has the requisite legal capacity, authority and power to execute, deliver and perform such execution and the obligations under this Agreement, as applicable. Specifically, if Client is a corporation or partnership, the individual signing this Agreement has been authorized to execute this Agreement by appropriate corporate or partnership action, and if this Agreement is entered into by a trustee or fiduciary, the trustee or fiduciary has authority to enter into this Agreement and that the services described herein are authorized under the applicable plan, trust or law. Client will deliver to DA Services evidence of Client's and Client Representative's authority on DA Services' request and will promptly notify DA Services of any change in such authority, including but not limited to an amendment to Client's organizational, delegation or formation documents that changes the information Client provides to DA Services on opening Client's account (the "Account").
- 2.
3. For Entity Clients: If Client Representative is entering into this Agreement, Client and Client Representative understand and agree that the representations, warranties and agreements made herein are made by Client both: (a) with respect to Client; and (b) with respect to the Client Representative.
- 4.
5. For Joint Account Clients (With Rights of Survivorship): If Clients are entering into this Agreement on behalf of a joint account, Clients understand and agree that the representations, warranties and agreements made herein are made on behalf of all of the joint account holders and further agree that each (a) is a Client; (b) has the authority to act on behalf of the Account and DA Services will accept such instructions from any one Client; (c) is jointly and severally liable per the terms of this Agreement; and (d) that in the case of death of any of the joint account holders, interest in the Securities shall vest in the surviving account holder(s) under the same terms and conditions of this Agreement and the surviving Client(s) shall promptly provide DA Services with written notice thereof and provide any documentation reasonably requested by DA Services in its management of the Account.
- 6.
7. Client is the owner or co-owner of all the Securities, and there are no restrictions on the pledge, hypothecation, transfer, sale or public distribution of such Securities.
- 8.
9. If Client specifically provides a photograph of Client's likeness and/or other personal identifying information to DA Services for public display, then Client hereby grants permission to DA Services to use the provided photograph of Client's likeness, Client's name and/or other information, in a commercially reasonable manner on the Interactive Website, any related and/or affiliated sites, and in marketing materials now and in the future, until such time as this Agreement is terminated by either party. Client waives any and all rights to compensation as a result of such use of Client's explicitly provided photograph of Client's likeness, Client's name and/or other information.
- 10.
11. Client agrees to use DA Services solely for Client's personal, non-commercial use, and not in connection with any competitive analysis (as determined by DA Services).

(b) Client understands and agrees that (A) DA Services does not guarantee the performance of the Securities, is not responsible to Client for any investment losses, and the Securities are not insured against loss of income or principal; (B) there are significant risks associated with investing in Securities, including, but not limited to, the risk that the Securities could suffer substantial diminution in value and total loss; (C) the past performance of any Security does not indicate its future performance, and future transactions will be made in different Securities and different economic environments; and (D) DA Services will cause the distributions to purchase Securities in essentially the proportions set forth by the Plans, and will not otherwise review or control the allocations of Securities as subscribed under the Plans. There are significant risks associated with any investment program, including the Plans.

1. Client understands and agrees that DA Services' sole obligation hereunder or otherwise is to select and

purchase Securities on behalf of Client in accordance with the Plans and to manage the allocation of distributions from Securities in accordance with the Plans, and Client has not engaged DA Services to provide any individual financial planning services. Client understands and agrees that DA Services is not responsible for any losses in Securities, as provided in Section 9.

- 2.
3. Client understands and agrees that the selection and purchase of Securities and allocation of distributions for the purchase of Securities will be managed solely by DA Services. Client further understands that if any of the information Client provides to DA Services is or becomes incomplete or inaccurate, the allocation of distributions into Securities may not achieve Client's desired investment strategy, and the Plans may cause Client to purchase Securities from which Client is restricted from purchasing at that time.
- 4.
5. Client understands and agrees that DA Services is not responsible to Client for any failures, delays and/or interruptions in the timely or proper allocation of distributions by DA Services on behalf of Client due to any or all of the following, which are likely to happen from time to time: (A) hardware or software malfunction, failure or unavailability; (B) internet service failure or unavailability; (C) the actions of any governmental, judicial or regulatory body; and/or (D) force majeure.
6. **Confidentiality. Except as required by law or requested by regulatory authorities, (a) DA Services agrees to maintain in strict confidence all of Client's non-public personal and financial information that Client furnishes to DA Services, except for information that Client explicitly agrees to share publicly, and (b) Client agrees to maintain in strict confidence all non-public information that Client acquires from DA Services in connection with the Plans. Client agrees that Client shall not use confidential information Client receives from DA Services for any purpose other than managing the Plans, including, but not limited to, developing a service that competes with the Interactive Website or DA Services' services. Client acknowledges receipt of DA Services' Privacy Policy available at www.diversyfund.com/privacypolicy.**

5. Valuation. The Securities shall be valued from time to time based on the per-share net asset value of the individual issuers. Different issuers may determine their net asset value on quarterly, semi-annual, or annual (or less frequent) intervals in accordance with their organizational documents as described in their respective offering circulars, which are available at www.diversyfund.com/offeringcirculars.

1. **Responsibility for Expenses. Either Diversy or a separate third-party entity will serve as fund sponsor to the Funds (the "Sponsor"). The Sponsor, and not DA Services, receives compensation from the affiliated issuers. Fees charged to clients will vary depending on whether they are invested in either DF Growth REIT, LLC ("DF Growth REIT") and DF Growth REIT II, LLC ("DF Growth REIT II") (collectively, the "Funds"). For a detailed listing of the fees that the Sponsor may receive from a given issuer, please review in Section 8 of this Agreement.**
- 2.
3. **Payment of Fees. The Sponsor and DA Services' affiliates, and not DA Services, receive fees from Clients. Client hereby authorizes the Sponsor to collect its fees directly from Client's funds and may deduct such fees to the distributions prior to being allocated according the Reinvestment Plan, or, if the Client has not opted to participate in a Reinvestment Plan, prior to such distributions being distributed to the Client's bank account. In the event that the amount of the distributions is not sufficient to satisfy the amount of the fees due for a given month or quarter, the Sponsor fees will accrue, without interest, and shall be payable during a subsequent period, as determined by the Sponsor. Client will receive a copy of the bill detailing fees applied to Client's account.**
- 4.
5. **Affiliate Fees. DA Services understands that while it does not directly receive fees from Clients or other entities, that it may be deemed to be receiving fees indirectly through its affiliation with Diversy and its subsidiaries which do in fact receive fees in connection with investments in which DA Services has advised its clients to participate in. As an adviser on real estate investments, DA Services advises its clients to invest in products owned and operated by its entities it is affiliated with through common ownership by DiversyFund, Inc.**

DF Growth REIT and DF Growth REIT II are currently the only funds into which client assets will be invested.

In the future, the Manager or Diversy will create similar affiliate Regulation A+ funds (similar in fee and ownership structure to the Funds) to which DA Services will direct client funds. These funds will be managed and operated by the Sponsor and while DA Services will not be receiving fees directly from these funds, it (DA Services) will be deemed to be receiving fees indirectly through its affiliation with Diversy and affiliated entities. DA Services, through the Interactive Website, will only advise clients, now or in the future, to invest in products that are affiliated with DA Services and DiversyFund Inc.

DF Growth REIT Fees

Fund Level Fees

Asset Management Fee:

The Sponsor may charge the Company an annual asset management fee equal to 2% of the capital raised from the sale of Class A Investor Shares. The Sponsor has waived this fee for DF Growth REIT and will continue to waive this fee indefinitely.

Estimate: The amount of the asset management fee will depend on the amount the DF Growth REIT raises. We cannot make a reasonable estimate at this time.

Reimbursement Fees:

The Funds will reimburse Diversy for expenses Diversy incurs in connection with the Regulation A+ offering (the "Offering"), before the Offering is "qualified" by the SEC (after the Offering is qualified, the expenses will be borne by the Funds themselves, directly). However (i) Diversy will not be entitled to any reimbursement until the Fund has raised at least \$1,000,000 from the sale of Fund shares; (ii) if the Fund raises only \$1,000,000 from the sale of Fund shares, Diversy's reimbursement will be limited to a maximum of \$125,000; (iii) Diversy will not be entitled to full reimbursement until the Fund has raised \$3,000,000 from the sale of Fund shares; and (iv) if the Fund raises more than \$1,000,000 but less than \$3,000,000 from the sale of Fund shares, the reimbursement in excess of \$125,000 will be pro rated.

Estimate: Diversy currently estimates that its total expenses for the Offering, before the Offering is qualified, will be approximately \$75,000.

Marketing Expense Reimbursement Fee:

The Company will reimburse the Sponsor up to 1% but not exceeding \$750,000 for direct expenses incurred by the Sponsor and its affiliates to organize and operate the Company and conduct the Offering, including marketing expenses paid to vendors, contractors, and consultants.

Estimate: The amount of the marketing expense reimbursement fee will depend on the amount the DF Growth REIT raises and the marketing expenses of the Sponsor. We cannot make a reasonable estimate at this time.

Co-Investment

The Sponsor and its affiliates might purchase Fund shares. If so, they will be entitled to the same distributions as other Investors.

Promoted Interest

The Sponsor is entitled to receive certain distributions (the "Promoted Interest"). The Promoted Interest is paid in two levels: first, after Investors have received a (i) 7% internal rate of return ("IRR") preferred return on their investment, the Sponsor is entitled to a catchup return equal to approximately (ii) 53.85% of the preferred return paid to Investors; and second, after Investors have received their preferred return and the Sponsor has received its catchup return, the Sponsor is entitled to (iii) 35% of the remaining profits until the investors have received a 12% IRR preferred return on their investment and (iv) thereafter 50% of the remaining profits.

How much money the Sponsor ultimately receives as a Promoted Interest therefore depends on a number of factors, including:

- How much capital is raised in the Offering;
- The investment returns the Fund is able to achieve;

- When those returns are achieved (the Fund might not achieve the same return every year);
- When the Fund distributes money to Investors; and
- The amount of expenses the Fund incurs.

Property Level Fees

Acquisition Fees:

Diversy will charge each Project Entity (or the Funds themselves, if the Funds owns real estate directly) a sponsor fee of between (i) 6% and 8% of the total project costs, including both “hard” costs (e.g., the cost of property) and “soft” costs (e.g., professional fees).

Estimate: If the Fund raises the full \$50,000,000 and maintains an average leverage ratio (borrowing) of 55%, the sponsor fee would range between \$6,666,666 and \$8,888,888.

Property Disposition Fee:

Where the Funds own property directly or is the sole owner of a Project Entity, the Sponsor will receive a property disposition fee equal to (i) 1% of the total sale price of each property.

Where property is owned by an entity in which there is another financial partner – a joint venture – the Sponsor might be entitled to a similar disposition fee to the extent negotiated with the financial partners in such joint venture (which could be higher than the (ii) 1% disposition fee for direct investment). However, the Fund’s share of the fee will not exceed (iii) 1% of the Fund’s share of the total sale price.

Estimate: The amount of the disposition fee will depend on the selling price of assets by the Funds and any joint ventures and, in the case of joint ventures, the terms our Sponsor negotiates with joint venture partners. We cannot make a reasonable estimate at this time.

Financing Fee:

Where the Funds own property directly, or is the sole owner of a Project Entity, the Sponsor will receive a financing fee equal to (i) 1.0% of the amount of each loan placed on a property, whether at the time of acquisition or pursuant to a refinancing. This financing fee will be in addition to any fees paid to third parties, such as mortgage brokers.

Where property is owned by an entity in which there is another financial partner – a joint venture – the Sponsor might be entitled to a similar financing fee to the extent negotiated with the financial partners in such joint venture (which could be higher than the (ii) 1% financing fee for direct investment). However, the Sponsor’s share of the fee will not exceed (iii) 1% of the Fund’s share of the loan.

Estimate: The amount of the financing fee will depend on the selling price of assets by the Funds and any joint ventures and, in the case of joint ventures, the terms our Sponsor negotiates with joint venture partners. We cannot make a reasonable estimate at this time.

Construction Management Fee:

The Sponsor might provide construction management services. If so, the Sponsor be entitled to a construction management fee equal to (i) 7.5% of actual construction costs.

Estimate: The amount of the construction management fee will depend on the nature and cost of the construction services the Manager provides. We cannot make a reasonable estimate at this time.

Guaranty Fee:

If the Sponsor or an affiliate guaranties indebtedness of the Funds or a Project Entity, including guaranties of any so-called “bad boy” carveouts, the guarantor will be entitled to a guaranty fee equal to (i) 0.5% of the loan.

Estimate: The amount of the guaranty fee will depend on the amount of loans requiring a guaranty. We cannot make a reasonable estimate at this time.

Other Fees:

The Funds or Project Entities might engage the Sponsor or its affiliates to perform other services. The compensation paid to the Sponsor or its affiliates in each case must be (i) fair to the Funds and the Project

Entities, (ii) comparable to the compensation that would be paid to an unrelated party, and (iii) disclosed to Investors.

Estimate: We cannot make a reasonable estimate of other fees at this time.

Fees for DF Growth REIT II

Fund Level Fees

Asset Management Fee:

The Sponsor will charge the Company an annual asset management fee equal to 2% of the capital raised from the sale of Class A Investor Shares. The Sponsor may, in its sole discretion, require the payment of the asset management fee up to five years in advance, which shall be nonrefundable.

Estimate: The amount of the asset management fee depends on the amount of capital raised. We cannot make a reasonable estimate at this time.

Reimbursement Fees:

The Funds will reimburse Diversy for expenses Diversy incurs in connection with the Offering, before the Offering is "qualified" by the SEC (after the Offering is qualified, the expenses will be borne by the Funds themselves, directly). However (i) Diversy will not be entitled to any reimbursement until the Fund has raised at least \$1,000,000 from the sale of Fund shares; (ii) if the Fund raises only \$1,000,000 from the sale of Fund shares, Diversy's reimbursement will be limited to a maximum of \$125,000; (iii) Diversy will not be entitled to full reimbursement until the Fund has raised \$3,000,000 from the sale of Fund shares; and (iv) if the Fund raises more than \$1,000,000 but less than \$3,000,000 from the sale of Fund shares, the reimbursement in excess of \$125,000 will be pro rated.

Estimate: Diversy currently estimates that its total expenses for the Offering, before the Offering is qualified, will be approximately \$75,000.

Organization & Offering Expense Reimbursement:

The Company will reimburse the Sponsor for direct expenses incurred by the Sponsor and its affiliates to organize and operate the Company and conduct the Offering, including:

- Marketing expenses paid to vendors, contractors, and consultants;
- Payroll expenses of marketing employees;
- Software costs;
- Fees paid to vendors, contractors, and consultants relating to the Sponsor's online fintech platform and smartphone applications; used to market and operate the Company; and
- Payroll expenses and software costs from product and tech employees working on the fintech platform and smartphone applications.

The Organization & Offering Expense Reimbursement may not exceed 10% of the capital raised from the sale of Class A Investor Shares.

Estimate: The amount of the organization and offering fee depends on the amount of capital raised. We cannot make a reasonable estimate at this time.

Co-Investment

The Sponsor and its affiliates might purchase Fund shares. If so, they will be entitled to the same distributions as other Investors.

Promoted Interest

The Sponsor is entitled to receive Promoted Interest. The Promoted Interest is paid in two levels: first, after Investors have received a (i) 7% IRR preferred return on their investment, the Sponsor is entitled to a catchup return equal to approximately (ii) 53.85% of the preferred return paid to Investors; and second, after Investors have received their preferred return and the Sponsor has received its catchup return, the Sponsor is entitled to (iii) 35% of the remaining profits until the investors have received a 12% IRR preferred return on their investment and (iv) thereafter 50% of the remaining profits.

How much money the Sponsor ultimately receives as a Promoted Interest therefore depends on a number of factors, including:

- How much capital is raised in the Offering;
- The investment returns the Fund is able to achieve;
- When those returns are achieved (the Fund might not achieve the same return every year);
- When the Fund distributes money to Investors; and
- The amount of expenses the Fund incurs.

Property Level Fees

Acquisition Fee:

Diversy will charge each Project Entity (or the Funds themselves, if the Funds owns real estate directly) a sponsor fee of between (i) 1% and 4% of the total project costs, including both “hard” costs (e.g., purchase price and renovation costs on the property) and “soft” costs (e.g., professional fees).

Where property is owned by an entity in which there is another financial partner – a joint venture – the Sponsor might be entitled to a similar acquisition fee to the extent negotiated with the financial partners in such joint venture (which could be higher than the 1-4% acquisition fee for direct investment). However, the Company’s share of the fee will not exceed 1-4% of the Company’s share of the total sale price.

Estimate: If the Company raises the full \$75,000,000 and maintains an average leverage ratio (borrowing) of 55%, the sponsor fee would range between \$1,666,667 and \$6,666,667.

Property Disposition Fee:

Where the Funds own property directly or is the sole owner of a Project Entity, the Sponsor will receive a property disposition fee equal to (i) 1% of the total sale price of each property.

Where property is owned by an entity in which there is another financial partner – a joint venture – the Sponsor might be entitled to a similar disposition fee to the extent negotiated with the financial partners in such joint venture (which could be higher than the (ii) 1% disposition fee for direct investment). However, the Fund’s share of the fee will not exceed (iii) 1% of the Fund’s share of the total sale price.

Estimate: The amount of the disposition fee will depend on the selling price of assets by the Funds and any joint ventures and, in the case of joint ventures, the terms our Sponsor negotiates with joint venture partners. We cannot make a reasonable estimate at this time.

Financing Fee:

Where the Funds own property directly, or is the sole owner of a Project Entity, the Sponsor will receive a financing fee equal to (i) 1.0% of the amount of each loan placed on a property, whether at the time of acquisition or pursuant to a refinancing. This financing fee will be in addition to any fees paid to third parties, such as mortgage brokers.

Where property is owned by an entity in which there is another financial partner – a joint venture – the Sponsor might be entitled to a similar financing fee to the extent negotiated with the financial partners in such joint venture (which could be higher than the (ii) 1% financing fee for direct investment). However, the Sponsor’s share of the fee will not exceed (iii) 1% of the Fund’s share of the loan.

Estimate: The amount of the financing fee will depend on the selling price of assets by the Funds and any joint ventures and, in the case of joint ventures, the terms our Sponsor negotiates with joint venture partners. We cannot make a reasonable estimate at this time.

Construction Management Fee:

The Sponsor might provide construction management services. If so, the Sponsor be entitled to a construction management fee equal to (i) 7.5% of actual construction costs.

Estimate: The amount of the construction management fee will depend on the nature and cost of the construction services the Manager provides. We cannot make a reasonable estimate at this time.

Guaranty Fee:

If the Sponsor or an affiliate guaranties indebtedness of the Funds or a Project Entity, including guaranties of any so-called "bad boy" carveouts, the guarantor will be entitled to a guaranty fee equal to (i) 0.5% of the loan.

Estimate: The amount of the guaranty fee will depend on the amount of loans requiring a guaranty. We cannot make a reasonable estimate at this time.

Other Fees:

The Funds or Project Entities might engage the Sponsor or its affiliates to perform other services. The compensation paid to the Sponsor or its affiliates in each case must be (i) fair to the Funds and the Project Entities, (ii) comparable to the compensation that would be paid to an unrelated party, and (iii) disclosed to Investors.

Estimate: We cannot make a reasonable estimate of other fees at this time.

Termination

At any time prior to the last day of a distribution period, a Client may adjust or terminate his/her Plan, and may cancel their monthly Auto-investment at any time. However, there can be no guarantee that such requests to withdraw will be honored by the Funds.

- 1. Losses. To the maximum extent permitted under applicable law, Client understands and agrees that DA Services will not be liable to Client for any losses incurred by Client that arise out of or are in any way connected with any Securities transaction or other act or failure to act of DA Services under this Agreement, including, but not limited to, any loss that Client may suffer by any reason of any investment decision made or other action taken or omitted in good faith by DA Services, any loss arising from DA Services' adherence to Client's instructions, any tax liability asserted against Client by any federal, state or local authority with respect to the Securities, so long as such act or failure to act does not constitute a breach of DA Services' fiduciary duty to Client. Client (and in addition, for entity accounts, Client Representative) shall indemnify and defend DA Services and DA Services' directors, officers, shareholders, employees and affiliates and hold them harmless from and against any and all claims, losses, damages, liabilities and expenses, as they are incurred, by reason of any act or omission of Client or any custodian, broker, agent or other third party selected by DA Services in a commercially reasonable manner or selected by Client, except such as arise from DA Services' breach of fiduciary duty to Client. In addition to the above indemnities, for entity Clients, the Client Representative shall further indemnify and defend DA Services and DA Services' directors, officers, shareholders, employees and affiliates and hold them harmless from and against any and all claims, losses, damages, liabilities and expenses, as they are incurred, resulting from or in connection to Client's assertion of Client Representative's lack of proper authorization from Client to enter into this Agreement. Anything in this Section 10 or otherwise in this Agreement to the contrary notwithstanding, however, nothing herein shall constitute a waiver or limitation of any rights that Client may have under any federal or state securities laws.**

Client acknowledges that the recommendations given via the Interactive Website or provided as part of the Plan are valid only as of the date the recommendations are provided and are not valid for any period beyond such date. Client acknowledges that DA Services does not furnish actuarial, accounting, tax, or legal advice. DA Services is not a law firm, does not practice law, and cannot and does not furnish legal or tax opinions. DA Services is not an accounting firm, does not practice accounting or auditing, and does not prepare tax returns or financial statements. DA Services is not an actuarial firm, does not provide actuarial advice, and does not administer retirement plans. Client should retain, separately, Client's own attorneys, accountants, and other financial services professionals. Client agrees that Client's own attorneys, accountants and other financial services professionals shall be solely responsible for the accuracy of legal advice, legal opinions, legal documents, accounting documents, tax opinions and tax returns. Client acknowledges that DA Services is not responsible for the accuracy or completeness of information furnished to DA Services by Client or by any other party.

- 1. Termination; Withdrawals.** This Agreement may be terminated by either party with or without cause by notice to the other party, which notice shall be provided by Client to DA Services through the Interactive Website and by DA Services to Client through the primary email address as Client shall update from time to time. Client may redeem the Securities only in accordance with the redemption plans of the various issuers, if any, which are described in each issuer's offering circular, available at www.diversyfund.com/offeringcirculars. Client's redemption of all of the Securities will terminate this Agreement. Upon termination of this Agreement, Sections 4, 9 (only as to fees accruing prior to termination), 9, 15, 16 and 17 shall survive such termination.

Client's death, disability or incompetence will not automatically terminate or change the terms of this Agreement. However, Client's executor, guardian, attorney-in-fact or other authorized representative may cancel this Agreement by giving written notice to DA Services. Upon termination, DA Services agrees to refund to Client that portion of any prepaid fee for which no services have been provided.

11. Securities Information. Client may obtain information on his/her Securities on the Interactive Website. The official records of the Securities held by Client are maintained by each issuer's transfer agent, from which electronic statements may be obtained upon written request.

12. Independent Contractor. DA Services is and will hereafter act as an independent contractor and not as an employee of Client, and nothing in this Agreement may be interpreted or construed to create any employment, partnership, joint venture or other relationship between DA Services and Client.

13. Assignment. DA Services may not assign this Agreement without the prior consent of Client, and, if applicable, the consent of any additional authorized signatories on behalf of Client, if and to the extent that such consent is required under the Investment Advisers Act of 1940, as amended. In the event of an assignment by DA Services, DA Services shall request written consent(s) of Client within a specified reasonable time (which shall not be less than thirty (30) days). If Client does not respond to such request within the time specified, DA Services shall inform Client that the proposed assignee will continue the advisory services of DA Services for a specified reasonable time (which shall not be less than thirty (30) days), and if Client does not respond to such second notice from DA Services, Client's continued acceptance of investment management services from the proposed assignee shall constitute Client's consent(s) to the assignment. This Agreement shall bind and inure to the benefit of and be enforceable by the parties and their respective successors and assigns.

14. Delivery of Information. Client acknowledges electronic delivery of DA Services' brochure that would be required to be delivered under the Advisers Act (including the information in Part 2 of DA Services' Form ADV), which is available on the Interactive Website and provided here by link: www.diversyfund.com/formadv. On written request by Client, DA Services agrees to annually deliver electronically, without charge, DA Services' brochure required by the Advisers Act.

15. Governing Law. This Agreement shall be governed by and construed and interpreted in accordance with the laws of the State of Delaware.

16. Arbitration.

1. Either party may, at its sole election, require that the sole and exclusive forum and remedy for resolution of a Claim be final and binding arbitration pursuant to this Section 16 (this "Arbitration Provision"). The arbitration shall be conducted in Wilmington, Delaware. As used in this Arbitration Provision, "Claim" shall include any past, present, or future claim, dispute, or controversy involving Client (or persons claiming through or connected with Client), on the one hand, and DA Services (or persons claiming through or connected with DA Services), on the other hand, relating to or arising out of this Agreement, any Security, the Interactive Website, and/or the activities or relationships that involve, lead to, or result from any of the foregoing, including (except to the extent provided otherwise in the last sentence of Section (d) below) the validity or enforceability of this Arbitration Provision, any part thereof, or the entire Agreement.
- 2.
3. The party initiating arbitration shall do so with the American Arbitration Association (the "AAA") or JAMS. The arbitration shall be conducted according to, and the location of the arbitration shall be determined in accordance with, the rules and policies of the administrator selected, except to the extent the rules conflict with this Arbitration Provision or any countervailing law. In the case of a conflict between the rules and policies of the administrator and this Arbitration Provision, this Arbitration Provision shall control, subject to countervailing law, unless all parties to the arbitration consent to have the rules and policies of the administrator apply.
- 4.
5. In the event any suit or action is filed to enforce or interpret the terms and obligations of this

- Agreement, the prevailing party shall be entitled to its reasonable attorney fees and costs, including reasonable post-judgment attorney fees incurred in collection efforts.
- 6.
 7. DA Services agrees not to invoke our right to arbitrate an individual Claim that Client may bring in Small Claims Court or an equivalent court, if any, so long as the Claim is pending only in that court. EXCEPT AS EXPRESSLY PROVIDED IN THIS AGREEMENT, NO ARBITRATION SHALL PROCEED ON A CLASS, REPRESENTATIVE, OR COLLECTIVE BASIS (INCLUDING AS PRIVATE ATTORNEY GENERAL ON BEHALF OF OTHERS), EVEN IF THE CLAIM OR CLAIMS THAT ARE THE SUBJECT OF THE ARBITRATION HAD PREVIOUSLY BEEN ASSERTED (OR COULD HAVE BEEN ASSERTED) IN A COURT AS CLASS REPRESENTATIVE, OR COLLECTIVE ACTIONS IN A COURT.
 - 8.
 9. Unless otherwise provided in this Agreement or consented to in writing by all parties to the arbitration, no party to the arbitration may join, consolidate, or otherwise bring claims for or on behalf of two or more individuals or unrelated corporate entities in the same arbitration unless those persons are parties to a single transaction. Unless consented to in writing by all parties to the arbitration, an award in arbitration shall determine the rights and obligations of the named parties only, and only with respect to the claims in arbitration, and shall not (i) determine the rights, obligations, or interests of anyone other than a named party, or resolve any Claim of anyone other than a named party, or (ii) make an award for the benefit of, or against, anyone other than a named party. No administrator or arbitrator shall have the power or authority to waive, modify, or fail to enforce this sub-section (e), and any attempt to do so, whether by rule, policy, arbitration decision or otherwise, shall be invalid and unenforceable. Any challenge to the validity of this sub-section (e) shall be determined exclusively by a court and not by the administrator or any arbitrator.
 - 10.
 11. This Arbitration Provision shall survive (i) suspension, termination, revocation, closure, or amendments to this Agreement and the relationship of the parties; (ii) the bankruptcy or insolvency of any party hereto or other party; and (iii) any transfer of any loan or Security or any amounts owed on such loans or notes, to any other party. If any portion of this Arbitration Provision other than sub-section (e) is deemed invalid or unenforceable, the remaining portions of this Arbitration Provision shall nevertheless remain valid and in force. If arbitration is brought on a class, representative, or collective basis, and the limitations on such proceedings in sub-section (e) are finally adjudicated pursuant to the last sentence of sub-section (e) to be unenforceable, then no arbitration shall be had. In no event shall any invalidation be deemed to authorize an arbitrator to determine Claims or make awards beyond those authorized in this Arbitration Provision.
 12. **Waiver of Court & Jury Rights. THE PARTIES ACKNOWLEDGE THAT THEY HAVE A RIGHT TO LITIGATE CLAIMS THROUGH A COURT BEFORE A JUDGE, BUT WILL NOT HAVE THAT RIGHT IF ANY PARTY ELECTS ARBITRATION PURSUANT TO THIS ARBITRATION PROVISION. THE PARTIES HEREBY KNOWINGLY AND VOLUNTARILY WAIVE THEIR RIGHTS TO LITIGATE SUCH CLAIMS IN A COURT UPON ELECTION OF ARBITRATION BY ANY PARTY. THE PARTIES HERETO WAIVE A TRIAL BY JURY IN ANY LITIGATION RELATING TO THIS AGREEMENT, THE NOTES OR ANY OTHER AGREEMENTS RELATED THERETO.**
 - 13.
 14. **Notices. All notices and communications under this Agreement must be made through the Interactive Website or by email. DA Services' contact information for this purpose is customerservice@diversyfund.com and Client's contact information for this purpose is contained in Client's user account on the Interactive Website and the primary email address(es) in Client's Account as Client shall update from time to time.**
 - 15.
 16. **Severability and Amendment. The invalidity or unenforceability of any provision hereof shall in no way affect the validity or enforceability of any and all other provisions hereof. Client acknowledges that DA Services may amend this Agreement from time to time by notifying Client by email or message to Client's DA Services user account, which amendment will be effective immediately.**
 - 17.
 18. **Waiver or Modification. DA Services' waiver or modification of any condition or obligation hereunder shall not be construed as a waiver or modification of any other condition or obligation, nor shall DA Services' waiver or modification granted on one occasion be construed as applying to any other occasion.**
 - 19.

20. **Entire Agreement.** This Agreement is the entire agreement of the parties regarding the subject matter hereof and supersedes all prior or contemporaneous written or oral negotiations, correspondence, agreements and understandings (including any and all preexisting client account agreements, which are hereby cancelled). However, the parties may choose to enter into separate agreements between them regarding different subject matters or investment programs.

21.

22. **No Third-Party Beneficiaries.** Neither party intends for this Agreement to benefit any third party not expressly named in this Agreement.

DA Services

Electronic Agreement and Disclosure Statement

BY CONTINUING WITH THIS ONLINE AGREEMENT, YOU AGREE THAT UNLESS INDICATED OTHERWISE THE AGREEMENT AND THE DISCLOSURES REQUIRED TO BE PROVIDED AT THE TIME OF THE AGREEMENT AND ALL FUTURE DISCLOSURES WILL BE PROVIDED ELECTRONICALLY. READ THE INFORMATION BELOW CAREFULLY BEFORE CONSENTING TO RECEIVE INFORMATION ELECTRONICALLY AT THIS WEBSITE AND VIA ELECTRONIC MAIL ("EMAIL"). YOU SHOULD PRINT OR SAVE THIS STATEMENT BY USING THE "PRINT" OR "FILE SAVE" OPTIONS ON YOUR INTERNET BROWSER.

In this Electronic Agreement and Disclosure Statement ("Statement"), please remember that "you" and "your" refer to the person who is establishing a Plan(s), as well as any future plans, and "we", "us" and "our" refer to Diversy Advisory Services, LLC ("DA Services"). Agreements and other information will be provided to you electronically unless indicated otherwise. Included in those agreements and other information will be disclosures required by the Investment Advisers Act of 1940, as amended (the "Act") and other laws (the "Disclosures"). The agreements and other disclosures to be provided to you electronically include:

- DA Services Client Agreement and all amendments, notices and other agreements which supplement the DA Services Client Agreement;
-
- Any other DA Services agreements pertaining to future plans that you may establish and all amendments, notices and other agreements which supplement those agreements;
-
- DA Services' Form ADV Part 2, Notice of Privacy Policy, Terms of Use and other required and permitted legal disclosures; and
-
- Account statements, fee calculation statements and/or performance reports.

By establishing a Plan(s), and signing this agreement via DocuSign or similar online electronic signing service, you are accepting this Statement and you are agreeing to receive electronically the agreements and other information listed in the first and second bulleted paragraphs above, including the Disclosures. Your consent to receive information electronically will apply only to the agreements and other information listed in the first and second bulleted paragraphs above, including the Disclosures. Information regarding your Plan(s), including the Disclosures, will be available on the website, www.diversyfund.com or DA Services' interactive website (collectively, the "Interactive Website"). In addition, the information will be available upon request by contacting us at customerservice@diversyfund.com. When revised or new Disclosures are available on the Interactive Website, we will send a message to your DA Services account, or otherwise notify you of their availability. You are responsible for maintaining a valid email address and software and hardware to receive, read and send email. You must provide us with your current email address and promptly notify us of any changes to your email address in your DA Services account on the Interactive Website. To receive electronically the agreements and other information listed in the first and second bulleted paragraphs above, including the Disclosures, you will need a compatible operating system and web browser, and you will need access to a printer or the ability to download information in order to keep copies for your records. Changes, if any, to these system hardware and software requirements will be updated on the Interactive Website. You must periodically refer to the website for current system requirements. By establishing and then accessing a Plan(s), you are indicating that you have the capability to access the agreements and other information, including the Disclosures, and download or print copies for your records.

For client support or technical assistance regarding your Plan(s), including the Disclosures, you may send an email to customerservice@diversyfund.com. You may obtain a paper copy of the agreements and other information listed in the first and second bulleted paragraphs above, including the Disclosures, at any time by

notifying us using any of the methods described in the immediately preceding paragraph for client support. We will not charge you a fee for the paper copy. This consent will apply on an ongoing basis unless you withdraw your consent. You may withdraw your consent to receive electronically the agreements and other information listed in the first and second bulleted paragraphs above, including the Disclosures. To withdraw your consent, please notify us by sending an email to customerservice@diversyfund.com. By establishing a Plan(s), and signing this agreement via DocuSign or similar online electronic signing service, you are indicating that you have reviewed our privacy and security policies on the Interactive Website. You are also acknowledging that your initial use of your DA Services account will constitute your agreement to be bound by the terms and conditions of the agreements and other information listed in the first and second bulleted paragraphs above, including the Disclosures. In addition to providing your signature via DocuSign or similar online electronic signing service, by checking the acknowledgement box and submitting such acknowledgement electronically to DA Services, you acknowledge that you have read, understand, and agree to be bound by the terms above. If you do not agree to be bound by the terms above but would like to establish a Plan(s), DO NOT continue with the online process. Instead, please email us at customerservice@diversyfund.com. Because the DA Services Client Agreement relates to the functionality of the DA Services website, DA Services reserves the right to refuse to establish a Plan(s) that is not subject to this Statement. You agree that the agreement and disclosures required to be provided at the time of application and any supplemental agreements or subsequent notices of changes will be provided electronically, and you confirm that you will download or print all electronically-provided documents for your records. You acknowledge that you can access the Disclosures, agreements and information that are provided electronically on the Interactive Website and via email.

Important Considerations

DA Services is an Internet Investment Adviser as defined under Rule 203A-2(e) of the Investment Advisers Act of 1940 and is authorized to provide Clients investment advisory services only through the use of the Interactive Website. DA Services, through the Interactive Website, plans to advise Clients on investment opportunities solely in relation to real estate investments. All DA Services clients will be investing in its affiliates, DF Growth REIT, LLC and DF Growth REIT II LLC (the "Funds") and other Regulation A+ real estate funds not yet created. The Funds are managed by DF Manager LLC, a Delaware limited liability company, (the "Manager") that controls all of the aspects of the Funds' business and operations, including investment decisions (that is, deciding which properties to buy and sell and when to buy and sell them).

DA Services will advise its clients, through the Interactive Website, to invest in the Funds which bear certain aforementioned fees that will benefit affiliates of DA Services. DA Services may receive fees for its advisory services and related persons working on behalf of DA Services' affiliates will receive compensation through fees paid by the Funds in connection with real estate management.

BY SIGNING THIS AGREEMENT, YOU, CLIENT, UNDERSTAND THAT DA SERVICES, IN ITS CAPACITY AS AN INVESTMENT ADVISER, SHALL DIRECT CLIENT FUNDS TO INVEST ONLY IN THE FUNDS, WHICH ARE AFFILIATED WITH DA SERVICES AND THROUGH WHICH RELATED PERSONS WORKING ON BEHALF OF DA SERVICES' AFFILIATES WILL RECEIVE COMPENSATION. DA SERVICES WILL NOT BE INVESTING CLIENT FUNDS INTO ANY NON-AFFILIATED INVESTMENT VEHICLES. FURTHER, CLIENT UNDERSTANDS THAT DA SERVICES SHALL ONLY PROVIDE INVESTMENT ADVICE THROUGH THE USE OF THE INTERACTIVE WEBSITE. FOR ALL OF THE AFOREMENTIONED REASONS, ENTERING INTO AN INVESTMENT ADVISORY RELATIONSHIP WITH DA SERVICES MAY NOT BE SUITABLE FOR ALL INVESTORS.

FOR A COMPLETE DESCRIPTION OF POTENTIAL CONFLICTS, PLEASE REFER TO DA SERVICES' FORM ADV PART 2 AND FORM CRS.

SIGNED:

DIVERSY ADVISORY SERVICES, LLC

By: DiversyFund, Inc.
Its Manager

By: _____

Name:

Title: Chief Investment Officer

Signature: Alan Lewis

CLIENT:

Individual:

Paul A Calo

Signature:

Name: Paul Calo

Division of Enforcement's Exhibit 25

UNITED STATES OF AMERICA
before the
SECURITIES AND EXCHANGE COMMISSION

Administrative Proceeding
File No. 3-20801

In the Matter of

DF GROWTH II, LLC.,
Respondent.

DECLARATION OF JOHN TRAVIS

I, John Travis, declare pursuant to 28 U.S.C. § 1746 as follows:

1. My name is John Travis. I invested a total of \$60,000 in DF Growth REIT I, LLC (“REIT I”) between September 2020 and September 2021.
2. In November 2021, I logged into the DiversyFund website and discovered that my recurring investments in REIT I were being funneled into DF Growth REIT II, LLC (“REIT II”). I never agreed or otherwise consented to my investment in REIT I being transferred to REIT II.
3. In November 2021, I logged into the DiversyFund website and observed an Investment Agreement with DF Growth REIT II, LLC posted on my account with my electronic signature affixed to the document. This document purported to authorize my investment in REIT II. To my knowledge I never agreed to signing the document. A true and correct copy of the backdated October 5, 2021 Investment Agreement bates-numbered SEC-TravisJ-E-0000019-29 is attached hereto as Exhibit 1.
4. In November 2021, I learned of a DiversyFund Advisory Services agreement backdated to September 4, 2020 on the DiversyFund website with my electronic signature affixed to the document, but to my knowledge I had never agreed to signing the document. This

document purported to empower DiversyFund to act as my investment advisor and authorized DiversyFund to “withdraw funds . . . in order to purchase securities directly into a DA Services-affiliated issuer.” A true and correct copy of the Advisory Services agreement bates-numbered SEC-TravisJ-E-0000005-18 is attached hereto as Exhibit 2.

5. I do not recall receiving financial statements from either REIT I or REIT II. I do not recall ever receiving a breakdown of the fees that I was being charged for my investment.

6. I contacted DiversyFund customer service in December 2021 and found them to be unresponsive and unhelpful. I then emailed DiversyFund and requested that they refund my investment. DiversyFund responded that they would not authorize a refund of my investment. My December 2021 email communication with DiversyFund customer service bates-numbered SEC-TravisJ-E-0000001-03 is attached hereto as Exhibit 3.

I declare under penalty of perjury under the laws of the United States of America that the foregoing is true and correct.

Executed this 31ST day of May, 2022, Aiken, South Carolina.

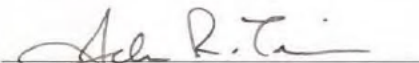

John Travis

EXHIBIT 1

DF Growth REIT II, LLC

INVESTMENT AGREEMENT

This is an Investment Agreement, entered into on 2021-10-05T00:21:08.007Z, by and between DF Growth REIT II, LLC, a Delaware limited liability company (the "Company") and the purchaser identified on the Purchaser Information Sheet attached ("Purchaser").

Background

I. The Company is offering for sale Class A Investor Shares pursuant to an Offering Circular dated 2021-10-05T00:21:08.007Z (the "Disclosure Document").

II. The Company and its members are parties to an agreement captioned "Limited Liability Company Agreement", dated August 31, 2020, which they intend to be the sole "limited liability company agreement" of the Company within the meaning of 6 Del. C. Â§18-101(7) (the "LLC Agreement").

NOW, THEREFORE, acknowledging the receipt of adequate consideration and intending to be legally bound, the parties hereby agree as follows:

1. Defined Terms. Capitalized terms that are not otherwise defined in this Investment Agreement have the meanings given to them in the Disclosure Document. The Company is sometimes referred to using words like "we" and "our," and Purchaser is sometimes referred to using words like "you" and "your."
2. Purchase of Shares. Subject to the terms and conditions of this Investment Agreement, the Company hereby agrees to sell to you, and you hereby agree to purchase from the Company, that number of Class A Investor Shares set forth on the Purchaser Information Sheet, for the price set forth on the Investor Information Sheet. We refer to your Class A Investor Shares as the "Shares."
3. No Right to Cancel. You do not have the right to cancel your subscription or change your mind. Once you sign this Investment Agreement, you are obligated to purchase the Shares, no matter what.
4. Our Right to Reject Investment. In contrast, we have the right to reject your subscription for any reason or for no reason, in our sole discretion. If we reject your subscription, any money you have given us will be returned to you.
5. Your Promises. You promise that:
 - 5.1 Accuracy of Information. All of the information you have given to us, whether in this Investment Agreement or otherwise, is accurate and we may rely on it. If any of the information you have given to us changes before we accept your subscription, you will notify us immediately. If any of the information you have given to us is inaccurate and we are damaged (harmed) as a result, you will indemnify us, meaning you will pay any damages.
 - 5.2 Risks. You understand all the risks of investing, including the risk that you could lose all your money. Without limiting that statement, you have reviewed and understand all the risks listed in the Disclosure Document.
 - 5.3 No Representations. Nobody has made any promises or representations to you, except the information in the Disclosure Document. Nobody has guaranteed any financial outcome of your investment.

5.4 Opportunity to Ask Questions. You have had the opportunity to ask questions about the Company and the investment. All your questions have been answered to your satisfaction.

5.5 Your Legal Power to Sign and Invest. You have the legal power to sign this Investment Agreement and purchase the Shares.

5.6 No Government Approval. You understand that no state or federal authority has reviewed this Investment Agreement or the Shares or made any finding relating to the value or fairness of the investment.

5.7 No Transfer. You understand that under the terms of the LLC Agreement, the Shares may not be transferred without our consent. Also, securities laws limit transfer of the Shares. Finally, there is currently no market for the Shares, meaning it might be hard to find a buyer. As a result, you should be prepared to hold the Shares indefinitely.

5.8 No Advice. We have not provided you with any investment, financial, or tax advice. Instead, we have advised you to consult with your own legal and financial advisors and tax experts.

5.9 Tax Treatment. We have not promised you any particular tax outcome from buying or holding the Shares.

5.10 Acting On Your Own Behalf. You are acting on your own behalf in purchasing the Shares, not on behalf of anyone else.

5.11 Investment Purpose. You are purchasing the Shares solely as an investment, not with an intent to re-sell or "distribute" any part of it.

5.12 Anti-Money Laundering Laws. Your investment will not, by itself, cause the Company to be in violation of any "anti-money laundering" laws, including, without limitation, the United States Bank Secrecy Act, the United States Money Laundering Control Act of 1986, and the United States International Money Laundering Abatement and Anti-Terrorist Financing Act of 2001.

5.13 Additional Information. At our request, you will provide further documentation verifying the source of the money used to purchase the Shares.

5.14 Disclosure. You understand that we may release confidential information about you to government authorities if we determine, in our sole discretion after consultation with our lawyer, that releasing such information is in the best interest of the Company or if we are required to do so by such government authorities.

5.15 Additional Documents. You will execute any additional documents we request if we reasonably believe those documents are necessary or appropriate and explain why.

5.16 No Violations. Your purchase of the Shares will not violate any law or conflict with any contract to which you are a party.

5.17 Enforceability. This Investment Agreement is enforceable against you in accordance with its terms.

5.18 No Inconsistent Statements. No person has made any oral or written statements or representations to you that are inconsistent with the information in this Investment Agreement and the Disclosure Document.

5.19 Financial Forecasts. You understand that any financial forecasts or projections are based on estimates and assumptions we believe to be reasonable but are highly speculative. Given the industry, our actual results may vary from any forecasts or projections.

5.20 Notification. If you discover at any time that any of the promises in this section 5 are untrue, you will notify us right away.

5.21 Additional Promises by Individuals. If you are a natural person (not an entity), you also promise that:

5.21.1 Knowledge. You have enough knowledge, skill, and experience in business, financial, and investment matters to evaluate the merits and risks of the investment.

5.21.2 U.S. Citizen or Resident. If you are neither a citizen nor a resident of the United States (i) you acknowledge that distributions to you might be subject to withholding under U.S. tax laws, and (ii) the offering of Class A Investor Shares is legal in the jurisdiction where you live and does not require the consent or approval of any governmental entity in that jurisdiction.

5.21.3 Financial Wherewithal. You can afford this investment, even if you lose your money. You don't rely on this money for your current needs, like rent or utilities.

5.21.4 Anti-Terrorism and Money Laundering Laws. None of the money used to purchase the Shares was derived from or related to any activity that is illegal under United States law, and you are not on any list of "Specially Designated Nationals" or known or suspected terrorists that has been generated by the Office of Foreign Assets Control of the United States Department of Treasury ("OFAC"), nor are you a citizen or resident of any country that is subject to embargo or trade sanctions enforced by OFAC.

5.22 Entity Investors. If Purchaser is a legal entity, like a corporation, partnership, or limited liability company, Purchaser also promises that:

5.22.1 Good Standing. Purchaser is validly existing and in good standing under the laws of the jurisdiction where it was organized and has full corporate power and authority to conduct its business as presently conducted and as proposed to be conducted.

5.22.2 Other Jurisdictions. Purchaser is qualified to do business in every other jurisdiction where the failure to qualify would have a material adverse effect on Purchaser.

5.22.3 Authorization. The execution and delivery by Purchaser of this Investment Agreement, Purchaser's performance of its obligations hereunder, the consummation by Purchaser of the transactions contemplated hereby, and the purchase of the Shares, have been duly authorized by all necessary corporate, partnership or company action.

5.22.4 Investment Company. Purchaser is not an "investment company" within the meaning of the Investment Company Act of 1940.

5.22.5 Information to Investors. Purchaser has not provided any information concerning the Company or its business to any actual or prospective investor, except the Disclosure Document, this Investment Agreement, and other written information that the Company has approved in writing in advance.

5.22.6 Anti-Terrorism and Money Laundering Laws. To the best of Purchaser's knowledge based upon appropriate diligence and investigation, none of the money used to purchase the Shares was derived from or related to any activity that is illegal under United States law. Purchaser has received representations from each of its owners such that it has formed a reasonable belief that it knows the true identity of each of the ultimate investors in Purchaser. To the best of Purchaser's knowledge, none of its ultimate investors is on any list of "Specially Designated Nationals" or known or suspected terrorists that has been generated by the Office of Foreign Assets Control of the United States Department of Treasury ("OFAC"), nor is any such ultimate investor a citizen or resident of any country that is subject to embargo or trade sanctions enforced by OFAC.

6 Confidentiality. The information we have provided to you about the Company, including the information in the Disclosure Document, is confidential. You will not reveal such information to anyone or use such information for your own benefit, except to purchase the Shares.

7 Re-Purchase of Shares. If we decide that you provided us with inaccurate information or have otherwise violated your obligations, or if required by any applicable law or regulation related to terrorism, money laundering, and similar activities, we may (but shall not be required to) repurchase your Shares for an amount equal to the amount you paid for it.

8 Governing Law. This Agreement shall be governed by the internal laws of California without giving effect to the principles of conflicts of laws. You hereby (i) consent to the personal jurisdiction of the California courts or the Federal courts located in or most geographically convenient to San Diego, California, (ii) agree that all disputes arising from this Agreement shall be prosecuted in such courts, (iii) agree that any such court shall have in personam jurisdiction over you, (iv) consent to service of process by notice sent in accordance with section 11 and/or by any means authorized by California law, and (v) if you are not otherwise subject to service of process in California, agree to appoint and maintain an agent in California to accept service, and to notify the Company of the name and address of such agent.

9 Execution of LLC Agreement. If we accept your subscription, then your execution of this Investment Agreement will also serve as your execution of the LLC Agreement, just as if you had signed a paper copy of the LLC Agreement in blue ink.

10 Consent to Electronic Delivery. You agree that we may deliver all notices, tax reports and other documents and information to you by email or another electronic delivery method we choose. You agree to tell us right away if you change your email address or home mailing address so we can send information to the new address.

11 Notices. All notices between us will be electronic. You will contact us by email at customerrelations@diversyfund.com. We will contact you by email at the email address on the Purchaser Information Sheet. Either of us may change our email address by notifying the other (by email). Any notice will be considered to have been received on the day it was sent by email, unless the recipient can demonstrate that a problem occurred with delivery. You should designate our email address as a "safe sender" so our emails do not get trapped in your spam filter.

12 Limitations on Damages. WE WILL NOT BE LIABLE TO YOU FOR ANY LOST PROFITS OR SPECIAL, CONSEQUENTIAL, OR PUNITIVE DAMAGES, EVEN IF YOU TELL US YOU MIGHT INCUR THOSE DAMAGES. This means that at most, you can sue us for the amount of your investment. You can't sue us for anything else. However, the foregoing limitation of damages does not apply to claims arising under the Federal securities laws.

13 Waiver of Jury Rights. IN ANY DISPUTE WITH US, YOU AGREE TO WAIVE YOUR RIGHT TO A TRIAL BY JURY. This means that any dispute will be heard by a judge, not a jury. However, the foregoing waiver of trial by jury does not apply to claims arising under the Federal securities laws.

14 Miscellaneous Provisions.

14.1 No Transfer. You may not transfer your rights or obligations.

14.2 Headings. The headings used in this Investment Agreement (e.g., the word "Headings" in this paragraph), are used only for convenience and have no legal significance.

14.3 No Other Agreements. This Investment Agreement, the LLC Agreement, and the Shares are the only agreements between us.

14.4 Relationship with LLC Agreement. This Agreement governs Purchaser's purchase

of the Shares, while the LLC Agreement governs Purchaser's ownership of the Shares and the operation of the Company. In the event of a conflict between the two agreements, the LLC Agreement shall control.

14.5 Electronic Signature. You will sign this Investment Agreement electronically, rather than physically.

INVESTOR INFORMATION SHEET

Name of Purchaser

John Travis

Number of Class A Investor Shares

Price Per Investor Share

\$ _____

Total Investment

\$ 5000

Social Security Number
(If You Are An Individual)

255-94 [REDACTED]

Joint Investor Name, if Joint Investment

Tammy Travis

Joint Investor Social Security Number, if Joint Investment

250-19 [REDACTED]

Or

Vesting Name
(If You Are An Entity)

Employer Identification Number
(If You Are An Entity)

Jurisdiction of Formation
(If You Are An Entity)

Mailing Address Street 1

[REDACTED]
Mailing Address Street 2

Mailing Address City

[REDACTED]

[REDACTED] Address State and Zip Code

[REDACTED]

Mailing Address Country

US

Email Address

[REDACTED]

SIGNATURE PAGE FOR AN INVESTOR WHO IS AN INDIVIDUAL

IN WITNESS WHEREOF, the undersigned has executed this Investment Agreement effective on the date first written above.

Investor Signature

John Travis

Print Name

John Travis

Second Signature, if Joint Investment

Print Second Name, if Joint Investment

Tammy Travis

ACCEPTED

DF Growth REIT II, LLC

By: DF Manager, LLC

As Manager

DF Growth REIT II, LLC

By: DiversyFund, Inc.

As Manager

By:

Alan Lewis



SIGNATURE PAGE FOR AN INVESTOR THAT IS A CORPORATION, PARTNERSHIP, OR LIMITED LIABILITY COMPANY

IN WITNESS WHEREOF, the undersigned has executed this Investment Agreement effective on the date first written above.

Investor Signature

John Travis

Print Name

John Travis

Print Title

ACCEPTED

DF Growth REIT II, LLC

By: DF Manager, LLC

As Manager

DF Growth REIT II, LLC

By: DiversyFund, Inc.

As Manager

By:

Alan Lewis



SIGNATURE PAGE FOR AN INVESTOR THAT IS A TRUST

IN WITNESS WHEREOF, the undersigned has executed this Investment Agreement effective on the date first written above.

Investor Signature

John Travis

Print Name

John Travis

Print Title

ACCEPTED

DF Growth REIT II, LLC

By: DF Manager, LLC

As Manager

DF Growth REIT II, LLC

By: DiversyFund, Inc.

As Manager

By:

Alan Lewis



SIGNATURE PAGE FOR AN INVESTOR THAT IS AN IRA

IN WITNESS WHEREOF, the undersigned has executed this Investment Agreement effective on the date first written above.

Investor Signature

John Travis

Print Name

John Travis

Print Title

ACCEPTED

DF Growth REIT II, LLC

By: DF Manager, LLC

As Manager

DF Growth REIT II, LLC

By: DiversyFund, Inc.

As Manager

By:

Alan Lewis



SIGNATURE PAGE FOR AN INVESTOR THAT IS A RETIREMENT PLAN

IN WITNESS WHEREOF, the undersigned has executed this Investment Agreement effective on the date first written above.

Investor Signature

John Travis

Print Name

John Travis

Print Title

ACCEPTED

DF Growth REIT II, LLC

By: DF Manager, LLC

As Manager

DF Growth REIT II, LLC

By: DiversyFund, Inc.

As Manager

By:

Alan Lewis

Stanley

EXHIBIT 2

DIVERSY ADVISORY SERVICES, LLC

CLIENT AGREEMENT

YOU MUST READ AND CONSIDER THIS AGREEMENT CAREFULLY AND CONTACT DIVERSY ADVISORY SERVICES, LLC ("DA SERVICES") TO ASK ANY QUESTIONS YOU MAY HAVE BEFORE ENTERING INTO IT. THIS AGREEMENT MAY BE EXECUTED IN ONE OR MORE COUNTERPARTS, EACH OF WHICH WILL BE DEEMED AN ORIGINAL, BUT ALL OF WHICH TOGETHER WILL CONSTITUTE ONE AND THE SAME AGREEMENT. THIS AGREEMENT SHALL BE EXECUTED BY APPLYING AN ELECTRONIC SIGNATURE USING DOCUSIGN OR SIMILAR ONLINE ELECTRONIC SIGNING SERVICE AND ANY COUNTERPART SO DELIVERED SHALL BE DEEMED TO HAVE BEEN DULY AND VALIDLY DELIVERED AND BE VALID AND EFFECTIVE FOR ALL PURPOSES. BY SIGNING THIS AGREEMENT, YOU ACKNOWLEDGE AND AGREE THAT:

- THIS AGREEMENT MAY BE AMENDED, ALTHOUGH NOT ASSIGNED, FROM TIME TO TIME WITHOUT PRIOR NOTICE OR CONSENT FROM YOU.
-
- DA SERVICES MAY BE REQUIRED TO DELIVER CERTAIN DOCUMENTS TO CLIENTS FROM TIME TO TIME. EXAMPLES OF SUCH DOCUMENTS INCLUDE, BUT ARE NOT LIMITED TO, THE AMENDED AGREEMENTS, FORM ADV PART 2A, AND/OR THE FIRM'S PRIVACY POLICY. BY EXECUTION OF THIS AGREEMENT, CLIENT CONSENTS TO THE USE OF ELECTRONIC MEANS, SUCH AS EMAIL, TO MAKE SUCH DELIVERY. THIS DELIVERY MAY INCLUDE NOTIFICATION OF THE AVAILABILITY OF SUCH DOCUMENT(S) ON THE INTERACTIVE WEBSITE; CLIENT AGREES THAT SUCH NOTIFICATION WILL CONSTITUTE "DELIVERY." CLIENT AGREES TO PROVIDE DA SERVICES WITH AN EMAIL ADDRESS AND TO KEEP THIS INFORMATION CURRENT AT ALL TIMES BY PROMPTLY NOTIFYING DA SERVICES OF ANY CHANGE IN EMAIL ADDRESS. THIS CONSENT WILL REMAIN IN EFFECT UNTIL REVOKED IN WRITING TO DA SERVICES AT ITS MAIN OFFICE ADDRESS. THE AMENDED AGREEMENTS WILL BE AVAILABLE ON THE DIVERSY FUND, INC. ("DIVERSY") WEBSITE AT DIVERSYFUND.COM (THE "INTERACTIVE WEBSITE").
-
- YOU WILL RECEIVE NOTIFICATION VIA EMAIL AND BY PUSH NOTIFICATION WHEN YOU LOG INTO THE INTERACTIVE WEBSITE OF ANY AMENDMENTS OR NEW VERSIONS OF ANY OF THE AGREEMENTS (THE "REVISED AGREEMENTS") HAVE BEEN POSTED TO THE INTERACTIVE WEBSITE. .
-
- THE REVISED AGREEMENTS WILL TAKE EFFECT WHEN YOU CLICK THE "I ACCEPT" BUTTON THAT WILL APPEAR WHEN YOU LOG INTO THE INTERACTIVE WEBSITE. BY CLICKING THE "I ACCEPT" BUTTON, YOU (A) ACKNOWLEDGE THAT YOU HAVE READ AND UNDERSTAND THE REVISED AGREEMENTS; (B) REPRESENT AND WARRANT THAT YOU HAVE THE RIGHT, POWER, AND AUTHORITY TO ENTER INTO THE REVISED AGREEMENTS AND IF ENTERING INTO THE REVISED AGREEMENTS FOR AN ORGANIZATION, THAT YOU HAVE THE LEGAL AUTHORITY TO BIND THAT ORGANIZATION; AND (C) ACCEPT THIS AGREEMENT AND AGREE THAT YOU ARE LEGALLY BOUND BY ITS TERMS BY CLICKING "I ACCEPT" OR BY CONTINUING TO USE SERVICES PROVIDED BY DA SERVICES WITHOUT OBJECTING TO ANY AMENDMENTS OR NEW VERSIONS OF ANY OF THE AGREEMENTS POSTED ON THE INTERACTIVE WEBSITE, YOU AGREE TO AND ACCEPT ALL TERMS AND CONDITIONS OF ANY REVISED AGREEMENTS, INCLUDING ANY NEW OR CHANGED TERMS OR CONDITIONS. IF YOU DO NOT AGREE TO ACCEPT ALL TERMS AND CONDITIONS OF THE REVISED AGREEMENTS, PLEASE SELECT THE "I DECLINE" BUTTON. IF YOU DO NOT AGREE TO AND ACCEPT ALL TERMS AND CONDITIONS OF THE REVISED AGREEMENTS, DA SERVICES RESERVES THE RIGHT TO TERMINATE THE CLIENT'S PLAN IN ACCORDANCE WITH SECTION 10 OF THIS AGREEMENT.
-
- **IMPORTANT NOTICE REGARDING ARBITRATION: WHEN YOU AGREE TO THE ADVISORY CLIENT AGREEMENT YOU ARE AGREEING (WITH LIMITED EXCEPTIONS) TO RESOLVE ANY DISPUTE BETWEEN YOU AND DA SERVICES THROUGH BINDING, INDIVIDUAL ARBITRATION RATHER THAN IN COURT. PLEASE REVIEW CAREFULLY SECTION 16 OF THE ADVISORY CLIENT AGREEMENT FOR DETAILS REGARDING ARBITRATION.**

DA SERVICES CLIENT AGREEMENT

You ("Client") and Diversy Advisory Services, LLC, a Delaware limited liability company and a registered investment adviser with the Securities and Exchange Commission ("DA Services"), agree to enter into an agreement that will allow DA Services to provide certain advisory services to you, as further described herein. This Client Agreement ("Agreement") is effective as of the first day Client agrees to it (the "Effective Date"). In consideration of the mutual covenants herein, Client and DA Services agree as follows:

1. Services. Client retains DA Services to perform one or more of the following services, which it is important to understand that these Services will not involve comprehensive or overall financial guidance intended to cover all areas of the Client's financial plan or needs:

1. to provide Client with recommended portfolio compositions pursuant to an investment plan to purchase securities of DA Services-affiliated issuers, including fractional shares thereof ("Securities") recommended by DA Services based on profile information and features designated by Client (the "Investment Plan"). Client shall be responsible for executing any documents associated with such Investment Plan, which will be made available to Client on the Interactive Website.
- 2.
3. if elected by Client, to periodically withdraw funds from Client's designated bank account at intervals selected by Client in order to purchase securities (i) directly into a DA Services-affiliated issuer that is selected by DA Services or (ii) in accordance with the Investment Plan selected by Client, the choice of program being directed by the Client (the "Auto-Investment Plan"); provided, however, that DA Services may update the Auto Investment Plan selected by the Client from time to time to reflect any changes to the underlying Investment Plan to substitute or replace certain DA Services-affiliated issuers with certain other or successor DA Services-affiliated issuers that have substantially the same investment criteria, as determined by DA Services' Investment Committee, at the same time the Investment Plan is updated on the Interactive Website.
- 4.
5. if elected by Client, to allocate Client's distributions to purchase securities (i) directly into a DA Services-affiliated issuer that is selected by DA Services or (ii) in accordance with the Investment Plan selected by Client, the choice of program being directed by the Client (the "Reinvestment Plan"). DA Services shall allocate such distributions by directing such distributions as directed by the Client pursuant to the Reinvestment Plan from the bank account(s) of the issuer or issuers to purchase Securities of the issuer or issuers Investment Plan selected by Client on the Interactive Website as provided in this Agreement. The Investment Plan, Auto-Investment Plan and the Reinvestment Plan are collectively referred to herein as the "Plans".

DA Services is an adviser of limited focus and is being selected by Client as a part of its overall financial plan. DA Services will limit its activities to the type and scope of the investments and strategies described in its disclosure materials; and it will not have any duty or obligation to advise or take any action on behalf of Client in any legal proceedings, including bankruptcies or class actions, involving Securities held by Client or the issuers of Securities. Notwithstanding anything in this Agreement to the contrary, DA Services shall have no authority hereunder to take or have possession of any assets of Client or to direct delivery of any Securities or payment of any funds associated with the Securities to itself or to direct any disposition of such Securities or funds except to Client and on Client's instructions or as provided in Section 7 (entitled "Payment of Fees"). When investing, a Client's funds are transferred from such Client's external bank account directly to account escrow agent which then transfers the capital directly into the Funds. At no point in time are Client's funds aggregated or collected into a bank account of Diversy or DA Services. DA Services does not have custody or possession of either Client's funds or securities but understands that through its affiliation with DF Manager, LLC (the "Manager"), Diversy, and the Funds that DA Services may be deemed to have legal custody, as this term is defined under the Investment Advisers Act of 1940, as amended.

2. Limited Power of Attorney. To enable DA Services to exercise fully its authority as provided in Section 1, Client hereby constitutes and appoints DA Services as Client's agent and attorney-in-fact with full power and authority for Client and on Client's behalf solely for the purpose of purchasing and selling Securities in accordance with the Plans selected by the Client. Client further grants to DA Services as Client's agent and attorney-in-fact full power and authority to do and perform every act necessary and proper to be done in the exercise of the foregoing powers as fully as Client might or could do if personally present including but not limited to signing subscription and operating agreements relating to the purchase of Securities on behalf of Client. This power of attorney includes arranging for delivery and payment in connection with the Payment of Fees detailed in Section 7 below, and acting on behalf of Client in all matters incidental to the handling of the Plan without prior approval of each specific transaction. In no event will DA Services be obligated to affect any transaction for Client which would violate applicable federal or state law, or rule or regulation of any regulatory or self-regulatory body. This power of attorney is coupled with an interest and shall terminate only on termination of this Agreement or on receipt by DA Services of written notice of the death, incapacity

or dissolution of Client.

3. Representations and Warranties.

(a) Client represents and warrants to DA Services and agrees with DA Services as follows:

1. Client has the requisite legal capacity, authority and power to execute, deliver and perform his or her obligations under this Agreement. This Agreement has been duly authorized, executed and delivered by Client and is the legal, valid and binding agreement of Client, enforceable against Client in accordance with its terms. Client's execution of this Agreement and the performance of his or her obligations hereunder do not conflict with or violate any obligations by which Client is bound, whether arising by contract, operation of law or otherwise. If Client is an entity, the trustee, agent, representative or nominee (the "Client Representative") executing this Agreement on behalf of Client has the requisite legal capacity, authority and power to execute, deliver and perform such execution and the obligations under this Agreement, as applicable. Specifically, if Client is a corporation or partnership, the individual signing this Agreement has been authorized to execute this Agreement by appropriate corporate or partnership action, and if this Agreement is entered into by a trustee or fiduciary, the trustee or fiduciary has authority to enter into this Agreement and that the services described herein are authorized under the applicable plan, trust or law. Client will deliver to DA Services evidence of Client's and Client Representative's authority on DA Services' request and will promptly notify DA Services of any change in such authority, including but not limited to an amendment to Client's organizational, delegation or formation documents that changes the information Client provides to DA Services on opening Client's account (the "Account").
- 2.
3. For Entity Clients: If Client Representative is entering into this Agreement, Client and Client Representative understand and agree that the representations, warranties and agreements made herein are made by Client both: (a) with respect to Client; and (b) with respect to the Client Representative.
- 4.
5. For Joint Account Clients (With Rights of Survivorship): If Clients are entering into this Agreement on behalf of a joint account, Clients understand and agree that the representations, warranties and agreements made herein are made on behalf of all of the joint account holders and further agree that each (a) is a Client; (b) has the authority to act on behalf of the Account and DA Services will accept such instructions from any one Client; (c) is jointly and severally liable per the terms of this Agreement; and (d) that in the case of death of any of the joint account holders, interest in the Securities shall vest in the surviving account holder(s) under the same terms and conditions of this Agreement and the surviving Client(s) shall promptly provide DA Services with written notice thereof and provide any documentation reasonably requested by DA Services in its management of the Account.
- 6.
7. Client is the owner or co-owner of all the Securities, and there are no restrictions on the pledge, hypothecation, transfer, sale or public distribution of such Securities.
- 8.
9. If Client specifically provides a photograph of Client's likeness and/or other personal identifying information to DA Services for public display, then Client hereby grants permission to DA Services to use the provided photograph of Client's likeness, Client's name and/or other information, in a commercially reasonable manner on the Interactive Website, any related and/or affiliated sites, and in marketing materials now and in the future, until such time as this Agreement is terminated by either party. Client waives any and all rights to compensation as a result of such use of Client's explicitly provided photograph of Client's likeness, Client's name and/or other information.
- 10.
11. Client agrees to use DA Services solely for Client's personal, non-commercial use, and not in connection with any competitive analysis (as determined by DA Services).

(b) Client understands and agrees that (A) DA Services does not guarantee the performance of the Securities, is not responsible to Client for any investment losses, and the Securities are not insured against loss of income or principal; (B) there are significant risks associated with investing in Securities, including, but not limited to, the risk that the Securities could suffer substantial diminution in value and total loss; (C) the past performance of any Security does not indicate its future performance, and future transactions will be made in different Securities and different economic environments; and (D) DA Services will cause the distributions to purchase Securities in essentially the proportions set forth by the Plans, and will not otherwise review or control the allocations of Securities as subscribed under the Plans. There are significant risks associated with any investment program, including the Plans.

1. Client understands and agrees that DA Services' sole obligation hereunder or otherwise is to select and

purchase Securities on behalf of Client in accordance with the Plans and to manage the allocation of distributions from Securities in accordance with the Plans, and Client has not engaged DA Services to provide any individual financial planning services. Client understands and agrees that DA Services is not responsible for any losses in Securities, as provided in Section 9.

- 2.
3. Client understands and agrees that the selection and purchase of Securities and allocation of distributions for the purchase of Securities will be managed solely by DA Services. Client further understands that if any of the information Client provides to DA Services is or becomes incomplete or inaccurate, the allocation of distributions into Securities may not achieve Client's desired investment strategy, and the Plans may cause Client to purchase Securities from which Client is restricted from purchasing at that time.
- 4.
5. Client understands and agrees that DA Services is not responsible to Client for any failures, delays and/or interruptions in the timely or proper allocation of distributions by DA Services on behalf of Client due to any or all of the following, which are likely to happen from time to time: (A) hardware or software malfunction, failure or unavailability; (B) internet service failure or unavailability; (C) the actions of any governmental, judicial or regulatory body; and/or (D) force majeure.
6. **Confidentiality. Except as required by law or requested by regulatory authorities, (a) DA Services agrees to maintain in strict confidence all of Client's non-public personal and financial information that Client furnishes to DA Services, except for information that Client explicitly agrees to share publicly, and (b) Client agrees to maintain in strict confidence all non-public information that Client acquires from DA Services in connection with the Plans. Client agrees that Client shall not use confidential information Client receives from DA Services for any purpose other than managing the Plans, including, but not limited to, developing a service that competes with the Interactive Website or DA Services' services. Client acknowledges receipt of DA Services' Privacy Policy available at www.diversyfund.com/privacypolicy.**

5. Valuation. The Securities shall be valued from time to time based on the per-share net asset value of the individual issuers. Different issuers may determine their net asset value on quarterly, semi-annual, or annual (or less frequent) intervals in accordance with their organizational documents as described in their respective offering circulars, which are available at www.diversyfund.com/offeringcirculars.

1. **Responsibility for Expenses. Either Diversy or a separate third-party entity will serve as fund sponsor to the Funds (the "Sponsor"). The Sponsor, and not DA Services, receives compensation from the affiliated issuers. Fees charged to clients will vary depending on whether they are invested in either DF Growth REIT, LLC ("DF Growth REIT") and DF Growth REIT II, LLC ("DF Growth REIT II") (collectively, the "Funds"). For a detailed listing of the fees that the Sponsor may receive from a given issuer, please review in Section 8 of this Agreement.**
- 2.
3. **Payment of Fees. The Sponsor and DA Services' affiliates, and not DA Services, receive fees from Clients. Client hereby authorizes the Sponsor to collect its fees directly from Client's funds and may deduct such fees to the distributions prior to being allocated according the Reinvestment Plan, or, if the Client has not opted to participate in a Reinvestment Plan, prior to such distributions being distributed to the Client's bank account. In the event that the amount of the distributions is not sufficient to satisfy the amount of the fees due for a given month or quarter, the Sponsor fees will accrue, without interest, and shall be payable during a subsequent period, as determined by the Sponsor. Client will receive a copy of the bill detailing fees applied to Client's account.**
- 4.
5. **Affiliate Fees. DA Services understands that while it does not directly receive fees from Clients or other entities, that it may be deemed to be receiving fees indirectly through its affiliation with Diversy and its subsidiaries which do in fact receive fees in connection with investments in which DA Services has advised its clients to participate in. As an adviser on real estate investments, DA Services advises its clients to invest in products owned and operated by its entities it is affiliated with through common ownership by DiversyFund, Inc.**

DF Growth REIT and DF Growth REIT II are currently the only funds into which client assets will be invested.

In the future, the Manager or Diversy will create similar affiliate Regulation A+ funds (similar in fee and ownership structure to the Funds) to which DA Services will direct client funds. These funds will be managed and operated by the Sponsor and while DA Services will not be receiving fees directly from these funds, it (DA Services) will be deemed to be receiving fees indirectly through its affiliation with Diversy and affiliated entities. DA Services, through the Interactive Website, will only advise clients, now or in the future, to invest in products that are affiliated with DA Services and DiversyFund Inc.

DF Growth REIT Fees

Fund Level Fees

Asset Management Fee:

The Sponsor may charge the Company an annual asset management fee equal to 2% of the capital raised from the sale of Class A Investor Shares. The Sponsor has waived this fee for DF Growth REIT and will continue to waive this fee indefinitely.

Estimate: The amount of the asset management fee will depend on the amount the DF Growth REIT raises. We cannot make a reasonable estimate at this time.

Reimbursement Fees:

The Funds will reimburse Diversy for expenses Diversy incurs in connection with the Regulation A+ offering (the "Offering"), before the Offering is "qualified" by the SEC (after the Offering is qualified, the expenses will be borne by the Funds themselves, directly). However (i) Diversy will not be entitled to any reimbursement until the Fund has raised at least \$1,000,000 from the sale of Fund shares; (ii) if the Fund raises only \$1,000,000 from the sale of Fund shares, Diversy's reimbursement will be limited to a maximum of \$125,000; (iii) Diversy will not be entitled to full reimbursement until the Fund has raised \$3,000,000 from the sale of Fund shares; and (iv) if the Fund raises more than \$1,000,000 but less than \$3,000,000 from the sale of Fund shares, the reimbursement in excess of \$125,000 will be pro rated.

Estimate: Diversy currently estimates that its total expenses for the Offering, before the Offering is qualified, will be approximately \$75,000.

Marketing Expense Reimbursement Fee:

The Company will reimburse the Sponsor up to 1% but not exceeding \$750,000 for direct expenses incurred by the Sponsor and its affiliates to organize and operate the Company and conduct the Offering, including marketing expenses paid to vendors, contractors, and consultants.

Estimate: The amount of the marketing expense reimbursement fee will depend on the amount the DF Growth REIT raises and the marketing expenses of the Sponsor. We cannot make a reasonable estimate at this time.

Co-Investment

The Sponsor and its affiliates might purchase Fund shares. If so, they will be entitled to the same distributions as other Investors.

Promoted Interest

The Sponsor is entitled to receive certain distributions (the "Promoted Interest"). The Promoted Interest is paid in two levels: first, after Investors have received a (i) 7% internal rate of return ("IRR") preferred return on their investment, the Sponsor is entitled to a catchup return equal to approximately (ii) 53.85% of the preferred return paid to Investors; and second, after Investors have received their preferred return and the Sponsor has received its catchup return, the Sponsor is entitled to (iii) 35% of the remaining profits until the investors have received a 12% IRR preferred return on their investment and (iv) thereafter 50% of the remaining profits.

How much money the Sponsor ultimately receives as a Promoted Interest therefore depends on a number of factors, including:

- How much capital is raised in the Offering;
- The investment returns the Fund is able to achieve;

- When those returns are achieved (the Fund might not achieve the same return every year);
- When the Fund distributes money to Investors; and
- The amount of expenses the Fund incurs.

Property Level Fees

Acquisition Fees:

Diversy will charge each Project Entity (or the Funds themselves, if the Funds owns real estate directly) a sponsor fee of between (i) 6% and 8% of the total project costs, including both “hard” costs (e.g., the cost of property) and “soft” costs (e.g., professional fees).

Estimate: If the Fund raises the full \$50,000,000 and maintains an average leverage ratio (borrowing) of 55%, the sponsor fee would range between \$6,666,666 and \$8,888,888.

Property Disposition Fee:

Where the Funds own property directly or is the sole owner of a Project Entity, the Sponsor will receive a property disposition fee equal to (i) 1% of the total sale price of each property.

Where property is owned by an entity in which there is another financial partner – a joint venture – the Sponsor might be entitled to a similar disposition fee to the extent negotiated with the financial partners in such joint venture (which could be higher than the (ii) 1% disposition fee for direct investment). However, the Fund’s share of the fee will not exceed (iii) 1% of the Fund’s share of the total sale price.

Estimate: The amount of the disposition fee will depend on the selling price of assets by the Funds and any joint ventures and, in the case of joint ventures, the terms our Sponsor negotiates with joint venture partners. We cannot make a reasonable estimate at this time.

Financing Fee:

Where the Funds own property directly, or is the sole owner of a Project Entity, the Sponsor will receive a financing fee equal to (i) 1.0% of the amount of each loan placed on a property, whether at the time of acquisition or pursuant to a refinancing. This financing fee will be in addition to any fees paid to third parties, such as mortgage brokers.

Where property is owned by an entity in which there is another financial partner – a joint venture – the Sponsor might be entitled to a similar financing fee to the extent negotiated with the financial partners in such joint venture (which could be higher than the (ii) 1% financing fee for direct investment). However, the Sponsor’s share of the fee will not exceed (iii) 1% of the Fund’s share of the loan.

Estimate: The amount of the financing fee will depend on the selling price of assets by the Funds and any joint ventures and, in the case of joint ventures, the terms our Sponsor negotiates with joint venture partners. We cannot make a reasonable estimate at this time.

Construction Management Fee:

The Sponsor might provide construction management services. If so, the Sponsor be entitled to a construction management fee equal to (i) 7.5% of actual construction costs.

Estimate: The amount of the construction management fee will depend on the nature and cost of the construction services the Manager provides. We cannot make a reasonable estimate at this time.

Guaranty Fee:

If the Sponsor or an affiliate guaranties indebtedness of the Funds or a Project Entity, including guaranties of any so-called “bad boy” carveouts, the guarantor will be entitled to a guaranty fee equal to (i) 0.5% of the loan.

Estimate: The amount of the guaranty fee will depend on the amount of loans requiring a guaranty. We cannot make a reasonable estimate at this time.

Other Fees:

The Funds or Project Entities might engage the Sponsor or its affiliates to perform other services. The compensation paid to the Sponsor or its affiliates in each case must be (i) fair to the Funds and the Project

Entities, (ii) comparable to the compensation that would be paid to an unrelated party, and (iii) disclosed to Investors.

Estimate: We cannot make a reasonable estimate of other fees at this time.

Fees for DF Growth REIT II

Fund Level Fees

Asset Management Fee:

The Sponsor will charge the Company an annual asset management fee equal to 2% of the capital raised from the sale of Class A Investor Shares. The Sponsor may, in its sole discretion, require the payment of the asset management fee up to five years in advance, which shall be nonrefundable.

Estimate: The amount of the asset management fee depends on the amount of capital raised. We cannot make a reasonable estimate at this time.

Reimbursement Fees:

The Funds will reimburse Diversy for expenses Diversy incurs in connection with the Offering, before the Offering is "qualified" by the SEC (after the Offering is qualified, the expenses will be borne by the Funds themselves, directly). However (i) Diversy will not be entitled to any reimbursement until the Fund has raised at least \$1,000,000 from the sale of Fund shares; (ii) if the Fund raises only \$1,000,000 from the sale of Fund shares, Diversy's reimbursement will be limited to a maximum of \$125,000; (iii) Diversy will not be entitled to full reimbursement until the Fund has raised \$3,000,000 from the sale of Fund shares; and (iv) if the Fund raises more than \$1,000,000 but less than \$3,000,000 from the sale of Fund shares, the reimbursement in excess of \$125,000 will be pro rated.

Estimate: Diversy currently estimates that its total expenses for the Offering, before the Offering is qualified, will be approximately \$75,000.

Organization & Offering Expense Reimbursement:

The Company will reimburse the Sponsor for direct expenses incurred by the Sponsor and its affiliates to organize and operate the Company and conduct the Offering, including:

- Marketing expenses paid to vendors, contractors, and consultants;
- Payroll expenses of marketing employees;
- Software costs;
- Fees paid to vendors, contractors, and consultants relating to the Sponsor's online fintech platform and smartphone applications; used to market and operate the Company; and
- Payroll expenses and software costs from product and tech employees working on the fintech platform and smartphone applications.

The Organization & Offering Expense Reimbursement may not exceed 10% of the capital raised from the sale of Class A Investor Shares.

Estimate: The amount of the organization and offering fee depends on the amount of capital raised. We cannot make a reasonable estimate at this time.

Co-Investment

The Sponsor and its affiliates might purchase Fund shares. If so, they will be entitled to the same distributions as other Investors.

Promoted Interest

The Sponsor is entitled to receive Promoted Interest. The Promoted Interest is paid in two levels: first, after Investors have received a (i) 7% IRR preferred return on their investment, the Sponsor is entitled to a catchup return equal to approximately (ii) 53.85% of the preferred return paid to Investors; and second, after Investors have received their preferred return and the Sponsor has received its catchup return, the Sponsor is entitled to (iii) 35% of the remaining profits until the investors have received a 12% IRR preferred return on their investment and (iv) thereafter 50% of the remaining profits.

How much money the Sponsor ultimately receives as a Promoted Interest therefore depends on a number of factors, including:

- How much capital is raised in the Offering;
- The investment returns the Fund is able to achieve;
- When those returns are achieved (the Fund might not achieve the same return every year);
- When the Fund distributes money to Investors; and
- The amount of expenses the Fund incurs.

Property Level Fees

Acquisition Fee:

Diversy will charge each Project Entity (or the Funds themselves, if the Funds owns real estate directly) a sponsor fee of between (i) 1% and 4% of the total project costs, including both “hard” costs (e.g., purchase price and renovation costs on the property) and “soft” costs (e.g., professional fees).

Where property is owned by an entity in which there is another financial partner – a joint venture – the Sponsor might be entitled to a similar acquisition fee to the extent negotiated with the financial partners in such joint venture (which could be higher than the 1-4% acquisition fee for direct investment). However, the Company’s share of the fee will not exceed 1-4% of the Company’s share of the total sale price.

Estimate: If the Company raises the full \$75,000,000 and maintains an average leverage ratio (borrowing) of 55%, the sponsor fee would range between \$1,666,667 and \$6,666,667.

Property Disposition Fee:

Where the Funds own property directly or is the sole owner of a Project Entity, the Sponsor will receive a property disposition fee equal to (i) 1% of the total sale price of each property.

Where property is owned by an entity in which there is another financial partner – a joint venture – the Sponsor might be entitled to a similar disposition fee to the extent negotiated with the financial partners in such joint venture (which could be higher than the (ii) 1% disposition fee for direct investment). However, the Fund’s share of the fee will not exceed (iii) 1% of the Fund’s share of the total sale price.

Estimate: The amount of the disposition fee will depend on the selling price of assets by the Funds and any joint ventures and, in the case of joint ventures, the terms our Sponsor negotiates with joint venture partners. We cannot make a reasonable estimate at this time.

Financing Fee:

Where the Funds own property directly, or is the sole owner of a Project Entity, the Sponsor will receive a financing fee equal to (i) 1.0% of the amount of each loan placed on a property, whether at the time of acquisition or pursuant to a refinancing. This financing fee will be in addition to any fees paid to third parties, such as mortgage brokers.

Where property is owned by an entity in which there is another financial partner – a joint venture – the Sponsor might be entitled to a similar financing fee to the extent negotiated with the financial partners in such joint venture (which could be higher than the (ii) 1% financing fee for direct investment). However, the Sponsor’s share of the fee will not exceed (iii) 1% of the Fund’s share of the loan.

Estimate: The amount of the financing fee will depend on the selling price of assets by the Funds and any joint ventures and, in the case of joint ventures, the terms our Sponsor negotiates with joint venture partners. We cannot make a reasonable estimate at this time.

Construction Management Fee:

The Sponsor might provide construction management services. If so, the Sponsor be entitled to a construction management fee equal to (i) 7.5% of actual construction costs.

Estimate: The amount of the construction management fee will depend on the nature and cost of the construction services the Manager provides. We cannot make a reasonable estimate at this time.

Guaranty Fee:

If the Sponsor or an affiliate guaranties indebtedness of the Funds or a Project Entity, including guaranties of any so-called "bad boy" carveouts, the guarantor will be entitled to a guaranty fee equal to (i) 0.5% of the loan.

Estimate: The amount of the guaranty fee will depend on the amount of loans requiring a guaranty. We cannot make a reasonable estimate at this time.

Other Fees:

The Funds or Project Entities might engage the Sponsor or its affiliates to perform other services. The compensation paid to the Sponsor or its affiliates in each case must be (i) fair to the Funds and the Project Entities, (ii) comparable to the compensation that would be paid to an unrelated party, and (iii) disclosed to Investors.

Estimate: We cannot make a reasonable estimate of other fees at this time.

Termination

At any time prior to the last day of a distribution period, a Client may adjust or terminate his/her Plan, and may cancel their monthly Auto-investment at any time. However, there can be no guarantee that such requests to withdraw will be honored by the Funds.

- 1. Losses. To the maximum extent permitted under applicable law, Client understands and agrees that DA Services will not be liable to Client for any losses incurred by Client that arise out of or are in any way connected with any Securities transaction or other act or failure to act of DA Services under this Agreement, including, but not limited to, any loss that Client may suffer by any reason of any investment decision made or other action taken or omitted in good faith by DA Services, any loss arising from DA Services' adherence to Client's instructions, any tax liability asserted against Client by any federal, state or local authority with respect to the Securities, so long as such act or failure to act does not constitute a breach of DA Services' fiduciary duty to Client. Client (and in addition, for entity accounts, Client Representative) shall indemnify and defend DA Services and DA Services' directors, officers, shareholders, employees and affiliates and hold them harmless from and against any and all claims, losses, damages, liabilities and expenses, as they are incurred, by reason of any act or omission of Client or any custodian, broker, agent or other third party selected by DA Services in a commercially reasonable manner or selected by Client, except such as arise from DA Services' breach of fiduciary duty to Client. In addition to the above indemnities, for entity Clients, the Client Representative shall further indemnify and defend DA Services and DA Services' directors, officers, shareholders, employees and affiliates and hold them harmless from and against any and all claims, losses, damages, liabilities and expenses, as they are incurred, resulting from or in connection to Client's assertion of Client Representative's lack of proper authorization from Client to enter into this Agreement. Anything in this Section 10 or otherwise in this Agreement to the contrary notwithstanding, however, nothing herein shall constitute a waiver or limitation of any rights that Client may have under any federal or state securities laws.**

Client acknowledges that the recommendations given via the Interactive Website or provided as part of the Plan are valid only as of the date the recommendations are provided and are not valid for any period beyond such date. Client acknowledges that DA Services does not furnish actuarial, accounting, tax, or legal advice. DA Services is not a law firm, does not practice law, and cannot and does not furnish legal or tax opinions. DA Services is not an accounting firm, does not practice accounting or auditing, and does not prepare tax returns or financial statements. DA Services is not an actuarial firm, does not provide actuarial advice, and does not administer retirement plans. Client should retain, separately, Client's own attorneys, accountants, and other financial services professionals. Client agrees that Client's own attorneys, accountants and other financial services professionals shall be solely responsible for the accuracy of legal advice, legal opinions, legal documents, accounting documents, tax opinions and tax returns. Client acknowledges that DA Services is not responsible for the accuracy or completeness of information furnished to DA Services by Client or by any other party.

- 1. Termination; Withdrawals.** This Agreement may be terminated by either party with or without cause by notice to the other party, which notice shall be provided by Client to DA Services through the Interactive Website and by DA Services to Client through the primary email address as Client shall update from time to time. Client may redeem the Securities only in accordance with the redemption plans of the various issuers, if any, which are described in each issuer's offering circular, available at www.diversyfund.com/offeringcirculars. Client's redemption of all of the Securities will terminate this Agreement. Upon termination of this Agreement, Sections 4, 9 (only as to fees accruing prior to termination), 9, 15, 16 and 17 shall survive such termination.

Client's death, disability or incompetence will not automatically terminate or change the terms of this Agreement. However, Client's executor, guardian, attorney-in-fact or other authorized representative may cancel this Agreement by giving written notice to DA Services. Upon termination, DA Services agrees to refund to Client that portion of any prepaid fee for which no services have been provided.

11. Securities Information. Client may obtain information on his/her Securities on the Interactive Website. The official records of the Securities held by Client are maintained by each issuer's transfer agent, from which electronic statements may be obtained upon written request.

12. Independent Contractor. DA Services is and will hereafter act as an independent contractor and not as an employee of Client, and nothing in this Agreement may be interpreted or construed to create any employment, partnership, joint venture or other relationship between DA Services and Client.

13. Assignment. DA Services may not assign this Agreement without the prior consent of Client, and, if applicable, the consent of any additional authorized signatories on behalf of Client, if and to the extent that such consent is required under the Investment Advisers Act of 1940, as amended. In the event of an assignment by DA Services, DA Services shall request written consent(s) of Client within a specified reasonable time (which shall not be less than thirty (30) days). If Client does not respond to such request within the time specified, DA Services shall inform Client that the proposed assignee will continue the advisory services of DA Services for a specified reasonable time (which shall not be less than thirty (30) days), and if Client does not respond to such second notice from DA Services, Client's continued acceptance of investment management services from the proposed assignee shall constitute Client's consent(s) to the assignment. This Agreement shall bind and inure to the benefit of and be enforceable by the parties and their respective successors and assigns.

14. Delivery of Information. Client acknowledges electronic delivery of DA Services' brochure that would be required to be delivered under the Advisers Act (including the information in Part 2 of DA Services' Form ADV), which is available on the Interactive Website and provided here by link:

www.diversyfund.com/formadv. On written request by Client, DA Services agrees to annually deliver electronically, without charge, DA Services' brochure required by the Advisers Act.

15. Governing Law. This Agreement shall be governed by and construed and interpreted in accordance with the laws of the State of Delaware.

16. Arbitration.

1. Either party may, at its sole election, require that the sole and exclusive forum and remedy for resolution of a Claim be final and binding arbitration pursuant to this Section 16 (this "Arbitration Provision"). The arbitration shall be conducted in Wilmington, Delaware. As used in this Arbitration Provision, "Claim" shall include any past, present, or future claim, dispute, or controversy involving Client (or persons claiming through or connected with Client), on the one hand, and DA Services (or persons claiming through or connected with DA Services), on the other hand, relating to or arising out of this Agreement, any Security, the Interactive Website, and/or the activities or relationships that involve, lead to, or result from any of the foregoing, including (except to the extent provided otherwise in the last sentence of Section (d) below) the validity or enforceability of this Arbitration Provision, any part thereof, or the entire Agreement.
- 2.
3. The party initiating arbitration shall do so with the American Arbitration Association (the "AAA") or JAMS. The arbitration shall be conducted according to, and the location of the arbitration shall be determined in accordance with, the rules and policies of the administrator selected, except to the extent the rules conflict with this Arbitration Provision or any countervailing law. In the case of a conflict between the rules and policies of the administrator and this Arbitration Provision, this Arbitration Provision shall control, subject to countervailing law, unless all parties to the arbitration consent to have the rules and policies of the administrator apply.
- 4.
5. In the event any suit or action is filed to enforce or interpret the terms and obligations of this

- Agreement, the prevailing party shall be entitled to its reasonable attorney fees and costs, including reasonable post-judgment attorney fees incurred in collection efforts.
- 6.
 7. DA Services agrees not to invoke our right to arbitrate an individual Claim that Client may bring in Small Claims Court or an equivalent court, if any, so long as the Claim is pending only in that court. EXCEPT AS EXPRESSLY PROVIDED IN THIS AGREEMENT, NO ARBITRATION SHALL PROCEED ON A CLASS, REPRESENTATIVE, OR COLLECTIVE BASIS (INCLUDING AS PRIVATE ATTORNEY GENERAL ON BEHALF OF OTHERS), EVEN IF THE CLAIM OR CLAIMS THAT ARE THE SUBJECT OF THE ARBITRATION HAD PREVIOUSLY BEEN ASSERTED (OR COULD HAVE BEEN ASSERTED) IN A COURT AS CLASS REPRESENTATIVE, OR COLLECTIVE ACTIONS IN A COURT.
 - 8.
 9. Unless otherwise provided in this Agreement or consented to in writing by all parties to the arbitration, no party to the arbitration may join, consolidate, or otherwise bring claims for or on behalf of two or more individuals or unrelated corporate entities in the same arbitration unless those persons are parties to a single transaction. Unless consented to in writing by all parties to the arbitration, an award in arbitration shall determine the rights and obligations of the named parties only, and only with respect to the claims in arbitration, and shall not (i) determine the rights, obligations, or interests of anyone other than a named party, or resolve any Claim of anyone other than a named party, or (ii) make an award for the benefit of, or against, anyone other than a named party. No administrator or arbitrator shall have the power or authority to waive, modify, or fail to enforce this sub-section (e), and any attempt to do so, whether by rule, policy, arbitration decision or otherwise, shall be invalid and unenforceable. Any challenge to the validity of this sub-section (e) shall be determined exclusively by a court and not by the administrator or any arbitrator.
 - 10.
 11. This Arbitration Provision shall survive (i) suspension, termination, revocation, closure, or amendments to this Agreement and the relationship of the parties; (ii) the bankruptcy or insolvency of any party hereto or other party; and (iii) any transfer of any loan or Security or any amounts owed on such loans or notes, to any other party. If any portion of this Arbitration Provision other than sub-section (e) is deemed invalid or unenforceable, the remaining portions of this Arbitration Provision shall nevertheless remain valid and in force. If arbitration is brought on a class, representative, or collective basis, and the limitations on such proceedings in sub-section (e) are finally adjudicated pursuant to the last sentence of sub-section (e) to be unenforceable, then no arbitration shall be had. In no event shall any invalidation be deemed to authorize an arbitrator to determine Claims or make awards beyond those authorized in this Arbitration Provision.
 12. **Waiver of Court & Jury Rights. THE PARTIES ACKNOWLEDGE THAT THEY HAVE A RIGHT TO LITIGATE CLAIMS THROUGH A COURT BEFORE A JUDGE, BUT WILL NOT HAVE THAT RIGHT IF ANY PARTY ELECTS ARBITRATION PURSUANT TO THIS ARBITRATION PROVISION. THE PARTIES HEREBY KNOWINGLY AND VOLUNTARILY WAIVE THEIR RIGHTS TO LITIGATE SUCH CLAIMS IN A COURT UPON ELECTION OF ARBITRATION BY ANY PARTY. THE PARTIES HERETO WAIVE A TRIAL BY JURY IN ANY LITIGATION RELATING TO THIS AGREEMENT, THE NOTES OR ANY OTHER AGREEMENTS RELATED THERETO.**
 - 13.
 14. **Notices. All notices and communications under this Agreement must be made through the Interactive Website or by email. DA Services' contact information for this purpose is customerservice@diversyfund.com and Client's contact information for this purpose is contained in Client's user account on the Interactive Website and the primary email address(es) in Client's Account as Client shall update from time to time.**
 - 15.
 16. **Severability and Amendment. The invalidity or unenforceability of any provision hereof shall in no way affect the validity or enforceability of any and all other provisions hereof. Client acknowledges that DA Services may amend this Agreement from time to time by notifying Client by email or message to Client's DA Services user account, which amendment will be effective immediately.**
 - 17.
 18. **Waiver or Modification. DA Services' waiver or modification of any condition or obligation hereunder shall not be construed as a waiver or modification of any other condition or obligation, nor shall DA Services' waiver or modification granted on one occasion be construed as applying to any other occasion.**
 - 19.

20. Entire Agreement. This Agreement is the entire agreement of the parties regarding the subject matter hereof and supersedes all prior or contemporaneous written or oral negotiations, correspondence, agreements and understandings (including any and all preexisting client account agreements, which are hereby cancelled). However, the parties may choose to enter into separate agreements between them regarding different subject matters or investment programs.

21.

22. No Third-Party Beneficiaries. Neither party intends for this Agreement to benefit any third party not expressly named in this Agreement.

DA Services

Electronic Agreement and Disclosure Statement

BY CONTINUING WITH THIS ONLINE AGREEMENT, YOU AGREE THAT UNLESS INDICATED OTHERWISE THE AGREEMENT AND THE DISCLOSURES REQUIRED TO BE PROVIDED AT THE TIME OF THE AGREEMENT AND ALL FUTURE DISCLOSURES WILL BE PROVIDED ELECTRONICALLY. READ THE INFORMATION BELOW CAREFULLY BEFORE CONSENTING TO RECEIVE INFORMATION ELECTRONICALLY AT THIS WEBSITE AND VIA ELECTRONIC MAIL ("EMAIL"). YOU SHOULD PRINT OR SAVE THIS STATEMENT BY USING THE "PRINT" OR "FILE SAVE" OPTIONS ON YOUR INTERNET BROWSER.

In this Electronic Agreement and Disclosure Statement ("Statement"), please remember that "you" and "your" refer to the person who is establishing a Plan(s), as well as any future plans, and "we", "us" and "our" refer to Diversy Advisory Services, LLC ("DA Services"). Agreements and other information will be provided to you electronically unless indicated otherwise. Included in those agreements and other information will be disclosures required by the Investment Advisers Act of 1940, as amended (the "Act") and other laws (the "Disclosures"). The agreements and other disclosures to be provided to you electronically include:

- DA Services Client Agreement and all amendments, notices and other agreements which supplement the DA Services Client Agreement;
-
- Any other DA Services agreements pertaining to future plans that you may establish and all amendments, notices and other agreements which supplement those agreements;
-
- DA Services' Form ADV Part 2, Notice of Privacy Policy, Terms of Use and other required and permitted legal disclosures; and
-
- Account statements, fee calculation statements and/or performance reports.

By establishing a Plan(s), and signing this agreement via DocuSign or similar online electronic signing service, you are accepting this Statement and you are agreeing to receive electronically the agreements and other information listed in the first and second bulleted paragraphs above, including the Disclosures. Your consent to receive information electronically will apply only to the agreements and other information listed in the first and second bulleted paragraphs above, including the Disclosures. Information regarding your Plan(s), including the Disclosures, will be available on the website, www.diversyfund.com or DA Services' interactive website (collectively, the "Interactive Website"). In addition, the information will be available upon request by contacting us at customerservice@diversyfund.com. When revised or new Disclosures are available on the Interactive Website, we will send a message to your DA Services account, or otherwise notify you of their availability. You are responsible for maintaining a valid email address and software and hardware to receive, read and send email. You must provide us with your current email address and promptly notify us of any changes to your email address in your DA Services account on the Interactive Website. To receive electronically the agreements and other information listed in the first and second bulleted paragraphs above, including the Disclosures, you will need a compatible operating system and web browser, and you will need access to a printer or the ability to download information in order to keep copies for your records. Changes, if any, to these system hardware and software requirements will be updated on the Interactive Website. You must periodically refer to the website for current system requirements. By establishing and then accessing a Plan(s), you are indicating that you have the capability to access the agreements and other information, including the Disclosures, and download or print copies for your records.

For client support or technical assistance regarding your Plan(s), including the Disclosures, you may send an email to customerservice@diversyfund.com. You may obtain a paper copy of the agreements and other information listed in the first and second bulleted paragraphs above, including the Disclosures, at any time by

notifying us using any of the methods described in the immediately preceding paragraph for client support. We will not charge you a fee for the paper copy. This consent will apply on an ongoing basis unless you withdraw your consent. You may withdraw your consent to receive electronically the agreements and other information listed in the first and second bulleted paragraphs above, including the Disclosures. To withdraw your consent, please notify us by sending an email to customerservice@diversyfund.com. By establishing a Plan(s), and signing this agreement via DocuSign or similar online electronic signing service, you are indicating that you have reviewed our privacy and security policies on the Interactive Website. You are also acknowledging that your initial use of your DA Services account will constitute your agreement to be bound by the terms and conditions of the agreements and other information listed in the first and second bulleted paragraphs above, including the Disclosures. In addition to providing your signature via DocuSign or similar online electronic signing service, by checking the acknowledgement box and submitting such acknowledgement electronically to DA Services, you acknowledge that you have read, understand, and agree to be bound by the terms above. If you do not agree to be bound by the terms above but would like to establish a Plan(s), DO NOT continue with the online process. Instead, please email us at customerservice@diversyfund.com. Because the DA Services Client Agreement relates to the functionality of the DA Services website, DA Services reserves the right to refuse to establish a Plan(s) that is not subject to this Statement. You agree that the agreement and disclosures required to be provided at the time of application and any supplemental agreements or subsequent notices of changes will be provided electronically, and you confirm that you will download or print all electronically-provided documents for your records. You acknowledge that you can access the Disclosures, agreements and information that are provided electronically on the Interactive Website and via email.

Important Considerations

DA Services is an Internet Investment Adviser as defined under Rule 203A-2(e) of the Investment Advisers Act of 1940 and is authorized to provide Clients investment advisory services only through the use of the Interactive Website. DA Services, through the Interactive Website, plans to advise Clients on investment opportunities solely in relation to real estate investments. All DA Services clients will be investing in its affiliates, DF Growth REIT, LLC and DF Growth REIT II LLC (the "Funds") and other Regulation A+ real estate funds not yet created. The Funds are managed by DF Manager LLC, a Delaware limited liability company, (the "Manager") that controls all of the aspects of the Funds' business and operations, including investment decisions (that is, deciding which properties to buy and sell and when to buy and sell them).

DA Services will advise its clients, through the Interactive Website, to invest in the Funds which bear certain aforementioned fees that will benefit affiliates of DA Services. DA Services may receive fees for its advisory services and related persons working on behalf of DA Services' affiliates will receive compensation through fees paid by the Funds in connection with real estate management.

BY SIGNING THIS AGREEMENT, YOU, CLIENT, UNDERSTAND THAT DA SERVICES, IN ITS CAPACITY AS AN INVESTMENT ADVISER, SHALL DIRECT CLIENT FUNDS TO INVEST ONLY IN THE FUNDS, WHICH ARE AFFILIATED WITH DA SERVICES AND THROUGH WHICH RELATED PERSONS WORKING ON BEHALF OF DA SERVICES' AFFILIATES WILL RECEIVE COMPENSATION. DA SERVICES WILL NOT BE INVESTING CLIENT FUNDS INTO ANY NON-AFFILIATED INVESTMENT VEHICLES. FURTHER, CLIENT UNDERSTANDS THAT DA SERVICES SHALL ONLY PROVIDE INVESTMENT ADVICE THROUGH THE USE OF THE INTERACTIVE WEBSITE. FOR ALL OF THE AFOREMENTIONED REASONS, ENTERING INTO AN INVESTMENT ADVISORY RELATIONSHIP WITH DA SERVICES MAY NOT BE SUITABLE FOR ALL INVESTORS.

FOR A COMPLETE DESCRIPTION OF POTENTIAL CONFLICTS, PLEASE REFER TO DA SERVICES' FORM ADV PART 2 AND FORM CRS.

SIGNED:

DIVERSY ADVISORY SERVICES, LLC

By: DiversyFund, Inc.
Its Manager

By: _____

Name: Alan Lewis

Title: Chief Investment Officer

Signature:

CLIENT:

Joint Account:

John Travis

Signature:

Name: John Travis

Second Signature: _____

Second Name: Tammy Travis

EXHIBIT 3

John Travis

From: John Travis
Sent: Saturday, December 18, 2021 8:47 AM
To: DiversyFund
Subject: RE: [DiversyFund] Re: RE: [DiversyFund] Re: Call

I understand all you have stated. But you never gave me an opportunity to stop the investment into Growth REIT II. I was not notified nor did I agree to invest in the Growth REIT II. I had a concern when I originally invested with you that the customer service on this venture would be lacking, and it is. The fact that I have to type messages to communicate is a great example of how not to do business, which is why I am not investing anymore. Will look elsewhere.

From: Kari H (DiversyFund) <hello@diversyfund.com>
Sent: Friday, December 17, 2021 1:56 PM
To: John Travis <johntravis@ryaltd.com>
Subject: [DiversyFund] Re: RE: [DiversyFund] Re: Call

##- Please type your reply above this line -##

Your request (44682) has been updated. To add additional comments, reply to this email.



Kari H (DiversyFund)

Dec 17, 2021, 10:56 AM PST

Hi John,

My apologies but REIT 1 is closed now. We reached the amount we are SEC qualified to raise and can no longer have funds go into that account. It said this in your account. As stated before, everything starting in September goes to REIT 2 now. We can not transfer the funds back to REIT 1.

My apologies but it is invested in REIT 2 until we sell the properties and liquidate the investors.

Unfortunately, once the investment is processed there is not much we can do. The funds are committed to purchasing properties and real estate is not like cash or a stock investment that can be traded. I've provided more info on how the investment term and liquidation process work.

The DiversyFund Growth REIT is designed to build wealth over an approximate 5-year timeline. The investment strategy for this fund is a growth strategy, which will be executed through a series of stages.

-
- Acquisition Stage: The REIT uses the capital raised to acquire multifamily properties with approximately 100+units.
 - Renovation Stage: We do what is called a "value-add play". We add value to the properties via renovations. We renovate the individual units, common areas, etc. We utilize cash flow from the properties to fund the renovations over a period of time.
 - Stabilize & Hold Stage: As we finalize the renovation process, the forced appreciation means we can increase rents and stabilize the property. We'll then hold on to the assets for several years allowing the property to naturally appreciate in value.
 - Liquidation/Disposition Stage: This is the final stage. By now, the properties have appreciated naturally and through forced appreciation via the renovations. This is the ideal time to sell the properties. We'll sell the assets and liquidate our investors.

We aim to invest in projects that can be liquidated/sold within approximately 4-5 years. Due to the nature of the investment and our growth strategy, we have no premature withdrawal policy. Our duty is to take the hard but necessary steps to protect the interests of our investor base as a whole, especially during times like these. This ensures our portfolio is in a position of strength and can withstand a severe downturn or recession.

I hope I was able to provide a bit more insight and clarity, please let me know if you have any other questions!

Kari H



John Travis

Dec 17, 2021, 9:36 AM PST

This is a follow-up to your previous request [#43555](#) "Call"

Kari - this conversation has been going on for over a month, most of it initiated by me. The lack of service here is poor. I either want to have my money refunded, or would be open to moving the \$10k from the Growth REIT II to the original investment. Please respond. Timely.

Hi Kari. Just checking back with you to get an update. thanks – John

From: Kari H (DiversyFund) <hello@diversyfund.com>

Sent: Monday, November 22, 2021 8:33 PM

To: John Travis <johntravis@ryaltd.com>

Subject: [DiversyFund] Re: Call

Attachment(s)

[image003.jpg](#)

This email is a service from DiversyFund. Delivered by [Zendesk](#)

Division of Enforcement's
Exhibit 26

UNITED STATES OF AMERICA
before the
SECURITIES AND EXCHANGE COMMISSION

Administrative Proceeding
File No. 3-20801

In the Matter of

DF GROWTH II, LLC.,
Respondent.

DECLARATION OF ANKIT SHAH

I, Ankit Shah, declare pursuant to 28 U.S.C. § 1746 as follows:

1. My name is Ankit Shah. In September 2021, I invested \$10,000 in DF Growth REIT II, LLC (“REIT II”).
2. After I invested in REIT II, I observed that my investment did not appear on the DiversyFund website after I logged in. After emailing DiversyFund to inquire, I was notified that I would need to provide my passport information and driver’s license information by unsecure email. I then contacted DiversyFund customer service and notified them that I was skeptical that DiversyFund was functioning as a genuine company. My email communications with DiversyFund customer service bates-numbered SEC-ShahA-E-0000182-188 is attached hereto as Exhibit 1.
3. In October 2021, I observed that no dividends from my investment in REIT II had been posted as had been represented by DiversyFund. I immediately contacted DiversyFund customer service and was informed that they were experiencing technical issues. Based on the numerous ongoing issues, I notified them that I

believed that their company was operating unethically. True and correct copies of my email communications with DiversyFund customer service bates-numbered SEC-ShahA-E-0000226-237 and SEC-ShahA-E-0000189-203 are attached hereto as Exhibit 2 and Exhibit 3.

4. After logging into the DiversyFund website, I observed a Client Agreement with Diversy Advisory Services, LLC posted on my account which authorized DiversyFund to act as my investment advisor. I never consented or was otherwise aware that this document had been posted to my account. A true and correct copy of the Advisory Services agreement bates-numbered SEC-ShahA-E-0000117-137 is attached hereto as Exhibit 4.
5. At the time of investment, the DiversyFund website represented that no fees would be charged on my investment. However, over time I observed that the DiversyFund website constantly changed their representations relating to fees. I do not recall receiving financial statements from either REIT I or REIT II. I do not recall ever receiving a breakdown of the fees that I was being charged for my investment.
6. Due to my ongoing concerns that REIT II was not functioning as a legitimate company, I requested a refund of my original investment in December 2021 plus the dividends on which I had already reported and paid taxes. Only in March 2022 did DiversyFund agree to refund my original investment, but the company did not refund the dividends on which I already paid taxes. A true and correct copy of my email communication with DiversyFund customer service bates-numbered SEC-ShahA-E-0000177-181 is attached hereto as Exhibit 5.
7. I declare under penalty of perjury under the laws of the United States of America that the foregoing is true and correct.

Executed this 25th day of May, 2022, in Washington, D.C.

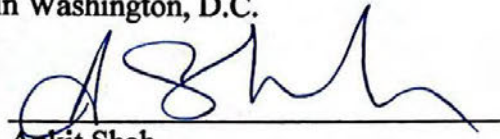

Ankit Shah

EXHIBIT 1

To: Shah, Ankit[Ankit.Shah@occ.treas.gov]
From: Ankit Shah
Sent: 2022-05-03T10:39:26-04:00
Importance: Normal
Subject: [EXTERNAL]Fwd: [DiversyFund] Re: Why does my investment amount still say 0? I fund...
Received: 2022-05-03T10:40:35-04:00

CAUTION: This email originated from outside of the organization. Do not click links or open attachments unless you recognize the sender and know the content is safe.

Begin forwarded message:

From: "Alaba (DiversyFund)" <support@diversyfund.zendesk.com>
Date: September 24, 2021 at 15:15:44 EDT
To: Ankit Shah <ankitshah.zam@gmail.com>
Subject: [DiversyFund] Re: Why does my investment amount still say 0? I fund...
Reply-To: DiversyFund <support+id40117@diversyfund.zendesk.com>

?

##- Please type your reply above this line -##

Your request (40117) has been updated. To add additional comments, reply to this email.

Alaba (DiversyFund)

Sep 24, 2021, 12:15 PM PDT

Hello Ankit

To be candid! Unfortunately, once the investment is processed there is not much we can do. The funds are committed to purchasing properties and real estate is not like cash or a stock investment that can be traded. I've provided more info on how the investment term and liquidation process work.

The DiversyFund Growth REIT is designed to build wealth over an approximate 5-year timeline. The investment strategy for this fund is a growth strategy, which will be executed through a series of stages

Acquisition Stage: The REIT uses the capital raised to acquire multifamily properties with approximately 100+units.

Renovation Stage: We do what is called a "value-add play". We add value to the properties via renovations. We renovate the individual units, common areas, etc. We utilize cash flow from the properties to fund the renovations over a period of time.

Stabilize & Hold Stage: As we finalize the renovation process, the forced appreciation means we can increase rents and stabilize the property. We'll then hold on to the assets for several years allowing the property to naturally appreciate in value.

Liquidation/Disposition Stage: This is the final stage. By now, the properties have appreciated naturally and through forced appreciation via the renovations. This is the ideal time to sell the properties. We'll sell the assets and liquidate our investors.

We aim to invest in projects that can be liquidated/sold within approximately 4-5 years. Due to the nature of the investment and our growth strategy, we have no premature withdrawal policy. Our duty is to take the hard but necessary steps to protect the interests of our investor base as a whole, especially during times like these.

This ensures our portfolio is in a position of strength and can withstand a severe downturn or recession.

I hope I was able to provide a bit more insight and clarity, please let me know if you have any other questions!

Kind Regards,
Alaba

Ankit Shah

Sep 24, 2021, 12:06 PM PDT

This is straight up bullshit robo mailing. Give me my money back immediately

Alaba (DiversyFund)

Sep 24, 2021, 12:01 PM PDT

Hi Ankit,

Thank you for emailing in. I am Alaba from Diversyfund and I am happy to help. We work with a 3rd party escrow agent. When investing, the funds are held in escrow for 5-10 business days. This is just to ensure Know-Your-Customer (KYC) and Anti Money Laundering (AML) compliance on all transactions. We do this to remain compliant with the Patriot Act as well. Our escrow agent will occasionally request certain documentation from investors to verify the information provided.

Please feel free to reach out to me if you have any questions.

Kind Regards,

Alaba

Ankit Shah

Sep 23, 2021, 9:38 AM PDT

There is no way I am going to email that kind of documentation. Please provide another means to provide that.

Ankit Shah

Sep 23, 2021, 9:37 AM PDT

That's a lie. You've definitely never reached out before this, but. Ow that you said it please provide proof.

Alaba (DiversyFund)

Sep 23, 2021, 9:16 AM PDT

Hello Ankit,

Thank you for reaching out! My name is Alaba, I am part of the Customer Experience Team, happy to help! Sorry about the escrow delay. We've reached out a few times via email requesting your DL, passport, or other government-issued ID to verify DOB. This is to clear your funds from escrow so that you will start seeing your dividends. Please send all documents to verify@diversyfund.com.

Kind Regards

Alaba

Ankit Shah

Sep 22, 2021, 12:36 PM PDT

Still not cleared. This needs to occur today or please refund me my invest. Not happy with you at all.

Alaba (DiversyFund)

Sep 19, 2021, 3:04 PM PDT

Hi there,

Thank you for emailing in. I am Alaba from Diversyfund and I am happy to help. Hopefully it should clear this week

Please feel free to reach out to me if you have any questions.

Kind Regards,

Alaba

Ankit Shah

Sep 18, 2021, 4:52 AM PDT

Thank you for your response. It has been more than 5-8 business days and my money still hasn't moved out of escrow. Please advise exactly when this will happen.

Alaba (DiversyFund)

Sep 16, 2021, 11:38 AM PDT

Hi there,

Thank you for emailing in. We work with a 3rd party escrow company called Fund America. When investing, the funds are held in escrow for 5 – 8 business days to ensure AML compliance on all transactions. We do this to remain SEC complaint. Once your investment clears, we will automatically invest the funds on your behalf. At this point, your dividends will be generated monthly from incoming rents and also automatically reinvested on your behalf.

Let me know if you have any other questions.

Best,

Alaba

Ankit Shah

Sep 16, 2021, 11:02 AM PDT

Why does my investment amount still say 0? I funded the account 11 days ago.

image0.png

Attachment(s)

[image0.png](#)

This email is a service from DiversyFund. Delivered by [Zendesk](#)

CAUTION: This email originated from outside the organization. Do not click links or open attachments unless you recognize the sender and know the content is safe.

EXHIBIT 2

To: Shah, Ankit[Ankit.Shah@occ.treas.gov]
From: Ankit Shah
Sent: 2022-05-03T10:39:53-04:00
Importance: Normal
Subject: [EXTERNAL]Fwd: Phone Call to: +1 (786) 385-1375
Received: 2022-05-03T10:43:00-04:00

CAUTION: This email originated from outside of the organization. Do not click links or open attachments unless you recognize the sender and know the content is safe.

Begin forwarded message:

From: Christopher Finlay <christopher@diversyfund.com>
Date: November 23, 2021 at 16:22:48 EST
To: Ankit Shah <ankitshah.zam@gmail.com>
Subject: Re: Phone Call to: +1 (786) 385-1375

?

Ankit,

The dividends are 5% annually, paid on a monthly basis. I am unsure what you mean when you say you are unsure I am making my best effort to resolve this. I have escalated this to our technical team to show the dividends for REIT 2, it is an error with our current dashboard that is not a quick fix. We anticipated our dividends to display to customers like they do now for our first offering REIT 1, but it is not displaying correctly. We are working diligently to correct this so customers can see their dividends coming in. I am sorry you have had such trouble in the beginning of our investment relationship and we look forward to exceeding your expectations in the future.

Thanks,
Christopher

On Tue, Nov 23, 2021 at 1:08 PM Ankit Shah <ankitshah.zam@gmail.com> wrote:

You keep telling me the same things over and over but never answer my questions. If you can't tell me what my dividends are then that's a real issue to me from an internal controls standpoint.

I don't think you're making a best effort to resolve this issue so I'll let the regulators handle it from here on. But I'll be sure to write about this experience in my review of this company. It's unfortunate my money is held hostage to this at best poor customer service for the next 5 years.

Hopefully enough complaints from other investors will spark some sort of investigation into the matter.

Lastly if you truly were just having a technical glitch, you should have emailed your investors about it, not wait I'll a customer inquired into an ongoing issue and then fall on that sword in every one of your responses. To date you still haven't sent anything out about this glitch so please don't ask me to believe anything you say Christopher. It's all baloney.

On Nov 23, 2021, at 16:02, Christopher Finlay
<christopher@diversyfund.com> wrote:

?

Hi again Ankit,

You are invested into our second offering Growth REIT 2. This is our newest offering and there are technical flaws only with how it is displaying to customers in their dashboard. For every month you are invested in the fund you will receive dividends. As I stated before, even if they are not shown now, you will not miss out on any of these dividends. Your investment is completely legitimate. We are qualified by the Securities and Exchange Commission (SEC). We go through an annual audit to maintain this qualification. You can find a link to our SEC filings and the results of our most recent audit by clicking [here](#). Once you are invested in the fund, you must commit to the full term of investment, we do not offer refunds. You will be able to get your funds and return at the end of the investment period. We apologize for the bad service you have had and the bad website experience currently. Please let me know if you have any other questions, I would be happy to help.

Thanks,
Christopher

On Tue, Nov 23, 2021 at 12:55 PM Ankit Shah <ankitshah.zam@gmail.com> wrote:

When did this technical glitch begin? Originally I was told I'd get my first dividend October 15th. Then when I checked it said it would only show after my second dividend. Then my some happenstance, my dividend didn't show and there was a technical error. And if it's just a glitch in the system, yet nobody can tell me what the actual dividend is. Your records should be accessible despite a glitch in your website/app.

This is shady, unprofessional and poor customer service especially in how many times I've had to email (the majority of which have NOT received a response.). There's also no way to talk to somebody on the phone just goes to voicemail. Also if this was completely widespread the internet would have been talking about it by now.

To me this spells at best a really poorly run company and fund that is not employing appropriate due diligence or their fiduciary responsibility in handling my money. At worst, it's fraud. I've filed complaints with the better business bureau and the SEC. At this point the only resolution is for you to refund me my money. If you refuse I'll let the governing bodies deal with it.

On Nov 23, 2021, at 15:37, Christopher Finlay (DiversyFund) <support@diversyfund.zendesk.com> wrote:

?

##- Please type your reply above this line -##

You are registered as a CC on this request (43439). Reply to this email to add a comment to the request.

Christopher Finlay (DiversyFund)

Nov 23, 2021, 12:37 PM PST

Ankit,

I am the Customer Experience Senior Manager, I can assure you this is not fraud. It is an error in our system with the dividend setup and display for REIT 2. You can email me personally at christopher@diversyfund.com if you have further concerns.

Thanks,
Christopher

Ankit Shah

Nov 23, 2021, 11:20 AM PST

When a supervisor is able to talk to me maybe I'll believe that. Until then I fully expect this fraud to continue

Christopher Finlay (DiversyFund)

Nov 23, 2021, 11:14 AM PST

Hi Ankit,

Apologies for the continued trouble. No investors are seeing REIT 2 dividends at the moment, it is not an isolated issue for you, we apologize for this and we are working hard to get it fixed. There is not much more I can say until the dividend fix is deployed. Like I said, you will not miss out on any month's dividends that have not posted yet.

These are not canned responses and we really are looking to make this right.

Thanks,
Christopher

Ankit Shah

Nov 23, 2021, 8:03 AM PST

Sending again and every day until somebody provides an actual response instead of canned garbage

Begin forwarded message:

From: Ankit Shah <ankitshah.zam@gmail.com>
Date: November 22, 2021 at 18:24:52 EST
To: DiversyFund <support+id43439@diversyfund.zendesk.com>
Subject: Re: Phone Call to: +1 (786) 385-1375

?

Excuse me I'm still waiting for your system to show my dividends. You need to tell me exactly how many dividends I have received to date and tell me when the technical issues will be resolved.

Also this issue was supposed to be escalated and I need to be contacted IMMEDIATELY.

On Nov 19, 2021, at 17:13, Christopher Finlay (DiversyFund) <support@diversyfund.zendesk.com> wrote:

?

##- Please type your reply above this line -##

You are registered as a CC on this request (43439). Reply to this email to add a comment to the request.

Christopher Finlay (DiversyFund)

Nov 19, 2021, 2:13 PM PST

Hi Ankit,

We apologize for the trouble you have had and the delay in response. Our system is having trouble displaying the dividends for your investment. Rest assured, you will receive your dividend for

every month that it is not showing currently. We appreciate you as an investor and look forward to exceeding your expectations. Your investment is indeed in the fund and cannot be liquidated until the investment term has concluded. We apologize again for the dividends not displaying, our team is working on rectifying this.

Thank you,
Christopher

Ankit Shah

Nov 19, 2021, 2:01 PM PST

Good afternoon, I will email every single day until somebody bothers responding to this email. Somebody needs to get back to me immediately on the status of my refund on my investment.

Ankit Shah

Nov 18, 2021, 6:23 PM PST

Are you going to respond to any of my emails or what? You need to refund me my \$10,000 immediately before I pursue legal action! This is fraudulent and incomprehensible

Ankit Shah

Nov 17, 2021, 12:54 PM PST

You plan to respond to this or what

Ankit Shah

Nov 17, 2021, 3:34 AM PST

Still not posted. At this point I no longer trust this is a legitimate company. Please refund me my investment or escalate this to your supervisor. I have had issues with investing my money here since day 1 and nothing you've done has satisfied those concerns.

You took an unreasonably long time to invest my initial \$10,000 and now haven't posted dividends for 2 months and just tell me "the tech team is aware of the issue". This isn't a technical glitch this is a complete lack of internal controls or governance of your clients money. This is poor stewardship.

Kari H (DiversyFund)

Nov 16, 2021, 7:53 PM PST

Hi Ankit,

I am sorry for the issue. The tech team is aware of this and they are working on it.

It should be fixed and distributed to your account shortly.

We are sorry for the inconvenience.

Kari H

Ankit Shah

Nov 16, 2021, 7:18 PM PST

This is a follow-up to your previous request [#40534](#) "Phone Call to: +1 (786) 385..."

Good evening,

I still don't see my dividends posted to my account for October or November not have I received any emails about them posting. Please identify where these dividends are being posted.

This is really starting to feel like a scam. I need to start seeing actual dividends posted here or refund me my money, otherwise I will be contacting the SEC immediately.

?

This email is a service from DiversityFund. Delivered by [Zendesk](#)

Ankit Shah

Nov 22, 2021, 3:24 PM PST

Excuse me I'm still waiting for your system to show my dividends. You need to tell me exactly how many dividends I have received to date and tell me when the technical issues will be resolved.

Also this issue was supposed to be escalated and I need to be contacted IMMEDIATELY.

Ankit Shah

Nov 19, 2021, 2:24 PM PST

This email is too little too late. I've filed formal complaint the with the SEC and the BBB about this company and the history of issues I've had since my initial investment. The only resolution at this point would be to refund me my initial \$10,000

investment. You can keep the supposed dividends you claim I have at this point.

Christopher Finlay (DiversyFund)

Nov 19, 2021, 2:13 PM PST

Hi Ankit,

We apologize for the trouble you have had and the delay in response. Our system is having trouble displaying the dividends for your investment. Rest assured, you will receive your dividend for every month that it is not showing currently. We appreciate you as an investor and look forward to exceeding your expectations. Your investment is indeed in the fund and cannot be liquidated until the investment term has concluded. We apologize again for the dividends not displaying, our team is working on rectifying this.

Thank you,
Christopher

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Good evening,

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This is really starting to feel like a scam. I need to start seeing actual dividends posted here or refund me my money, otherwise I will be contacting the SEC immediately.

?

This email is a service from DiversyFund. Delivered by [Zendesk](#)

CAUTION: This email originated from outside the organization. Do not click links or open attachments unless you recognize the sender and know the content is safe.



EXHIBIT 3

To: Shah, Ankit[Ankit.Shah@occ.treas.gov]
From: Ankit Shah
Sent: 2022-05-03T10:40:43-04:00
Importance: Normal
Subject: [EXTERNAL]Fwd: Fraud and abuse - please report my dividends to me or refund me my money
Received: 2022-05-03T10:41:52-04:00

CAUTION: This email originated from outside of the organization. Do not click links or open attachments unless you recognize the sender and know the content is safe.

Begin forwarded message:

From: "Christopher Finlay (DiversyFund)" <support@diversyfund.zendesk.com>
Date: December 21, 2021 at 18:36:48 EST
Cc: Ankit Shah <ankitshah.zam@gmail.com>
Subject: **Fraud and abuse - please report my dividends to me or refund me my money**
Reply-To: DiversyFund <support+id44038@diversyfund.zendesk.com>

?

##- Please type your reply above this line -##

You are registered as a CC on this request (44038). Reply to this email to add a comment to the request.

Christopher Finlay (DiversyFund)

Dec 21, 2021, 3:36 PM PST

Hi Ankit,

We apologize for your continued frustration. As promised, the dividends are now displaying correctly in your account. Please confirm this is what your expectations are moving forward. We apologize and hope you are pleased with our efforts in the future to improve our website and experience.

Thanks,
DF team

Ankit Shah

Dec 15, 2021, 1:00 PM PST

Where is my money?! Where are my dividends??? You stated this issue with the dividends "technical glitch" would be resolved as of today and yet I still have not received a notice nor do any dividends appear on the dashboard!

You continue to ignore all my emails and I demand a response immediately!!

On Dec 2, 2021, at 12:13, Christopher Finlay <christopher@diversyfund.com> wrote:

?

Ankit,

We apologize but we did not have a different answer for you until now. Dividends for REIT 2 will be posted on December 15th. You will receive all dividends that were missed retroactively as well. This is the same experience other REIT 2 investors are facing. We apologize again and this is not the experience we pride ourselves on.

Thanks,
Christopher

On Thu, Dec 2, 2021 at 9:10 AM Ankit Shah <ankitshah.zam@gmail.com> wrote:

Once again still waiting on a response. I see Christopher no longer wants to be involved despite his pledge to "exceed expectations".

On Dec 1, 2021, at 13:05, Ankit Shah <ankitshah.zam@gmail.com> wrote:

?

So actually no dividends have posted to date. That is more than a technical issue with the dashboard. Your company had done absolutely no outreach to its investors about this issue. I'll just keep contacting the SEC until somebody at your company takes this seriously. That and reviewing how awful this company is everywhere I can.

Ankit Shah

Dec 14, 2021, 6:00 PM PST

Please respond to the below questions. I'm sending this email every day until somebody responds. Also confirm if the alleged technical glitch has been fixed and I will receive all these months of missing dividends dating back to September as of tomorrow 12/15 and provide proof.

On Dec 6, 2021, at 12:08, Ankit Shah <ankitshah.zam@gmail.com> wrote:

?

Please respond to my below questions promptly. I have repeatedly asked these questions and have yet to receive a specific response to each of these topics. I will continue to email you until you actually respond to these questions.

On Dec 2, 2021, at 12:17, Ankit Shah <ankitshah.zam@gmail.com> wrote:

?

That does not answer any of the questions on this email thread:

1. If this was just a technical glitch in the dashboard, why did I not receive an email about my September or October dividends posting. Why were you not able to provide that information to me as it's financial information your company MUST file regardless of technical glitches as you keep calling them.
2. I repeatedly asked about customer outreach and your duty to your clients which you just seemed perplexed by
3. I will continue to file my complaints with the BBB and SEC until I see these

dividends.

At this point my trust in this company is ZERO. Since you refuse to refund me my money I'll just continue to be a thorn in the company's side every time you continue these illegal practices.

Thanks for nothing.

On Dec 2, 2021, at 12:13, Christopher Finlay <christopher@diversyfund.com> wrote:

?

Ankit,

We apologize but we did not have a different answer for you until now. Dividends for REIT 2 will be posted on December 15th. You will receive all dividends that were missed retroactively as well. This is the same experience other REIT 2 investors are facing. We apologize again and this is not the experience we pride ourselves on.

Thanks,
Christopher

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Ankit Shah

Dec 13, 2021, 5:27 AM PST

You need to respond to the email below immediately. Why do you continue to ignore my questions. Please respond to the specific questions below.

Also my dividends better start showing up in two days or I'm contacting my attorney over this clear fraud.

On Dec 6, 2021, at 12:08, Ankit Shah <ankitshah.zam@gmail.com> wrote:

?

Please respond to my below questions promptly. I have repeatedly asked these questions and have yet to receive a specific response to each of these topics. I will continue to email you until you actually respond to these questions.

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Thanks,
Christopher

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On Dec 1, 2021, at 13:05, Ankit Shah <ankitshah.zam@gmail.com> wrote:

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Christopher Finlay (DiversyFund)

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Ankit Shah

Dec 1, 2021, 10:05 AM PST

So actually no dividends have posted to date. That is more than a technical issue with the dashboard. Your company had done absolutely no outreach to its investors about this issue. I'll just keep contacting the SEC until somebody at your company takes this seriously. That and reviewing how awful this company is everywhere I can.

Kari H (DiversyFund)

Dec 1, 2021, 9:58 AM PST

Hi Ankit,

The dividends that post on Dec. 15th are for the month of Nov. Octobers dividends will all be uploaded on Dec. 15th.

REIT 2 just opened in September and the tech team is currently updating the dashboards. All of the correct accumulated dividends from Sept. til Dec. will reflect in your account on Dec. 15th, dividends day. You will get on email on the 15th. as soon as it has posted.

We are very sorry for the delay and appreciate your patience.

Kari H

Ankit Shah

Dec 1, 2021, 9:29 AM PST

This is not responsive to my email. Regardless of technical issues with the dashboard, Diversyfund must be able to provide information on posted dividends. I have never received a notice if a dividend posted which I should have received in October and November.

Nobody in customer service seems to want to provide this information or more than the moronic responses like the one you just provided

Kari H (DiversyFund)

Dec 1, 2021, 9:14 AM PST

Hi Ankit,

We are very sorry for the issue with the dividend. REIT 2 just opened in September and the tech team is currently updating the dashboards. All of the correct accumulated dividends from Sept. til Dec. will reflect in your account on Dec. 15th, dividends day. You will get on email on the 15th. as soon as it has

posted.

We are very sorry for the delay and appreciate your patience.

Kari H

Ankit Shah

Nov 30, 2021, 5:57 PM PST

This is a follow-up to your previous request [#43439](#) "Re: Phone Call to: +1 (786)..."

Once again and every day until you respond, provide an answer to the below message.

Begin forwarded message:

From: Ankit Shah <ankitshah.zam@gmail.com>
Date: November 29, 2021 at 15:59:25 EST
To: Christopher Finlay <christopher@diversyfund.com>
Subject: Fwd: Phone Call to: +1 (786) 385-1375

?

Please respond to the below email.

Begin forwarded message:

From: Ankit Shah <ankitshah.zam@gmail.com>
Date: November 28, 2021 at 07:10:01 EST
To: Christopher Finlay <christopher@diversyfund.com>
Subject: Re: Phone Call to: +1 (786) 385-1375

?

Please detail exactly what work has been done to date to correct the "technical issues" you have stated are occurring with displaying the dividends to date. What specifically is being done to address the issue? Also if this is only a technical glitch in displaying the dividends why have you also not sent me any notices that a dividend was being posted? Please provide all overdue notices

immediately.

What kind of client outreach are you doing to address everyone affected?

Before you try exceeding my expectations, why don't you make a base effort to climb out of this hole first?

On Nov 23, 2021, at 16:22, Christopher Finlay <christopher@diversyfund.com> wrote:

?

Ankit,

The dividends are 5% annually, paid on a monthly basis. I am unsure what you mean when you say you are unsure I am making my best effort to resolve this. I have escalated this to our technical team to show the dividends for REIT 2, it is an error with our current dashboard that is not a quick fix. We anticipated our dividends to display to customers like they do now for our first offering REIT 1, but it is not displaying correctly. We are working diligently to correct this so customers can see their dividends coming in. I am sorry you have had such trouble in the beginning of our investment relationship and we look forward to exceeding your expectations in the future.

Thanks,
Christopher

On Tue, Nov 23, 2021 at 1:08 PM Ankit Shah <ankitshah.zam@gmail.com> wrote:

You keep telling me the same things over and over but never answer my questions. If you can't tell me what my dividends are then that's a real issue to me from an internal controls standpoint.

I don't think you're making a best effort to resolve this issue so I'll let the regulators handle it from here on. But I'll be sure to write about this experience in my review of this company. It's unfortunate my money is held hostage to this at best poor customer service for the next 5 years.

Hopefully enough complaints from other investors will spark some sort of investigation into the matter.

Lastly if you truly were just having a technical glitch, you should have emailed

your investors about it, not wait I'll a customer inquired into an ongoing issue and then fall on that sword in every one of your responses. To date you still haven't sent anything out about this glitch so please don't ask me to believe anything you say Christopher. It's all baloney.

On Nov 23, 2021, at 16:02, Christopher Finlay <christopher@diversyfund.com> wrote:

?

Hi again Ankit,

You are invested into our second offering Growth REIT 2. This is our newest offering and there are technical flaws only with how it is displaying to customers in their dashboard. For every month you are invested in the fund you will receive dividends. As I stated before, even if they are not shown now, you will not miss out on any of these dividends. Your investment is completely legitimate. We are qualified by the Securities and Exchange Commission (SEC). We go through an annual audit to maintain this qualification. You can find a link to our SEC filings and the results of our most recent audit by clicking here (<https://www.sec.gov/cgi-bin/browse-edgar?action=getcompany&CIK=0001750695&owner=exclude&count=40>) . Once you are invested in the fund, you must commit to the full term of investment, we do not offer refunds. You will be able to get your funds and return at the end of the investment period. We apologize for the bad service you have had and the bad website experience currently. Please let me know if you have any other questions, I would be happy to help.

Thanks,
Christopher

On Tue, Nov 23, 2021 at 12:55 PM Ankit Shah <ankitshah.zam@gmail.com> wrote:

When did this technical glitch begin? Originally I was told I'd get my first dividend October 15th. Then when I checked it said it would only show after my second dividend. Then my some happenstance, my dividend didn't show and there was a technical error. And if It's just a glitch in the system, yet nobody can tell me what the actual dividend is. Your records should be accessible despite a glitch in your website/app.

This is shady, unprofessional and poor customer service especially in how many

times I've had to email (the majority of which have NOT received a response.). There's also no way to talk to somebody on the phone just goes to voicemail. Also if this was completely widespread the internet would have been talking about it by now.

To me this spells at best a really poorly run company and fund that is not employing appropriate due diligence or their fiduciary responsibility in handling my money. At worst, it's fraud. I've filed complaints with the better business bureau and the SEC. At this point the only resolution is for you to refund me my money. If you refuse I'll let the governing bodies deal with it.

On Nov 23, 2021, at 15:37, Christopher Finlay (DiversyFund)
<support@diversyfund.zendesk.com> wrote:

?

This email is a service from DiversyFund. Delivered by [Zendesk](#)

CAUTION: This email originated from outside the organization. Do not click links or open attachments unless you recognize the sender and know the content is safe.

EXHIBIT 4

DIVERSY ADVISORY SERVICES, LLC

CLIENT AGREEMENT

YOU MUST READ AND CONSIDER THIS AGREEMENT CAREFULLY AND CONTACT DIVERSY ADVISORY SERVICES, LLC (“DA SERVICES”) TO ASK ANY QUESTIONS YOU MAY HAVE BEFORE ENTERING INTO IT. THIS AGREEMENT MAY BE EXECUTED IN ONE OR MORE COUNTERPARTS, EACH OF WHICH WILL BE DEEMED AN ORIGINAL, BUT ALL OF WHICH TOGETHER WILL CONSTITUTE ONE AND THE SAME AGREEMENT. THIS AGREEMENT SHALL BE EXECUTED BY APPLYING AN ELECTRONIC SIGNATURE USING DOCUSIGN OR SIMILAR ONLINE ELECTRONIC SIGNING SERVICE AND ANY COUNTERPART SO DELIVERED SHALL BE DEEMED TO HAVE BEEN DULY AND VALIDLY DELIVERED AND BE VALID AND EFFECTIVE FOR ALL PURPOSES. BY SIGNING THIS AGREEMENT, YOU ACKNOWLEDGE AND AGREE THAT:

- THIS AGREEMENT MAY BE AMENDED, ALTHOUGH NOT ASSIGNED, FROM TIME TO TIME WITHOUT PRIOR NOTICE OR CONSENT FROM YOU.
- DA SERVICES MAY BE REQUIRED TO DELIVER CERTAIN DOCUMENTS TO CLIENTS FROM TIME TO TIME. EXAMPLES OF SUCH DOCUMENTS INCLUDE, BUT ARE NOT LIMITED TO, THE AMENDED AGREEMENTS, FORM ADV PART 2A, AND/OR THE FIRM’S PRIVACY POLICY. BY EXECUTION OF THIS AGREEMENT, CLIENT CONSENTS TO THE USE OF ELECTRONIC MEANS, SUCH AS EMAIL, TO MAKE SUCH DELIVERY. THIS DELIVERY MAY INCLUDE NOTIFICATION OF THE AVAILABILITY OF SUCH DOCUMENT(S) ON THE INTERACTIVE WEBSITE; CLIENT AGREES THAT SUCH NOTIFICATION WILL CONSTITUTE “DELIVERY.” CLIENT AGREES TO PROVIDE DA SERVICES WITH AN EMAIL ADDRESS AND TO KEEP THIS INFORMATION CURRENT AT ALL TIMES BY PROMPTLY NOTIFYING DA SERVICES OF ANY CHANGE IN EMAIL ADDRESS. THIS CONSENT WILL REMAIN IN EFFECT UNTIL REVOKED IN WRITING TO DA SERVICES AT ITS MAIN OFFICE ADDRESS. THE AMENDED

AGREEMENTS WILL BE AVAILABLE ON THE DIVERSYFUND, INC. (“DIVERSY”) WEBSITE AT DIVERSYFUND.COM (THE “INTERACTIVE WEBSITE”).

- YOU WILL RECEIVE NOTIFICATION VIA EMAIL AND BY PUSH NOTIFICATION WHEN YOU LOG INTO THE INTERACTIVE WEBSITE OF ANY AMENDMENTS OR NEW VERSIONS OF ANY OF THE AGREEMENTS (THE “REVISED AGREEMENTS”) HAVE BEEN POSTED TO THE INTERACTIVE WEBSITE. .
- THE REVISED AGREEMENTS WILL TAKE EFFECT WHEN YOU CLICK THE “I ACCEPT” BUTTON THAT WILL APPEAR WHEN YOU LOG INTO THE INTERACTIVE WEBSITE. BY CLICKING THE “I ACCEPT” BUTTON, YOU (A) ACKNOWLEDGE THAT YOU HAVE READ AND UNDERSTAND THE REVISED AGREEMENTS; (B) REPRESENT AND WARRANT THAT YOU HAVE THE RIGHT, POWER, AND AUTHORITY TO ENTER INTO THE REVISED AGREEMENTS AND IF ENTERING INTO THE REVISED AGREEMENTS FOR AN ORGANIZATION, THAT YOU HAVE THE LEGAL AUTHORITY TO BIND THAT ORGANIZATION; AND (C) ACCEPT THIS AGREEMENT AND AGREE THAT YOU ARE LEGALLY BOUND BY ITS TERMS BY CLICKING “I ACCEPT” OR BY CONTINUING TO USE SERVICES PROVIDED BY DA SERVICES WITHOUT OBJECTING TO ANY AMENDMENTS OR NEW VERSIONS OF ANY OF THE AGREEMENTS POSTED ON THE INTERACTIVE WEBSITE, YOU AGREE TO AND ACCEPT ALL TERMS AND CONDITIONS OF ANY REVISED AGREEMENTS, INCLUDING ANY NEW OR CHANGED TERMS OR CONDITIONS. IF YOU DO NOT AGREE TO ACCEPT ALL TERMS AND CONDITIONS OF THE REVISED AGREEMENTS, PLEASE SELECT THE “I DECLINE” BUTTON. IF YOU DO NOT AGREE TO AND ACCEPT ALL TERMS AND CONDITIONS OF THE REVISED AGREEMENTS, DA SERVICES RESERVES THE RIGHT TO TERMINATE THE CLIENT’S PLAN IN ACCORDANCE WITH SECTION 10 OF THIS AGREEMENT.
- **IMPORTANT NOTICE REGARDING ARBITRATION: WHEN YOU AGREE TO THE ADVISORY CLIENT AGREEMENT YOU ARE AGREEING (WITH LIMITED**

EXCEPTIONS) TO RESOLVE ANY DISPUTE BETWEEN YOU AND DA SERVICES THROUGH BINDING, INDIVIDUAL ARBITRATION RATHER THAN IN COURT. PLEASE REVIEW CAREFULLY SECTION 16 OF THE ADVISORY CLIENT AGREEMENT FOR DETAILS REGARDING ARBITRATION.

DA SERVICES CLIENT AGREEMENT

You ("Client") and Diversy Advisory Services, LLC, a Delaware limited liability company and a registered investment adviser with the Securities and Exchange Commission ("DA Services"), agree to enter into an agreement that will allow DA Services to provide certain advisory services to you, as further described herein. This Client Agreement ("Agreement") is effective as of the first day Client agrees to it (the "Effective Date"). In consideration of the mutual covenants herein, Client and DA Services agree as follows:

1. Services. Client retains DA Services to perform one or more of the following services, which it is important to understand that these Services will not involve comprehensive or overall financial guidance intended to cover all areas of the Client's financial plan or needs:

(a) to provide Client with recommended portfolio compositions pursuant to an investment plan to purchase securities of DA Services-affiliated issuers, including fractional shares thereof ("Securities") recommended by DA Services based on profile information and features designated by Client (the "Investment Plan"). Client shall be responsible for executing any documents associated with such Investment Plan, which will be made available to Client on the Interactive Website.

(b) if elected by Client, to periodically withdraw funds from Client's designated bank account at intervals selected by Client in order to purchase securities (i) directly into a DA Services-affiliated issuer that is selected by DA Services or (ii) in accordance with the Investment Plan selected by Client, the choice of program being directed by the Client (the "Auto-Investment Plan"); provided, however, that DA Services may update the Auto Investment Plan selected by the Client from time to time to reflect any changes to the underlying Investment Plan to substitute or replace certain DA Services-affiliated issuers with certain other or successor DA Services-affiliated issuers that have substantially the same investment criteria, as determined by DA Services' Investment Committee, at the same time the Investment Plan is updated on the Interactive Website.

(c) if elected by Client, to allocate Client's distributions to purchase securities (i) directly into a DA Services-affiliated issuer that is selected by DA Services or (ii) in accordance with the Investment Plan selected by Client, the choice of program being directed by the Client (the "Reinvestment Plan"). DA Services shall allocate such distributions by directing such distributions as directed by the Client pursuant to the Reinvestment Plan from the bank account(s) of the issuer or issuers to purchase Securities of the issuer or issuers Investment Plan selected by Client on the Interactive Website as provided in this Agreement. The Investment Plan, Auto-Investment Plan and the Reinvestment Plan are collectively referred to herein as the "Plans".

DA Services is an adviser of limited focus and is being selected by Client as a part of its overall financial plan. DA Services will limit its activities to the type and scope of the investments and strategies described in its disclosure materials; and it will not have any duty or obligation to advise or take any action on behalf of Client in any legal proceedings, including bankruptcies or class actions, involving Securities held by Client or the issuers of Securities. Notwithstanding anything in this Agreement to the contrary, DA Services shall have no authority hereunder to take or have possession of any assets of Client or to direct delivery of any Securities or payment of any funds associated with the Securities to itself or to direct any disposition of such Securities or funds except to Client and on Client's instructions or as provided in Section 7 (entitled "Payment of Fees"). When investing, a Client's funds are transferred from such Client's external bank account directly to account escrow agent which then transfers the capital directly into the Funds. At no point in time are Client's funds aggregated or collected into a bank account of Diversy or DA Services. DA Services does not have custody or possession of either Client's funds or securities but understands that through its affiliation with DF Manager, LLC (the "Manager"),

Diversy, and the Funds that DA Services may be deemed to have legal custody, as this term is defined under the Investment Advisers Act of 1940, as amended.

2. Limited Power of Attorney. To enable DA Services to exercise fully its authority as provided in Section 1, Client hereby constitutes and appoints DA Services as Client's agent and attorney-in-fact with full power and authority for Client and on Client's behalf solely for the purpose of purchasing and selling Securities in accordance with the Plans selected by the Client. Client further grants to DA Services as Client's agent and attorney-in-fact full power and authority to do and perform every act necessary and proper to be done in the exercise of the foregoing powers as fully as Client might or could do if personally present including but not limited to signing subscription and operating agreements relating to the purchase of Securities on behalf of Client. This power of attorney includes arranging for delivery and payment in connection with the Payment of Fees detailed in Section 7 below, and acting on behalf of Client in all matters incidental to the handling of the Plan without prior approval of each specific transaction. In no event will DA Services be obligated to affect any transaction for Client which would violate applicable federal or state law, or rule or regulation of any regulatory or self-regulatory body. This power of attorney is coupled with an interest and shall terminate only on termination of this Agreement or on receipt by DA Services of written notice of the death, incapacity or dissolution of Client.

3. Representations and Warranties.

(a) Client represents and warrants to DA Services and agrees with DA Services as follows:

i. Client has the requisite legal capacity, authority and power to execute, deliver and perform his or her obligations under this Agreement. This Agreement has been duly authorized, executed and delivered by Client and is the legal, valid and binding agreement of Client, enforceable against Client in accordance with its terms. Client's execution of this Agreement and the performance of his or her obligations hereunder do not conflict with or violate any obligations by which Client is bound, whether arising by contract, operation of law or otherwise. If Client is an entity, the trustee, agent, representative or nominee (the "Client Representative") executing this Agreement on behalf of Client has the requisite legal capacity, authority and power to execute, deliver and perform such execution and the obligations under this Agreement, as applicable. Specifically, if Client is a corporation or partnership, the individual signing this Agreement has been authorized to execute this Agreement by appropriate corporate or partnership action, and if this Agreement is entered into by a trustee or fiduciary, the trustee or fiduciary has authority to enter into this Agreement and that the services described herein are authorized under the applicable plan, trust or law. Client will deliver to DA Services evidence of Client's and Client Representative's authority on DA Services' request and will promptly notify DA Services of any change in such authority, including but not limited to an amendment to Client's organizational, delegation or formation documents that changes the information Client provides to DA Services on opening Client's account (the "Account").

ii. For Entity Clients: If Client Representative is entering into this Agreement, Client and Client Representative understand and agree that the representations, warranties and agreements made herein are made by Client both: (a) with respect to Client; and (b) with respect to the Client Representative.

iii. For Joint Account Clients (With Rights of Survivorship): If Clients are entering into this Agreement on behalf of a joint account, Clients understand and agree that the representations, warranties and agreements made herein are made on behalf of all of the joint account holders and further agree that each (a) is a Client; (b) has the authority to act on behalf of the Account and DA

Services will accept such instructions from any one Client; (c) is jointly and severally liable per the terms of this Agreement; and (d) that in the case of death of any of the joint account holders, interest in the Securities shall vest in the surviving account holder(s) under the same terms and conditions of this Agreement and the surviving Client(s) shall promptly provide DA Services with written notice thereof and provide any documentation reasonably requested by DA Services in its management of the Account.

iv. Client is the owner or co-owner of all the Securities, and there are no restrictions on the pledge, hypothecation, transfer, sale or public distribution of such Securities.

v. If Client specifically provides a photograph of Client's likeness and/or other personal identifying information to DA Services for public display, then Client hereby grants permission to DA Services to use the provided photograph of Client's likeness, Client's name and/or other information, in a commercially reasonable manner on the Interactive Website, any related and/or affiliated sites, and in marketing materials now and in the future, until such time as this Agreement is terminated by either party. Client waives any and all rights to compensation as a result of such use of Client's explicitly provided photograph of Client's likeness, Client's name and/or other information.

vi. Client agrees to use DA Services solely for Client's personal, non-commercial use, and not in connection with any competitive analysis (as determined by DA Services).

(b) Client understands and agrees that (A) DA Services does not guarantee the performance of the Securities, is not responsible to Client for any investment losses, and the Securities are not insured against loss of income or principal; (B) there are significant risks associated with investing in Securities, including, but not limited to, the risk that the Securities could suffer substantial diminution in value and total loss; (C) the past performance of any Security does not indicate its future performance, and future transactions will be made in different Securities and different economic environments; and (D) DA Services will cause the distributions to purchase Securities in essentially the proportions set forth by the Plans, and will not otherwise review or control the allocations of Securities as subscribed under the Plans. There are significant risks associated with any investment program, including the Plans.

i. Client understands and agrees that DA Services' sole obligation hereunder or otherwise is to select and purchase Securities on behalf of Client in accordance with the Plans and to manage the allocation of distributions from Securities in accordance with the Plans, and Client has not engaged DA Services to provide any individual financial planning services. Client understands and agrees that DA Services is not responsible for any losses in Securities, as provided in Section 9.

ii. Client understands and agrees that the selection and purchase of Securities and allocation of distributions for the purchase of Securities will be managed solely by DA Services. Client further understands that if any of the information Client provides to DA Services is or becomes incomplete or inaccurate, the allocation of distributions into Securities may not achieve Client's desired investment strategy, and the Plans may cause Client to purchase Securities from which Client is restricted from purchasing at that time.

iii. Client understands and agrees that DA Services is not responsible to Client for any failures, delays and/or interruptions in the timely or proper allocation of distributions by DA Services on behalf of Client due to any or all of the following, which are likely to happen from time to time: (A) hardware or software malfunction, failure or unavailability; (B) internet service

failure or unavailability; (C) the actions of any governmental, judicial or regulatory body; and/or (D) force majeure.

4. Confidentiality. Except as required by law or requested by regulatory authorities, (a) DA Services agrees to maintain in strict confidence all of Client's non-public personal and financial information that Client furnishes to DA Services, except for information that Client explicitly agrees to share publicly, and (b) Client agrees to maintain in strict confidence all non-public information that Client acquires from DA Services in connection with the Plans. Client agrees that Client shall not use confidential information Client receives from DA Services for any purpose other than managing the Plans, including, but not limited to, developing a service that competes with the Interactive Website or DA Services' services. Client acknowledges receipt of DA Services' Privacy Policy available at www.diversyfund.com/privacy-policy.

5. Valuation. The Securities shall be valued from time to time based on the per-share net asset value of the individual issuers. Different issuers may determine their net asset value on quarterly, semi-annual, or annual (or less frequent) intervals in accordance with their organizational documents as described in their respective offering circulars, which are available at www.diversyfund.com/offeringcirculars.

6. Responsibility for Expenses. Either Diversy or a separate third-party entity will serve as fund sponsor to the Funds (the "Sponsor"). The Sponsor, and not DA Services, receives compensation from the affiliated issuers. Fees charged to clients will vary depending on whether they are invested in either DF Growth REIT, LLC ("DF Growth REIT") and DF Growth REIT II, LLC ("DF Growth REIT II") (collectively, the "Funds"). For a detailed listing of the fees that the Sponsor may receive from a given issuer, please review in Section 8 of this Agreement.

7. Payment of Fees. The Sponsor and DA Services' affiliates, and not DA Services, receive fees from Clients. Client hereby authorizes the Sponsor to collect its fees directly from Client's funds and may deduct such fees to the distributions prior to being allocated according the Reinvestment Plan, or, if the Client has not opted to participate in a Reinvestment Plan, prior to such distributions being distributed to the Client's bank account. In the event that the amount of the distributions is not sufficient to satisfy the amount of the fees due for a given month or quarter, the Sponsor fees will accrue, without interest, and shall be payable during a subsequent period, as determined by the Sponsor. Client will receive a copy of the bill detailing fees applied to Client's account.

8. Affiliate Fees. DA Services understands that while it does not directly receive fees from Clients or other entities, that it may be deemed to be receiving fees indirectly through its affiliation with Diversy and its subsidiaries which do in fact receive fees in connection with investments in which DA Services has advised its clients to participate in. As an adviser on real estate investments, DA Services advises its clients to invest in products owned and operated by its entities it is affiliated with through common ownership by DiversyFund, Inc.

DF Growth REIT and DF Growth REIT II are currently the only funds into which client assets will be invested. In the future, the Manager or Diversy will create similar affiliate Regulation A+ funds (similar in fee and ownership structure to the Funds) to which DA Services will direct client funds. These funds will be managed and operated by the Sponsor and while DA Services will not be receiving fees directly from these funds, it (DA Services) will be deemed to be receiving fees indirectly through its affiliation with Diversy and affiliated entities. DA Services, through the Interactive Website, will only advise clients, now or in the future, to invest in products that are affiliated with DA Services and DiversyFund Inc.

DF Growth REIT Fees

Fund Level Fees

Asset Management Fee:

The Sponsor may charge the Company an annual asset management fee equal to 2% of the capital raised from the sale of Class A Investor Shares. The Sponsor has waived this fee for DF Growth REIT and will continue to waive this fee indefinitely.

Estimate: The amount of the asset management fee will depend on the amount the DF Growth REIT raises. We cannot make a reasonable estimate at this time.

Reimbursement Fees:

The Funds will reimburse Diversy for expenses Diversy incurs in connection with the Regulation A+ offering (the “Offering”), before the Offering is “qualified” by the SEC (after the Offering is qualified, the expenses will borne by the Funds themselves, directly). However (i) Diversy will not be entitled to any reimbursement until the Fund has raised at least \$1,000,000 from the sale of Fund shares; (ii) if the Fund raises only \$1,000,000 from the sale of Fund shares, Diversy’s reimbursement will be limited to a maximum of \$125,000; (iii) Diversy will not be entitled to full reimbursement until the Fund has raised \$3,000,000 from the sale of Fund shares; and (iv) if the Fund raises more than \$1,000,000 but less than \$3,000,000 from the sale of Fund shares, the reimbursement in excess of \$125,000 will be pro rated.

Estimate: Diversy currently estimates that its total expenses for the Offering, before the Offering is qualified, will be approximately \$75,000.

Marketing Expense Reimbursement Fee:

The Company will reimburse the Sponsor up to 1% but not exceeding \$750,000 for direct expenses incurred by the Sponsor and its affiliates to organize and operate the Company and conduct the Offering, including marketing expenses paid to vendors, contractors, and consultants.

Estimate: The amount of the marketing expense reimbursement fee will depend on the amount the DF Growth REIT raises and the marketing expenses of the Sponsor. We cannot make a reasonable estimate at this time.

Co-Investment

The Sponsor and its affiliates might purchase Fund shares. If so, they will be entitled to the same distributions as other Investors.

Promoted Interest

The Sponsor is entitled to receive certain distributions (the “Promoted Interest”). The Promoted Interest is paid in two levels: first, after Investors have received a (i) 7% internal rate of return (“IRR”) preferred return on their investment, the Sponsor is entitled to a catchup return equal to approximately (ii) 53.85% of the preferred return paid to Investors; and second, after Investors have received their preferred return and the Sponsor has received its catchup return, the Sponsor is entitled to (iii) 35% of the remaining profits until the investors have received a 12% IRR preferred return on their investment and (iv) thereafter 50% of the remaining profits.

How much money the Sponsor ultimately receives as a Promoted Interest therefore depends on a number of factors, including:

- How much capital is raised in the Offering;
- The investment returns the Fund is able to achieve;
- When those returns are achieved (the Fund might not achieve the same return every year);

- When the Fund distributes money to Investors; and
- The amount of expenses the Fund incurs.

Property Level Fees

Acquisition Fees:

Diversy will charge each Project Entity (or the Funds themselves, if the Funds owns real estate directly) a sponsor fee of between (i) 6% and 8% of the total project costs, including both “hard” costs (e.g., the cost of property) and “soft” costs (e.g., professional fees).

Estimate: If the Fund raises the full \$50,000,000 and maintains an average leverage ratio (borrowing) of 55%, the sponsor fee would range between \$6,666,666 and \$8,888,888.

Property Disposition Fee:

Where the Funds own property directly or is the sole owner of a Project Entity, the Sponsor will receive a property disposition fee equal to (i) 1% of the total sale price of each property.

Where property is owned by an entity in which there is another financial partner – a joint venture – the Sponsor might be entitled to a similar disposition fee to the extent negotiated with the financial partners in such joint venture (which could be higher than the (ii) 1% disposition fee for direct investment). However, the Fund’s share of the fee will not exceed (iii) 1% of the Fund’s share of the total sale price.

Estimate: The amount of the disposition fee will depend on the selling price of assets by the Funds and any joint ventures and, in the case of joint ventures, the terms our Sponsor negotiates with joint venture partners. We cannot make a reasonable estimate at this time.

Financing Fee:

Where the Funds own property directly, or is the sole owner of a Project Entity, the Sponsor will receive a financing fee equal to (i) 1.0% of the amount of each loan placed on a property, whether at the time of acquisition or pursuant to a refinancing. This financing fee will be in addition to any fees paid to third parties, such as mortgage brokers.

Where property is owned by an entity in which there is another financial partner – a joint venture – the Sponsor might be entitled to a similar financing fee to the extent negotiated with the financial partners in such joint venture (which could be higher than the (ii) 1% financing fee for direct investment). However, the Sponsor’s share of the fee will not exceed (iii) 1% of the Fund’s share of the loan.

Estimate: The amount of the financing fee will depend on the selling price of assets by the Funds and any joint ventures and, in the case of joint ventures, the terms our Sponsor negotiates with joint venture partners. We cannot make a reasonable estimate at this time.

Construction Management Fee:

The Sponsor might provide construction management services. If so, the Sponsor be entitled to a construction management fee equal to (i) 7.5% of actual construction costs.

Estimate: The amount of the construction management fee will depend on the nature and cost of the construction services the Manager provides. We cannot make a reasonable estimate at this time.

Guaranty Fee:

If the Sponsor or an affiliate guaranties indebtedness of the Funds or a Project Entity, including guaranties of any so-called “bad boy” carveouts, the guarantor will be entitled to a guaranty fee equal to (i) 0.5% of the loan.

Estimate: The amount of the guaranty fee will depend on the amount of loans requiring a guaranty. We cannot make a reasonable estimate at this time.

Other Fees:

The Funds or Project Entities might engage the Sponsor or its affiliates to perform other services. The compensation paid to the Sponsor or its affiliates in each case must be (i) fair to the Funds and the Project Entities, (ii) comparable to the compensation that would be paid to an unrelated party, and (iii) disclosed to Investors.

Estimate: We cannot make a reasonable estimate of other fees at this time.

Fees for DF Growth REIT II

Fund Level Fees

Asset Management Fee:

The Sponsor will charge the Company an annual asset management fee equal to 2% of the capital raised from the sale of Class A Investor Shares. The Sponsor may, in its sole discretion, require the payment of the asset management fee up to five years in advance, which shall be nonrefundable.

Estimate: The amount of the asset management fee depends on the amount of capital raised. We cannot make a reasonable estimate at this time.

Reimbursement Fees:

The Funds will reimburse Diversy for expenses Diversy incurs in connection with the Offering, before the Offering is “qualified” by the SEC (after the Offering is qualified, the expenses will borne by the Funds themselves, directly). However (i) Diversy will not be entitled to any reimbursement until the Fund has raised at least \$1,000,000 from the sale of Fund shares; (ii) if the Fund raises only \$1,000,000 from the sale of Fund shares, Diversy’s reimbursement will be limited to a maximum of \$125,000; (iii) Diversy will not be entitled to full reimbursement until the Fund has raised \$3,000,000 from the sale of Fund shares; and (iv) if the Fund raises more than \$1,000,000 but less than \$3,000,000 from the sale of Fund shares, the reimbursement in excess of \$125,000 will be pro rated.

Estimate: Diversy currently estimates that its total expenses for the Offering, before the Offering is qualified, will be approximately \$75,000.

Organization & Offering Expense Reimbursement:

The Company will reimburse the Sponsor for direct expenses incurred by the Sponsor and its affiliates to organize and operate the Company and conduct the Offering, including:

- Marketing expenses paid to vendors, contractors, and consultants;
- Payroll expenses of marketing employees;
- Software costs;

- Fees paid to vendors, contractors, and consultants relating to the Sponsor's online fintech platform and smartphone applications; used to market and operate the Company; and
- Payroll expenses and software costs from product and tech employees working on the fintech platform and smartphone applications.

The Organization & Offering Expense Reimbursement may not exceed 10% of the capital raised from the sale of Class A Investor Shares.

Estimate: The amount of the organization and offering fee depends on the amount of capital raised. We cannot make a reasonable estimate at this time.

Co-Investment

The Sponsor and its affiliates might purchase Fund shares. If so, they will be entitled to the same distributions as other Investors.

Promoted Interest

The Sponsor is entitled to receive Promoted Interest. The Promoted Interest is paid in two levels: first, after Investors have received a (i) 7% IRR preferred return on their investment, the Sponsor is entitled to a catchup return equal to approximately (ii) 53.85% of the preferred return paid to Investors; and second, after Investors have received their preferred return and the Sponsor has received its catchup return, the Sponsor is entitled to (iii) 35% of the remaining profits until the investors have received a 12% IRR preferred return on their investment and (iv) thereafter 50% of the remaining profits.

How much money the Sponsor ultimately receives as a Promoted Interest therefore depends on a number of factors, including:

- How much capital is raised in the Offering;
- The investment returns the Fund is able to achieve;
- When those returns are achieved (the Fund might not achieve the same return every year);
- When the Fund distributes money to Investors; and
- The amount of expenses the Fund incurs.

Property Level Fees

Acquisition Fee:

Diversy will charge each Project Entity (or the Funds themselves, if the Funds owns real estate directly) a sponsor fee of between (i) 1% and 4% of the total project costs, including both "hard" costs (e.g., purchase price and renovation costs on the property) and "soft" costs (e.g., professional fees).

Where property is owned by an entity in which there is another financial partner – a joint venture – the Sponsor might be entitled to a similar acquisition fee to the extent negotiated with the financial partners in such joint venture (which could be higher than the 1-4% acquisition fee for direct investment). However, the Company's share of the fee will not exceed 1-4% of the Company's share of the total sale price.

Estimate: If the Company raises the full \$75,000,000 and maintains an average leverage ratio (borrowing) of 55%, the sponsor fee would range between \$1,666,667 and \$6,666,667.

Property Disposition Fee:

Where the Funds own property directly or is the sole owner of a Project Entity, the Sponsor will receive a property disposition fee equal to (i) 1% of the total sale price of each property.

Where property is owned by an entity in which there is another financial partner – a joint venture – the Sponsor might be entitled to a similar disposition fee to the extent negotiated with the financial partners in such joint venture (which could be higher than the (ii) 1% disposition fee for direct investment). However, the Fund's share of the fee will not exceed (iii) 1% of the Fund's share of the total sale price.

Estimate: The amount of the disposition fee will depend on the selling price of assets by the Funds and any joint ventures and, in the case of joint ventures, the terms our Sponsor negotiates with joint venture partners. We cannot make a reasonable estimate at this time.

Financing Fee:

Where the Funds own property directly, or is the sole owner of a Project Entity, the Sponsor will receive a financing fee equal to (i) 1.0% of the amount of each loan placed on a property, whether at the time of acquisition or pursuant to a refinancing. This financing fee will be in addition to any fees paid to third parties, such as mortgage brokers.

Where property is owned by an entity in which there is another financial partner – a joint venture – the Sponsor might be entitled to a similar financing fee to the extent negotiated with the financial partners in such joint venture (which could be higher than the (ii) 1% financing fee for direct investment). However, the Sponsor's share of the fee will not exceed (iii) 1% of the Fund's share of the loan.

Estimate: The amount of the financing fee will depend on the selling price of assets by the Funds and any joint ventures and, in the case of joint ventures, the terms our Sponsor negotiates with joint venture partners. We cannot make a reasonable estimate at this time.

Construction Management Fee:

The Sponsor might provide construction management services. If so, the Sponsor be entitled to a construction management fee equal to (i) 7.5% of actual construction costs.

Estimate: The amount of the construction management fee will depend on the nature and cost of the construction services the Manager provides. We cannot make a reasonable estimate at this time.

Guaranty Fee:

If the Sponsor or an affiliate guaranties indebtedness of the Funds or a Project Entity, including guaranties of any so-called "bad boy" carveouts, the guarantor will be entitled to a guaranty fee equal to (i) 0.5% of the loan.

Estimate: The amount of the guaranty fee will depend on the amount of loans requiring a guaranty. We cannot make a reasonable estimate at this time.

Other Fees:

The Funds or Project Entities might engage the Sponsor or its affiliates to perform other services. The compensation paid to the Sponsor or its affiliates in each case must be (i) fair to the Funds and the Project Entities, (ii) comparable to the compensation that would be paid to an unrelated party, and (iii) disclosed to Investors.

Estimate: We cannot make a reasonable estimate of other fees at this time.

Termination

At any time prior to the last day of a distribution period, a Client may adjust or terminate his/her Plan, and may cancel their monthly Auto-investment at any time. However, there can be no guarantee that such requests to withdraw will be honored by the Funds.

9. Losses. To the maximum extent permitted under applicable law, Client understands and agrees that DA Services will not be liable to Client for any losses incurred by Client that arise out of or are in any way connected with any Securities transaction or other act or failure to act of DA Services under this Agreement, including, but not limited to, any loss that Client may suffer by any reason of any investment decision made or other action taken or omitted in good faith by DA Services, any loss arising from DA Services' adherence to Client's instructions, any tax liability asserted against Client by any federal, state or local authority with respect to the Securities, so long as such act or failure to act does not constitute a breach of DA Services' fiduciary duty to Client. Client (and in addition, for entity accounts, Client Representative) shall indemnify and defend DA Services and DA Services' directors, officers, shareholders, employees and affiliates and hold them harmless from and against any and all claims, losses, damages, liabilities and expenses, as they are incurred, by reason of any act or omission of Client or any custodian, broker, agent or other third party selected by DA Services in a commercially reasonable manner or selected by Client, except such as arise from DA Services' breach of fiduciary duty to Client. In addition to the above indemnities, for entity Clients, the Client Representative shall further indemnify and defend DA Services and DA Services' directors, officers, shareholders, employees and affiliates and hold them harmless from and against any and all claims, losses, damages, liabilities and expenses, as they are incurred, resulting from or in connection to Client's assertion of Client Representative's lack of proper authorization from Client to enter into this Agreement. Anything in this Section 10 or otherwise in this Agreement to the contrary notwithstanding, however, nothing herein shall constitute a waiver or limitation of any rights that Client may have under any federal or state securities laws.

Client acknowledges that the recommendations given via the Interactive Website or provided as part of the Plan are valid only as of the date the recommendations are provided and are not valid for any period beyond such date. Client acknowledges that DA Services does not furnish actuarial, accounting, tax, or legal advice. DA Services is not a law firm, does not practice law, and cannot and does not furnish legal or tax opinions. DA Services is not an accounting firm, does not practice accounting or auditing, and does not prepare tax returns or financial statements. DA Services is not an actuarial firm, does not provide actuarial advice, and does not administer retirement plans. Client should retain, separately, Client's own attorneys, accountants, and other financial services professionals. Client agrees that Client's own attorneys, accountants and other financial services professionals shall be solely responsible for the accuracy of legal advice, legal opinions, legal documents, accounting documents, tax opinions and tax returns. Client acknowledges that DA Services is not responsible for the accuracy or completeness of information furnished to DA Services by Client or by any other party.

10. Termination; Withdrawals. This Agreement may be terminated by either party with or without cause by notice to the other party, which notice shall be provided by Client to DA Services through the Interactive Website and by DA Services to Client through the primary email address as Client shall update from time to time. Client may redeem the Securities only in accordance with the redemption plans of the various issuers, if any, which are described in each issuer's offering circular, available at www.diversyfund.com/offeringcirculars. Client's redemption of all of the Securities will terminate this Agreement. Upon termination of this Agreement, Sections 4, 9 (only as to fees accruing prior to termination), 9, 15, 16 and 17 shall survive such termination.

Client's death, disability or incompetence will not automatically terminate or change the terms of this Agreement. However, Client's executor, guardian, attorney-in-fact or other authorized representative may cancel

this Agreement by giving written notice to DA Services. Upon termination, DA Services agrees to refund to Client that portion of any prepaid fee for which no services have been provided.

11. Securities Information. Client may obtain information on his/her Securities on the Interactive Website. The official records of the Securities held by Client are maintained by each issuer's transfer agent, from which electronic statements may be obtained upon written request.

12. Independent Contractor. DA Services is and will hereafter act as an independent contractor and not as an employee of Client, and nothing in this Agreement may be interpreted or construed to create any employment, partnership, joint venture or other relationship between DA Services and Client.

13. Assignment. DA Services may not assign this Agreement without the prior consent of Client, and, if applicable, the consent of any additional authorized signatories on behalf of Client, if and to the extent that such consent is required under the Investment Advisers Act of 1940, as amended. In the event of an assignment by DA Services, DA Services shall request written consent(s) of Client within a specified reasonable time (which shall not be less than thirty (30) days). If Client does not respond to such request within the time specified, DA Services shall inform Client that the proposed assignee will continue the advisory services of DA Services for a specified reasonable time (which shall not be less than thirty (30) days), and if Client does not respond to such second notice from DA Services, Client's continued acceptance of investment management services from the proposed assignee shall constitute Client's consent(s) to the assignment. This Agreement shall bind and inure to the benefit of and be enforceable by the parties and their respective successors and assigns.

14. Delivery of Information. Client acknowledges electronic delivery of DA Services' brochure that would be required to be delivered under the Advisers Act (including the information in Part 2 of DA Services' Form ADV), which is available on the Interactive Website and provided here by link: www.diversifyfund.com/formadv. On written request by Client, DA Services agrees to annually deliver electronically, without charge, DA Services' brochure required by the Advisers Act.

15. Governing Law. This Agreement shall be governed by and construed and interpreted in accordance with the laws of the State of Delaware.

16. Arbitration.

(a) Either party may, at its sole election, require that the sole and exclusive forum and remedy for resolution of a Claim be final and binding arbitration pursuant to this Section 16 (this "Arbitration Provision"). The arbitration shall be conducted in Wilmington, Delaware. As used in this Arbitration Provision, "Claim" shall include any past, present, or future claim, dispute, or controversy involving Client (or persons claiming through or connected with Client), on the one hand, and DA Services (or persons claiming through or connected with DA Services), on the other hand, relating to or arising out of this Agreement, any Security, the Interactive Website, and/or the activities or relationships that involve, lead to, or result from any of the foregoing, including (except to the extent provided otherwise in the last sentence of Section (d) below) the validity or enforceability of this Arbitration Provision, any part thereof, or the entire Agreement.

(b) The party initiating arbitration shall do so with the American Arbitration Association (the "AAA") or JAMS. The arbitration shall be conducted according to, and the location of the arbitration shall be determined in accordance with, the rules and policies of the administrator selected, except to the extent the rules conflict with this Arbitration Provision or any countervailing law. In the case of a conflict between the rules and policies of the administrator and this Arbitration Provision, this Arbitration

Provision shall control, subject to countervailing law, unless all parties to the arbitration consent to have the rules and policies of the administrator apply.

(c) In the event any suit or action is filed to enforce or interpret the terms and obligations of this Agreement, the prevailing party shall be entitled to its reasonable attorney fees and costs, including reasonable post-judgment attorney fees incurred in collection efforts.

(d) DA Services agrees not to invoke our right to arbitrate an individual Claim that Client may bring in Small Claims Court or an equivalent court, if any, so long as the Claim is pending only in that court. EXCEPT AS EXPRESSLY PROVIDED IN THIS AGREEMENT, NO ARBITRATION SHALL PROCEED ON A CLASS, REPRESENTATIVE, OR COLLECTIVE BASIS (INCLUDING AS PRIVATE ATTORNEY GENERAL ON BEHALF OF OTHERS), EVEN IF THE CLAIM OR CLAIMS THAT ARE THE SUBJECT OF THE ARBITRATION HAD PREVIOUSLY BEEN ASSERTED (OR COULD HAVE BEEN ASSERTED) IN A COURT AS CLASS REPRESENTATIVE, OR COLLECTIVE ACTIONS IN A COURT.

(e) Unless otherwise provided in this Agreement or consented to in writing by all parties to the arbitration, no party to the arbitration may join, consolidate, or otherwise bring claims for or on behalf of two or more individuals or unrelated corporate entities in the same arbitration unless those persons are parties to a single transaction. Unless consented to in writing by all parties to the arbitration, an award in arbitration shall determine the rights and obligations of the named parties only, and only with respect to the claims in arbitration, and shall not (i) determine the rights, obligations, or interests of anyone other than a named party, or resolve any Claim of anyone other than a named party, or (ii) make an award for the benefit of, or against, anyone other than a named party. No administrator or arbitrator shall have the power or authority to waive, modify, or fail to enforce this sub-section (e), and any attempt to do so, whether by rule, policy, arbitration decision or otherwise, shall be invalid and unenforceable. Any challenge to the validity of this sub-section (e) shall be determined exclusively by a court and not by the administrator or any arbitrator.

(f) This Arbitration Provision shall survive (i) suspension, termination, revocation, closure, or amendments to this Agreement and the relationship of the parties; (ii) the bankruptcy or insolvency of any party hereto or other party; and (iii) any transfer of any loan or Security or any amounts owed on such loans or notes, to any other party. If any portion of this Arbitration Provision other than sub-section (e) is deemed invalid or unenforceable, the remaining portions of this Arbitration Provision shall nevertheless remain valid and in force. If arbitration is brought on a class, representative, or collective basis, and the limitations on such proceedings in sub-section (e) are finally adjudicated pursuant to the last sentence of sub-section (e) to be unenforceable, then no arbitration shall be had. In no event shall any invalidation be deemed to authorize an arbitrator to determine Claims or make awards beyond those authorized in this Arbitration Provision.

17. Waiver of Court & Jury Rights. THE PARTIES ACKNOWLEDGE THAT THEY HAVE A RIGHT TO LITIGATE CLAIMS THROUGH A COURT BEFORE A JUDGE, BUT WILL NOT HAVE THAT RIGHT IF ANY PARTY ELECTS ARBITRATION PURSUANT TO THIS ARBITRATION PROVISION. THE PARTIES HEREBY KNOWINGLY AND VOLUNTARILY WAIVE THEIR RIGHTS TO LITIGATE SUCH CLAIMS IN A COURT UPON ELECTION OF ARBITRATION BY ANY PARTY. THE PARTIES HERETO WAIVE A TRIAL BY JURY IN ANY LITIGATION RELATING TO THIS AGREEMENT, THE NOTES OR ANY OTHER AGREEMENTS RELATED THERETO.

18. Notices. All notices and communications under this Agreement must be made through the Interactive Website or by email. DA Services' contact information for this purpose is hello@diversyfund.com and Client's

contact information for this purpose is contained in Client's user account on the Interactive Website and the primary email address(es) in Client's Account as Client shall update from time to time.

19. Severability and Amendment. The invalidity or unenforceability of any provision hereof shall in no way affect the validity or enforceability of any and all other provisions hereof. Client acknowledges that DA Services may amend this Agreement from time to time by notifying Client by email or message to Client's DA Services user account, which amendment will be effective immediately.

20. Waiver or Modification. DA Services' waiver or modification of any condition or obligation hereunder shall not be construed as a waiver or modification of any other condition or obligation, nor shall DA Services' waiver or modification granted on one occasion be construed as applying to any other occasion.

21. Entire Agreement. This Agreement is the entire agreement of the parties regarding the subject matter hereof and supersedes all prior or contemporaneous written or oral negotiations, correspondence, agreements and understandings (including any and all preexisting client account agreements, which are hereby cancelled). However, the parties may choose to enter into separate agreements between them regarding different subject matters or investment programs.

22. No Third-Party Beneficiaries. Neither party intends for this Agreement to benefit any third party not expressly named in this Agreement.

DA Services

Electronic Agreement and Disclosure Statement

BY CONTINUING WITH THIS ONLINE AGREEMENT, YOU AGREE THAT UNLESS INDICATED OTHERWISE THE AGREEMENT AND THE DISCLOSURES REQUIRED TO BE PROVIDED AT THE TIME OF THE AGREEMENT AND ALL FUTURE DISCLOSURES WILL BE PROVIDED ELECTRONICALLY. READ THE INFORMATION BELOW CAREFULLY BEFORE CONSENTING TO RECEIVE INFORMATION ELECTRONICALLY AT THIS WEBSITE AND VIA ELECTRONIC MAIL ("EMAIL"). YOU SHOULD PRINT OR SAVE THIS STATEMENT BY USING THE "PRINT" OR "FILE SAVE" OPTIONS ON YOUR INTERNET BROWSER.

In this Electronic Agreement and Disclosure Statement ("Statement"), please remember that "you" and "your" refer to the person who is establishing a Plan(s), as well as any future plans, and "we", "us" and "our" refer to Diversy Advisory Services, LLC ("DA Services"). Agreements and other information will be provided to you electronically unless indicated otherwise. Included in those agreements and other information will be disclosures required by the Investment Advisers Act of 1940, as amended (the "Act") and other laws (the "Disclosures"). The agreements and other disclosures to be provided to you electronically include:

- DA Services Client Agreement and all amendments, notices and other agreements which supplement the DA Services Client Agreement;
- Any other DA Services agreements pertaining to future plans that you may establish and all amendments, notices and other agreements which supplement those agreements;
- DA Services' Form ADV Part 2, Form CRS (Client Relationship Summary) (both available at <https://diversyfund.com/disclosures-circulars/>), Privacy Policy (available at <https://diversyfund.com/privacy-policy/>), Terms of Use (available at <https://diversyfund.com/terms-of-service/>) and other required and permitted legal disclosures; and
- Account statements, fee calculation statements and/or performance reports.

By establishing a Plan(s), and signing this agreement via Docusign or similar online electronic signing service, you are accepting this Statement and you are agreeing to receive electronically the agreements and other information listed in the first and second bulleted paragraphs above, including the Disclosures. Your consent to receive information electronically will apply only to the agreements and other information listed in the first and second bulleted paragraphs above, including the Disclosures. Information regarding your Plan(s), including the Disclosures, will be available on the website, www.diversyfund.com or DA Services' interactive website (collectively, the "Interactive Website"). In addition, the information will be available upon request by contacting us at hello@diversyfund.com. When revised or new Disclosures are available on the Interactive Website, we will send a message to your DA Services account, or otherwise notify you of their availability. You are responsible for maintaining a valid email address and software and hardware to receive, read and send email. You must provide us with your current email address and promptly notify us of any changes to your email address in your DA Services account on the Interactive Website. To receive electronically the agreements and other information listed in the first and second bulleted paragraphs above, including the Disclosures, you will need a compatible operating system and web browser, and you will need access to a printer or the ability to download information in order to keep copies for your records. Changes, if any, to these system hardware and software requirements will be updated on the Interactive Website. You must periodically refer to the website for current system requirements. By establishing and then accessing a Plan(s), you are indicating that you have the

capability to access the agreements and other information, including the Disclosures, and download or print copies for your records.

For client support or technical assistance regarding your Plan(s), including the Disclosures, you may send an email to hello@diversyfund.com. You may obtain a paper copy of the agreements and other information listed in the first and second bulleted paragraphs above, including the Disclosures, at any time by notifying us using any of the methods described in the immediately preceding paragraph for client support. We will not charge you a fee for the paper copy. This consent will apply on an ongoing basis unless you withdraw your consent. You may withdraw your consent to receive electronically the agreements and other information listed in the first and second bulleted paragraphs above, including the Disclosures. To withdraw your consent, please notify us by sending an email to hello@diversyfund.com. By establishing a Plan(s), and signing this agreement via DocuSign or similar online electronic signing service, you are indicating that you have reviewed our privacy and security policies on the Interactive Website. You are also acknowledging that your initial use of your DA Services account will constitute your agreement to be bound by the terms and conditions of the agreements and other information listed in the first and second bulleted paragraphs above, including the Disclosures. In addition to providing your signature via DocuSign or similar online electronic signing service, by checking the acknowledgement box and submitting such acknowledgement electronically to DA Services, you acknowledge that you have read, understand, and agree to be bound by the terms above. If you do not agree to be bound by the terms above but would like to establish a Plan(s), DO NOT continue with the online process. Instead, please email us at hello@diversyfund.com. Because the DA Services Client Agreement relates to the functionality of the DA Services website, DA Services reserves the right to refuse to establish a Plan(s) that is not subject to this Statement. You agree that the agreement and disclosures required to be provided at the time of application and any supplemental agreements or subsequent notices of changes will be provided electronically, and you confirm that you will download or print all electronically-provided documents for your records. You acknowledge that you can access the Disclosures, agreements and information that are provided electronically on the Interactive Website and via email.

Important Considerations

DA Services is an Internet Investment Adviser as defined under Rule 203A-2(e) of the Investment Advisers Act of 1940 and is authorized to provide Clients investment advisory services only through the use of the Interactive Website. DA Services, through the Interactive Website, plans to advise Clients on investment opportunities solely in relation to real estate investments. All DA Services clients will be investing in its affiliates, DF Growth REIT, LLC and DF Growth REIT II LLC (the "Funds") and other Regulation A+ real estate funds not yet created. The Funds are is managed by DF Manager LLC, a Delaware limited liability company, (the "Manager") that controls all of the aspects of the Funds' business and operations, including investment decisions (that is, deciding which properties to buy and sell and when to buy and sell them).

DA Services will advise its clients, through the Interactive Website, to invest in the Funds which bear certain aforementioned fees that will benefit affiliates of DA Services. DA Services may receive fees for its advisory services and related persons working on behalf of DA Services' affiliates will receive compensation through fees paid by the Funds in connection with real estate management.

BY SIGNING THIS AGREEMENT, YOU, CLIENT, UNDERSTAND THAT DA SERVICES, IN ITS CAPACITY AS AN INVESTMENT ADVISER, SHALL DIRECT CLIENT FUNDS TO INVEST ONLY IN THE FUNDS, WHICH ARE AFFILIATED WITH DA SERVICES AND THROUGH WHICH RELATED PERSONS WORKING ON BEHALF OF DA SERVICES' AFFILIATES WILL RECEIVE COMPENSATION. DA SERVICES WILL NOT BE INVESTING CLIENT FUNDS INTO ANY NON-AFFILIATED INVESTMENT VEHICLES. FURTHER, CLIENT UNDERSTANDS THAT DA SERVICES SHALL ONLY PROVIDE INVESTMENT ADVICE THROUGH THE USE OF THE INTERACTIVE WEBSITE. FOR ALL OF THE AFOREMENTIONED REASONS, ENTERING INTO AN INVESTMENT ADVISORY RELATIONSHIP WITH DA SERVICES MAY NOT BE SUITABLE FOR ALL INVESTORS.

FOR A COMPLETE DESCRIPTION OF POTENTIAL CONFLICTS, PLEASE REFER TO DA SERVICES' FORM ADV PART 2 AND FORM CRS.

CLIENT AGREEMENT SIGNED:

DIVERSY ADVISORY SERVICES, LLC

**By: DiversyFund, Inc.
Its Manager**

By: /s/ Alan Lewis

Name: Alan Lewis

Title: Chief Investment Officer

CLIENT:

If Individual:

Signature: _____

Name: _____

If Joint Account:

Second Signature: _____

Second Name: _____

If Trust/Entity/IRA Account:

Name of Trust/Entity/IRA Account: _____

Signature: _____

Signer Name: _____

Signer Title: _____

EXHIBIT 5

To: Shah, Ankit[Ankit.Shah@occ.treas.gov]
From: Ankit Shah
Sent: 2022-05-03T10:40:50-04:00
Importance: Normal
Subject: [EXTERNAL]Fwd: [DiversyFund] Re: WHERE THE HELL IS MY MARCH DIVIDEND YOU FRAUDULENT...
Received: 2022-05-03T10:43:08-04:00

CAUTION: This email originated from outside of the organization. Do not click links or open attachments unless you recognize the sender and know the content is safe.

Begin forwarded message:

From: "Christopher Finlay (DiversyFund)" <support@diversyfund.zendesk.com>
Date: March 24, 2022 at 13:45:14 EDT
To: Ankit Shah <ankitshah.zam@gmail.com>
Subject: [DiversyFund] Re: **WHERE THE HELL IS MY MARCH DIVIDEND YOU FRAUDULENT...**
Reply-To: DiversyFund <support+id48602@diversyfund.zendesk.com>

?

##- Please type your reply above this line -##

Your request (48602) has been updated. To add additional comments, reply to this email.

Christopher Finlay (DiversyFund)

Mar 24, 2022, 10:45 AM PDT

Hi Ankit,

I went ahead and processed your refund. This should be in your account within the next week or so. I apologize for the continued trouble and this not at all what we want our customers to expect. Apologies again.

Best,
DF team

Ankit Shah

Mar 24, 2022, 10:32 AM PDT

Yes please refund my original investment.

Christopher Finlay (DiversyFund)

Mar 24, 2022, 10:23 AM PDT

Ankit,

Unfortunately your original investment is the only thing that can be refunded.

Dividends are accrued during the collection period of the fund for customers who are into the fund early. This is not meant to be a return to profit from in the short term. Dividends are accrued then reinvested once the fund closes for the investment period. Please let me know if you would like me to proceed with refunding your original investment.

Thanks,
DF team

Ankit Shah

Mar 24, 2022, 9:29 AM PDT

Yes please refund the investment and all accumulated dividends immediately. Regards,
Ankit Shah

Christopher Finlay (DiversyFund)

Mar 24, 2022, 8:40 AM PDT

Hi Ankit,

We apologize for the continued trouble you have had with your dividends. You have your dividends now in your account. We see your continued frustration with the fund and will refund your original investment if this is something you would prefer us to do. Please let me know and I will process this immediately.

Thanks,
DF team

Ankit Shah

Mar 23, 2022, 5:18 AM PDT

Still pending a response to this. Why hasn't the March dividend posted? What is wrong with this company??

On Mar 22, 2022, at 12:44, Ankit Shah <ankitshah.zam@gmail.com> wrote:

?

Well? Still don't see my dividend. What is going on? GIVE ME A REFUND OF MY MONEY

Ankit Shah

Mar 22, 2022, 9:44 AM PDT

Well? Still don't see my dividend. What is going on? GIVE ME A REFUND OF MY MONEY

Ankit Shah

Mar 17, 2022, 5:28 PM PDT

Escalate this to your manager. You have been late on dividends every month. Stop pretending this is a tech problem and not a management of my money problem. I don't want to have to do this every month for 5 years before I get my money back.

GIVE ME A DAMN REFUND

Kari H (DiversyFund)

Mar 17, 2022, 5:05 PM PDT

Hello Ankit,

I am checking with the tech team on this. I will be back in touch soon.

Have a nice evening!

Kari H

Ankit Shah

Mar 17, 2022, 6:51 AM PDT

WHERE THE HELL IS MY MARCH DIVIDEND YOU FRAUDULENT HACKS??

Submitted from: capacitor://localhost/investor-dashboard?previous-event=login-complete

This email is a service from DiversyFund. Delivered by [Zendesk](#)

CAUTION: This email originated from outside the organization. Do not click links or open attachments unless you recognize the sender and know the content is safe.

Division of Enforcement's Exhibit 27

UNITED STATES OF AMERICA
before the
SECURITIES AND EXCHANGE COMMISSION

Administrative Proceeding
File No. 3-20801

In the Matter of

DF GROWTH II, LLC.,
Respondent.

DECLARATION OF PAUL CALO

P.C. I, Paul Calo, declare pursuant to 28 U.S.C. § 1746 as follows:

1. My name is Paul Calo, and I am currently employed as a police sergeant.
2. I invested \$20,000 in DF Growth REIT in June 2021. I invested in the fund after seeing representations on the DiversyFund website that the company was subject to periodic audits by the SEC.
3. Later in 2021, I observed that DiversyFund started a new fund, DF Growth REIT II, LLC (“REIT II”). I observed that, despite representations that REIT I and REIT II were separate entities, the properties that both funds had invested in were listed together. I was unclear as to whether any of my investment in REIT I went into REIT II.
4. At the time of my investment, the DiversyFund website represented that no fees would be charged. However, over time I observed that the representations regarding the fees it was charging were constantly changing on DiversyFund’s website to the point that I was unclear whether I was being charged fees. I do not recall receiving financial statements from either REIT I or REIT II. I do not recall

P.C.

P.C. ever receiving a breakdown of the fees that I was being charged for my investment.

5. Contrary to the representations made by DiversyFund, I observed that dividends ceased being posted in my account.
6. In 2022, after logging into the DiversyFund website, I observed a Client Agreement with Diversy Advisory Services, LLC posted on my account which authorized DiversyFund to act as my investment advisor. I do not recall signing this this agreement or authorizing an electronic signature for this agreement. I never consented or was otherwise aware that this document had been posted to my account. A true and correct copy of the Advisory Services agreement bates-numbered SEC-CaloP-E-0000001-14 is attached as Exhibit 1.
7. I emailed DiversyFund to express my concerns that my investment in REIT I would be at risk by REIT II and there were no honest disclosures regarding the documents and information that had been provided to me. Due to my ongoing concerns, I requested a refund on my original investment. My email communication with DiversyFund customer service bates-numbered SEC-CaloP-E-0000422 and SEC-CaloP-E-0000431 is attached hereto as Exhibit 2.
8. I emailed DiversyFund to ask questions about my investment. In response to one of my questions, DiversyFund responded that they "have a no-fee platform." My email communication with DiversyFund customer service bates-numbered SEC-CaloP-E-0000133 to SEC-CaloP-E-0000140 is attached hereto as Exhibit 3.
9. I declare under penalty of perjury that the foregoing is true and correct. *P.C.*

Executed this 27 day of May, 2022, in Southington, Connecticut.

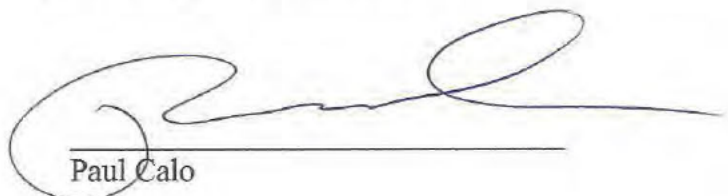

Paul Calo

EXHIBIT 1

DIVERSY ADVISORY SERVICES, LLC

CLIENT AGREEMENT

YOU MUST READ AND CONSIDER THIS AGREEMENT CAREFULLY AND CONTACT DIVERSY ADVISORY SERVICES, LLC ("DA SERVICES") TO ASK ANY QUESTIONS YOU MAY HAVE BEFORE ENTERING INTO IT. THIS AGREEMENT MAY BE EXECUTED IN ONE OR MORE COUNTERPARTS, EACH OF WHICH WILL BE DEEMED AN ORIGINAL, BUT ALL OF WHICH TOGETHER WILL CONSTITUTE ONE AND THE SAME AGREEMENT. THIS AGREEMENT SHALL BE EXECUTED BY APPLYING AN ELECTRONIC SIGNATURE USING DOCUSIGN OR SIMILAR ONLINE ELECTRONIC SIGNING SERVICE AND ANY COUNTERPART SO DELIVERED SHALL BE DEEMED TO HAVE BEEN DULY AND VALIDLY DELIVERED AND BE VALID AND EFFECTIVE FOR ALL PURPOSES. BY SIGNING THIS AGREEMENT, YOU ACKNOWLEDGE AND AGREE THAT:

- THIS AGREEMENT MAY BE AMENDED, ALTHOUGH NOT ASSIGNED, FROM TIME TO TIME WITHOUT PRIOR NOTICE OR CONSENT FROM YOU.
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- DA SERVICES MAY BE REQUIRED TO DELIVER CERTAIN DOCUMENTS TO CLIENTS FROM TIME TO TIME. EXAMPLES OF SUCH DOCUMENTS INCLUDE, BUT ARE NOT LIMITED TO, THE AMENDED AGREEMENTS, FORM ADV PART 2A, AND/OR THE FIRM'S PRIVACY POLICY. BY EXECUTION OF THIS AGREEMENT, CLIENT CONSENTS TO THE USE OF ELECTRONIC MEANS, SUCH AS EMAIL, TO MAKE SUCH DELIVERY. THIS DELIVERY MAY INCLUDE NOTIFICATION OF THE AVAILABILITY OF SUCH DOCUMENT(S) ON THE INTERACTIVE WEBSITE; CLIENT AGREES THAT SUCH NOTIFICATION WILL CONSTITUTE "DELIVERY." CLIENT AGREES TO PROVIDE DA SERVICES WITH AN EMAIL ADDRESS AND TO KEEP THIS INFORMATION CURRENT AT ALL TIMES BY PROMPTLY NOTIFYING DA SERVICES OF ANY CHANGE IN EMAIL ADDRESS. THIS CONSENT WILL REMAIN IN EFFECT UNTIL REVOKED IN WRITING TO DA SERVICES AT ITS MAIN OFFICE ADDRESS. THE AMENDED AGREEMENTS WILL BE AVAILABLE ON THE DIVERSY FUND, INC. ("DIVERSY") WEBSITE AT DIVERSYFUND.COM (THE "INTERACTIVE WEBSITE").
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- YOU WILL RECEIVE NOTIFICATION VIA EMAIL AND BY PUSH NOTIFICATION WHEN YOU LOG INTO THE INTERACTIVE WEBSITE OF ANY AMENDMENTS OR NEW VERSIONS OF ANY OF THE AGREEMENTS (THE "REVISED AGREEMENTS") HAVE BEEN POSTED TO THE INTERACTIVE WEBSITE. .
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- THE REVISED AGREEMENTS WILL TAKE EFFECT WHEN YOU CLICK THE "I ACCEPT" BUTTON THAT WILL APPEAR WHEN YOU LOG INTO THE INTERACTIVE WEBSITE. BY CLICKING THE "I ACCEPT" BUTTON, YOU (A) ACKNOWLEDGE THAT YOU HAVE READ AND UNDERSTAND THE REVISED AGREEMENTS; (B) REPRESENT AND WARRANT THAT YOU HAVE THE RIGHT, POWER, AND AUTHORITY TO ENTER INTO THE REVISED AGREEMENTS AND IF ENTERING INTO THE REVISED AGREEMENTS FOR AN ORGANIZATION, THAT YOU HAVE THE LEGAL AUTHORITY TO BIND THAT ORGANIZATION; AND (C) ACCEPT THIS AGREEMENT AND AGREE THAT YOU ARE LEGALLY BOUND BY ITS TERMS BY CLICKING "I ACCEPT" OR BY CONTINUING TO USE SERVICES PROVIDED BY DA SERVICES WITHOUT OBJECTING TO ANY AMENDMENTS OR NEW VERSIONS OF ANY OF THE AGREEMENTS POSTED ON THE INTERACTIVE WEBSITE, YOU AGREE TO AND ACCEPT ALL TERMS AND CONDITIONS OF ANY REVISED AGREEMENTS, INCLUDING ANY NEW OR CHANGED TERMS OR CONDITIONS. IF YOU DO NOT AGREE TO ACCEPT ALL TERMS AND CONDITIONS OF THE REVISED AGREEMENTS, PLEASE SELECT THE "I DECLINE" BUTTON. IF YOU DO NOT AGREE TO AND ACCEPT ALL TERMS AND CONDITIONS OF THE REVISED AGREEMENTS, DA SERVICES RESERVES THE RIGHT TO TERMINATE THE CLIENT'S PLAN IN ACCORDANCE WITH SECTION 10 OF THIS AGREEMENT.
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- **IMPORTANT NOTICE REGARDING ARBITRATION: WHEN YOU AGREE TO THE ADVISORY CLIENT AGREEMENT YOU ARE AGREEING (WITH LIMITED EXCEPTIONS) TO RESOLVE ANY DISPUTE BETWEEN YOU AND DA SERVICES THROUGH BINDING, INDIVIDUAL ARBITRATION RATHER THAN IN COURT. PLEASE REVIEW CAREFULLY SECTION 16 OF THE ADVISORY CLIENT AGREEMENT FOR DETAILS REGARDING ARBITRATION.**

DA SERVICES CLIENT AGREEMENT

You ("Client") and Diversy Advisory Services, LLC, a Delaware limited liability company and a registered investment adviser with the Securities and Exchange Commission ("DA Services"), agree to enter into an agreement that will allow DA Services to provide certain advisory services to you, as further described herein. This Client Agreement ("Agreement") is effective as of the first day Client agrees to it (the "Effective Date"). In consideration of the mutual covenants herein, Client and DA Services agree as follows:

1. Services. Client retains DA Services to perform one or more of the following services, which it is important to understand that these Services will not involve comprehensive or overall financial guidance intended to cover all areas of the Client's financial plan or needs:

1. to provide Client with recommended portfolio compositions pursuant to an investment plan to purchase securities of DA Services-affiliated issuers, including fractional shares thereof ("Securities") recommended by DA Services based on profile information and features designated by Client (the "Investment Plan"). Client shall be responsible for executing any documents associated with such Investment Plan, which will be made available to Client on the Interactive Website.
- 2.
3. if elected by Client, to periodically withdraw funds from Client's designated bank account at intervals selected by Client in order to purchase securities (i) directly into a DA Services-affiliated issuer that is selected by DA Services or (ii) in accordance with the Investment Plan selected by Client, the choice of program being directed by the Client (the "Auto-Investment Plan"); provided, however, that DA Services may update the Auto Investment Plan selected by the Client from time to time to reflect any changes to the underlying Investment Plan to substitute or replace certain DA Services-affiliated issuers with certain other or successor DA Services-affiliated issuers that have substantially the same investment criteria, as determined by DA Services' Investment Committee, at the same time the Investment Plan is updated on the Interactive Website.
- 4.
5. if elected by Client, to allocate Client's distributions to purchase securities (i) directly into a DA Services-affiliated issuer that is selected by DA Services or (ii) in accordance with the Investment Plan selected by Client, the choice of program being directed by the Client (the "Reinvestment Plan"). DA Services shall allocate such distributions by directing such distributions as directed by the Client pursuant to the Reinvestment Plan from the bank account(s) of the issuer or issuers to purchase Securities of the issuer or issuers Investment Plan selected by Client on the Interactive Website as provided in this Agreement. The Investment Plan, Auto-Investment Plan and the Reinvestment Plan are collectively referred to herein as the "Plans".

DA Services is an adviser of limited focus and is being selected by Client as a part of its overall financial plan. DA Services will limit its activities to the type and scope of the investments and strategies described in its disclosure materials; and it will not have any duty or obligation to advise or take any action on behalf of Client in any legal proceedings, including bankruptcies or class actions, involving Securities held by Client or the issuers of Securities. Notwithstanding anything in this Agreement to the contrary, DA Services shall have no authority hereunder to take or have possession of any assets of Client or to direct delivery of any Securities or payment of any funds associated with the Securities to itself or to direct any disposition of such Securities or funds except to Client and on Client's instructions or as provided in Section 7 (entitled "Payment of Fees"). When investing, a Client's funds are transferred from such Client's external bank account directly to account escrow agent which then transfers the capital directly into the Funds. At no point in time are Client's funds aggregated or collected into a bank account of Diversy or DA Services. DA Services does not have custody or possession of either Client's funds or securities but understands that through its affiliation with DF Manager, LLC (the "Manager"), Diversy, and the Funds that DA Services may be deemed to have legal custody, as this term is defined under the Investment Advisers Act of 1940, as amended.

2. Limited Power of Attorney. To enable DA Services to exercise fully its authority as provided in Section 1, Client hereby constitutes and appoints DA Services as Client's agent and attorney-in-fact with full power and authority for Client and on Client's behalf solely for the purpose of purchasing and selling Securities in accordance with the Plans selected by the Client. Client further grants to DA Services as Client's agent and attorney-in-fact full power and authority to do and perform every act necessary and proper to be done in the exercise of the foregoing powers as fully as Client might or could do if personally present including but not limited to signing subscription and operating agreements relating to the purchase of Securities on behalf of Client. This power of attorney includes arranging for delivery and payment in connection with the Payment of Fees detailed in Section 7 below, and acting on behalf of Client in all matters incidental to the handling of the Plan without prior approval of each specific transaction. In no event will DA Services be obligated to affect any transaction for Client which would violate applicable federal or state law, or rule or regulation of any regulatory or self-regulatory body. This power of attorney is coupled with an interest and shall terminate only on termination of this Agreement or on receipt by DA Services of written notice of the death, incapacity

or dissolution of Client.

3. Representations and Warranties.

(a) Client represents and warrants to DA Services and agrees with DA Services as follows:

1. Client has the requisite legal capacity, authority and power to execute, deliver and perform his or her obligations under this Agreement. This Agreement has been duly authorized, executed and delivered by Client and is the legal, valid and binding agreement of Client, enforceable against Client in accordance with its terms. Client's execution of this Agreement and the performance of his or her obligations hereunder do not conflict with or violate any obligations by which Client is bound, whether arising by contract, operation of law or otherwise. If Client is an entity, the trustee, agent, representative or nominee (the "Client Representative") executing this Agreement on behalf of Client has the requisite legal capacity, authority and power to execute, deliver and perform such execution and the obligations under this Agreement, as applicable. Specifically, if Client is a corporation or partnership, the individual signing this Agreement has been authorized to execute this Agreement by appropriate corporate or partnership action, and if this Agreement is entered into by a trustee or fiduciary, the trustee or fiduciary has authority to enter into this Agreement and that the services described herein are authorized under the applicable plan, trust or law. Client will deliver to DA Services evidence of Client's and Client Representative's authority on DA Services' request and will promptly notify DA Services of any change in such authority, including but not limited to an amendment to Client's organizational, delegation or formation documents that changes the information Client provides to DA Services on opening Client's account (the "Account").
- 2.
3. For Entity Clients: If Client Representative is entering into this Agreement, Client and Client Representative understand and agree that the representations, warranties and agreements made herein are made by Client both: (a) with respect to Client; and (b) with respect to the Client Representative.
- 4.
5. For Joint Account Clients (With Rights of Survivorship): If Clients are entering into this Agreement on behalf of a joint account, Clients understand and agree that the representations, warranties and agreements made herein are made on behalf of all of the joint account holders and further agree that each (a) is a Client; (b) has the authority to act on behalf of the Account and DA Services will accept such instructions from any one Client; (c) is jointly and severally liable per the terms of this Agreement; and (d) that in the case of death of any of the joint account holders, interest in the Securities shall vest in the surviving account holder(s) under the same terms and conditions of this Agreement and the surviving Client(s) shall promptly provide DA Services with written notice thereof and provide any documentation reasonably requested by DA Services in its management of the Account.
- 6.
7. Client is the owner or co-owner of all the Securities, and there are no restrictions on the pledge, hypothecation, transfer, sale or public distribution of such Securities.
- 8.
9. If Client specifically provides a photograph of Client's likeness and/or other personal identifying information to DA Services for public display, then Client hereby grants permission to DA Services to use the provided photograph of Client's likeness, Client's name and/or other information, in a commercially reasonable manner on the Interactive Website, any related and/or affiliated sites, and in marketing materials now and in the future, until such time as this Agreement is terminated by either party. Client waives any and all rights to compensation as a result of such use of Client's explicitly provided photograph of Client's likeness, Client's name and/or other information.
- 10.
11. Client agrees to use DA Services solely for Client's personal, non-commercial use, and not in connection with any competitive analysis (as determined by DA Services).

(b) Client understands and agrees that (A) DA Services does not guarantee the performance of the Securities, is not responsible to Client for any investment losses, and the Securities are not insured against loss of income or principal; (B) there are significant risks associated with investing in Securities, including, but not limited to, the risk that the Securities could suffer substantial diminution in value and total loss; (C) the past performance of any Security does not indicate its future performance, and future transactions will be made in different Securities and different economic environments; and (D) DA Services will cause the distributions to purchase Securities in essentially the proportions set forth by the Plans, and will not otherwise review or control the allocations of Securities as subscribed under the Plans. There are significant risks associated with any investment program, including the Plans.

1. Client understands and agrees that DA Services' sole obligation hereunder or otherwise is to select and

purchase Securities on behalf of Client in accordance with the Plans and to manage the allocation of distributions from Securities in accordance with the Plans, and Client has not engaged DA Services to provide any individual financial planning services. Client understands and agrees that DA Services is not responsible for any losses in Securities, as provided in Section 9.

- 2.
3. Client understands and agrees that the selection and purchase of Securities and allocation of distributions for the purchase of Securities will be managed solely by DA Services. Client further understands that if any of the information Client provides to DA Services is or becomes incomplete or inaccurate, the allocation of distributions into Securities may not achieve Client's desired investment strategy, and the Plans may cause Client to purchase Securities from which Client is restricted from purchasing at that time.
- 4.
5. Client understands and agrees that DA Services is not responsible to Client for any failures, delays and/or interruptions in the timely or proper allocation of distributions by DA Services on behalf of Client due to any or all of the following, which are likely to happen from time to time: (A) hardware or software malfunction, failure or unavailability; (B) internet service failure or unavailability; (C) the actions of any governmental, judicial or regulatory body; and/or (D) force majeure.
6. **Confidentiality. Except as required by law or requested by regulatory authorities, (a) DA Services agrees to maintain in strict confidence all of Client's non-public personal and financial information that Client furnishes to DA Services, except for information that Client explicitly agrees to share publicly, and (b) Client agrees to maintain in strict confidence all non-public information that Client acquires from DA Services in connection with the Plans. Client agrees that Client shall not use confidential information Client receives from DA Services for any purpose other than managing the Plans, including, but not limited to, developing a service that competes with the Interactive Website or DA Services' services. Client acknowledges receipt of DA Services' Privacy Policy available at www.diversyfund.com/privacypolicy.**

5. Valuation. The Securities shall be valued from time to time based on the per-share net asset value of the individual issuers. Different issuers may determine their net asset value on quarterly, semi-annual, or annual (or less frequent) intervals in accordance with their organizational documents as described in their respective offering circulars, which are available at www.diversyfund.com/offeringcirculars.

1. **Responsibility for Expenses. Either Diversy or a separate third-party entity will serve as fund sponsor to the Funds (the "Sponsor"). The Sponsor, and not DA Services, receives compensation from the affiliated issuers. Fees charged to clients will vary depending on whether they are invested in either DF Growth REIT, LLC ("DF Growth REIT") and DF Growth REIT II, LLC ("DF Growth REIT II") (collectively, the "Funds"). For a detailed listing of the fees that the Sponsor may receive from a given issuer, please review in Section 8 of this Agreement.**
- 2.
3. **Payment of Fees. The Sponsor and DA Services' affiliates, and not DA Services, receive fees from Clients. Client hereby authorizes the Sponsor to collect its fees directly from Client's funds and may deduct such fees to the distributions prior to being allocated according the Reinvestment Plan, or, if the Client has not opted to participate in a Reinvestment Plan, prior to such distributions being distributed to the Client's bank account. In the event that the amount of the distributions is not sufficient to satisfy the amount of the fees due for a given month or quarter, the Sponsor fees will accrue, without interest, and shall be payable during a subsequent period, as determined by the Sponsor. Client will receive a copy of the bill detailing fees applied to Client's account.**
- 4.
5. **Affiliate Fees. DA Services understands that while it does not directly receive fees from Clients or other entities, that it may be deemed to be receiving fees indirectly through its affiliation with Diversy and its subsidiaries which do in fact receive fees in connection with investments in which DA Services has advised its clients to participate in. As an adviser on real estate investments, DA Services advises its clients to invest in products owned and operated by its entities it is affiliated with through common ownership by DiversyFund, Inc.**

DF Growth REIT and DF Growth REIT II are currently the only funds into which client assets will be invested.

In the future, the Manager or Diversy will create similar affiliate Regulation A+ funds (similar in fee and ownership structure to the Funds) to which DA Services will direct client funds. These funds will be managed and operated by the Sponsor and while DA Services will not be receiving fees directly from these funds, it (DA Services) will be deemed to be receiving fees indirectly through its affiliation with Diversy and affiliated entities. DA Services, through the Interactive Website, will only advise clients, now or in the future, to invest in products that are affiliated with DA Services and DiversyFund Inc.

DF Growth REIT Fees

Fund Level Fees

Asset Management Fee:

The Sponsor may charge the Company an annual asset management fee equal to 2% of the capital raised from the sale of Class A Investor Shares. The Sponsor has waived this fee for DF Growth REIT and will continue to waive this fee indefinitely.

Estimate: The amount of the asset management fee will depend on the amount the DF Growth REIT raises. We cannot make a reasonable estimate at this time.

Reimbursement Fees:

The Funds will reimburse Diversy for expenses Diversy incurs in connection with the Regulation A+ offering (the "Offering"), before the Offering is "qualified" by the SEC (after the Offering is qualified, the expenses will be borne by the Funds themselves, directly). However (i) Diversy will not be entitled to any reimbursement until the Fund has raised at least \$1,000,000 from the sale of Fund shares; (ii) if the Fund raises only \$1,000,000 from the sale of Fund shares, Diversy's reimbursement will be limited to a maximum of \$125,000; (iii) Diversy will not be entitled to full reimbursement until the Fund has raised \$3,000,000 from the sale of Fund shares; and (iv) if the Fund raises more than \$1,000,000 but less than \$3,000,000 from the sale of Fund shares, the reimbursement in excess of \$125,000 will be pro rated.

Estimate: Diversy currently estimates that its total expenses for the Offering, before the Offering is qualified, will be approximately \$75,000.

Marketing Expense Reimbursement Fee:

The Company will reimburse the Sponsor up to 1% but not exceeding \$750,000 for direct expenses incurred by the Sponsor and its affiliates to organize and operate the Company and conduct the Offering, including marketing expenses paid to vendors, contractors, and consultants.

Estimate: The amount of the marketing expense reimbursement fee will depend on the amount the DF Growth REIT raises and the marketing expenses of the Sponsor. We cannot make a reasonable estimate at this time.

Co-Investment

The Sponsor and its affiliates might purchase Fund shares. If so, they will be entitled to the same distributions as other Investors.

Promoted Interest

The Sponsor is entitled to receive certain distributions (the "Promoted Interest"). The Promoted Interest is paid in two levels: first, after Investors have received a (i) 7% internal rate of return ("IRR") preferred return on their investment, the Sponsor is entitled to a catchup return equal to approximately (ii) 53.85% of the preferred return paid to Investors; and second, after Investors have received their preferred return and the Sponsor has received its catchup return, the Sponsor is entitled to (iii) 35% of the remaining profits until the investors have received a 12% IRR preferred return on their investment and (iv) thereafter 50% of the remaining profits.

How much money the Sponsor ultimately receives as a Promoted Interest therefore depends on a number of factors, including:

- How much capital is raised in the Offering;
- The investment returns the Fund is able to achieve;

- When those returns are achieved (the Fund might not achieve the same return every year);
- When the Fund distributes money to Investors; and
- The amount of expenses the Fund incurs.

Property Level Fees

Acquisition Fees:

Diversy will charge each Project Entity (or the Funds themselves, if the Funds owns real estate directly) a sponsor fee of between (i) 6% and 8% of the total project costs, including both “hard” costs (e.g., the cost of property) and “soft” costs (e.g., professional fees).

Estimate: If the Fund raises the full \$50,000,000 and maintains an average leverage ratio (borrowing) of 55%, the sponsor fee would range between \$6,666,666 and \$8,888,888.

Property Disposition Fee:

Where the Funds own property directly or is the sole owner of a Project Entity, the Sponsor will receive a property disposition fee equal to (i) 1% of the total sale price of each property.

Where property is owned by an entity in which there is another financial partner – a joint venture – the Sponsor might be entitled to a similar disposition fee to the extent negotiated with the financial partners in such joint venture (which could be higher than the (ii) 1% disposition fee for direct investment). However, the Fund’s share of the fee will not exceed (iii) 1% of the Fund’s share of the total sale price.

Estimate: The amount of the disposition fee will depend on the selling price of assets by the Funds and any joint ventures and, in the case of joint ventures, the terms our Sponsor negotiates with joint venture partners. We cannot make a reasonable estimate at this time.

Financing Fee:

Where the Funds own property directly, or is the sole owner of a Project Entity, the Sponsor will receive a financing fee equal to (i) 1.0% of the amount of each loan placed on a property, whether at the time of acquisition or pursuant to a refinancing. This financing fee will be in addition to any fees paid to third parties, such as mortgage brokers.

Where property is owned by an entity in which there is another financial partner – a joint venture – the Sponsor might be entitled to a similar financing fee to the extent negotiated with the financial partners in such joint venture (which could be higher than the (ii) 1% financing fee for direct investment). However, the Sponsor’s share of the fee will not exceed (iii) 1% of the Fund’s share of the loan.

Estimate: The amount of the financing fee will depend on the selling price of assets by the Funds and any joint ventures and, in the case of joint ventures, the terms our Sponsor negotiates with joint venture partners. We cannot make a reasonable estimate at this time.

Construction Management Fee:

The Sponsor might provide construction management services. If so, the Sponsor be entitled to a construction management fee equal to (i) 7.5% of actual construction costs.

Estimate: The amount of the construction management fee will depend on the nature and cost of the construction services the Manager provides. We cannot make a reasonable estimate at this time.

Guaranty Fee:

If the Sponsor or an affiliate guaranties indebtedness of the Funds or a Project Entity, including guaranties of any so-called “bad boy” carveouts, the guarantor will be entitled to a guaranty fee equal to (i) 0.5% of the loan.

Estimate: The amount of the guaranty fee will depend on the amount of loans requiring a guaranty. We cannot make a reasonable estimate at this time.

Other Fees:

The Funds or Project Entities might engage the Sponsor or its affiliates to perform other services. The compensation paid to the Sponsor or its affiliates in each case must be (i) fair to the Funds and the Project

Entities, (ii) comparable to the compensation that would be paid to an unrelated party, and (iii) disclosed to Investors.

Estimate: We cannot make a reasonable estimate of other fees at this time.

Fees for DF Growth REIT II

Fund Level Fees

Asset Management Fee:

The Sponsor will charge the Company an annual asset management fee equal to 2% of the capital raised from the sale of Class A Investor Shares. The Sponsor may, in its sole discretion, require the payment of the asset management fee up to five years in advance, which shall be nonrefundable.

Estimate: The amount of the asset management fee depends on the amount of capital raised. We cannot make a reasonable estimate at this time.

Reimbursement Fees:

The Funds will reimburse Diversy for expenses Diversy incurs in connection with the Offering, before the Offering is "qualified" by the SEC (after the Offering is qualified, the expenses will be borne by the Funds themselves, directly). However (i) Diversy will not be entitled to any reimbursement until the Fund has raised at least \$1,000,000 from the sale of Fund shares; (ii) if the Fund raises only \$1,000,000 from the sale of Fund shares, Diversy's reimbursement will be limited to a maximum of \$125,000; (iii) Diversy will not be entitled to full reimbursement until the Fund has raised \$3,000,000 from the sale of Fund shares; and (iv) if the Fund raises more than \$1,000,000 but less than \$3,000,000 from the sale of Fund shares, the reimbursement in excess of \$125,000 will be pro rated.

Estimate: Diversy currently estimates that its total expenses for the Offering, before the Offering is qualified, will be approximately \$75,000.

Organization & Offering Expense Reimbursement:

The Company will reimburse the Sponsor for direct expenses incurred by the Sponsor and its affiliates to organize and operate the Company and conduct the Offering, including:

- Marketing expenses paid to vendors, contractors, and consultants;
- Payroll expenses of marketing employees;
- Software costs;
- Fees paid to vendors, contractors, and consultants relating to the Sponsor's online fintech platform and smartphone applications; used to market and operate the Company; and
- Payroll expenses and software costs from product and tech employees working on the fintech platform and smartphone applications.

The Organization & Offering Expense Reimbursement may not exceed 10% of the capital raised from the sale of Class A Investor Shares.

Estimate: The amount of the organization and offering fee depends on the amount of capital raised. We cannot make a reasonable estimate at this time.

Co-Investment

The Sponsor and its affiliates might purchase Fund shares. If so, they will be entitled to the same distributions as other Investors.

Promoted Interest

The Sponsor is entitled to receive Promoted Interest. The Promoted Interest is paid in two levels: first, after Investors have received a (i) 7% IRR preferred return on their investment, the Sponsor is entitled to a catchup return equal to approximately (ii) 53.85% of the preferred return paid to Investors; and second, after Investors have received their preferred return and the Sponsor has received its catchup return, the Sponsor is entitled to (iii) 35% of the remaining profits until the investors have received a 12% IRR preferred return on their investment and (iv) thereafter 50% of the remaining profits.

How much money the Sponsor ultimately receives as a Promoted Interest therefore depends on a number of factors, including:

- How much capital is raised in the Offering;
- The investment returns the Fund is able to achieve;
- When those returns are achieved (the Fund might not achieve the same return every year);
- When the Fund distributes money to Investors; and
- The amount of expenses the Fund incurs.

Property Level Fees

Acquisition Fee:

Diversy will charge each Project Entity (or the Funds themselves, if the Funds owns real estate directly) a sponsor fee of between (i) 1% and 4% of the total project costs, including both “hard” costs (e.g., purchase price and renovation costs on the property) and “soft” costs (e.g., professional fees).

Where property is owned by an entity in which there is another financial partner – a joint venture – the Sponsor might be entitled to a similar acquisition fee to the extent negotiated with the financial partners in such joint venture (which could be higher than the 1-4% acquisition fee for direct investment). However, the Company’s share of the fee will not exceed 1-4% of the Company’s share of the total sale price.

Estimate: If the Company raises the full \$75,000,000 and maintains an average leverage ratio (borrowing) of 55%, the sponsor fee would range between \$1,666,667 and \$6,666,667.

Property Disposition Fee:

Where the Funds own property directly or is the sole owner of a Project Entity, the Sponsor will receive a property disposition fee equal to (i) 1% of the total sale price of each property.

Where property is owned by an entity in which there is another financial partner – a joint venture – the Sponsor might be entitled to a similar disposition fee to the extent negotiated with the financial partners in such joint venture (which could be higher than the (ii) 1% disposition fee for direct investment). However, the Fund’s share of the fee will not exceed (iii) 1% of the Fund’s share of the total sale price.

Estimate: The amount of the disposition fee will depend on the selling price of assets by the Funds and any joint ventures and, in the case of joint ventures, the terms our Sponsor negotiates with joint venture partners. We cannot make a reasonable estimate at this time.

Financing Fee:

Where the Funds own property directly, or is the sole owner of a Project Entity, the Sponsor will receive a financing fee equal to (i) 1.0% of the amount of each loan placed on a property, whether at the time of acquisition or pursuant to a refinancing. This financing fee will be in addition to any fees paid to third parties, such as mortgage brokers.

Where property is owned by an entity in which there is another financial partner – a joint venture – the Sponsor might be entitled to a similar financing fee to the extent negotiated with the financial partners in such joint venture (which could be higher than the (ii) 1% financing fee for direct investment). However, the Sponsor’s share of the fee will not exceed (iii) 1% of the Fund’s share of the loan.

Estimate: The amount of the financing fee will depend on the selling price of assets by the Funds and any joint ventures and, in the case of joint ventures, the terms our Sponsor negotiates with joint venture partners. We cannot make a reasonable estimate at this time.

Construction Management Fee:

The Sponsor might provide construction management services. If so, the Sponsor be entitled to a construction management fee equal to (i) 7.5% of actual construction costs.

Estimate: The amount of the construction management fee will depend on the nature and cost of the construction services the Manager provides. We cannot make a reasonable estimate at this time.

Guaranty Fee:

If the Sponsor or an affiliate guaranties indebtedness of the Funds or a Project Entity, including guaranties of any so-called "bad boy" carveouts, the guarantor will be entitled to a guaranty fee equal to (i) 0.5% of the loan.

Estimate: The amount of the guaranty fee will depend on the amount of loans requiring a guaranty. We cannot make a reasonable estimate at this time.

Other Fees:

The Funds or Project Entities might engage the Sponsor or its affiliates to perform other services. The compensation paid to the Sponsor or its affiliates in each case must be (i) fair to the Funds and the Project Entities, (ii) comparable to the compensation that would be paid to an unrelated party, and (iii) disclosed to Investors.

Estimate: We cannot make a reasonable estimate of other fees at this time.

Termination

At any time prior to the last day of a distribution period, a Client may adjust or terminate his/her Plan, and may cancel their monthly Auto-investment at any time. However, there can be no guarantee that such requests to withdraw will be honored by the Funds.

- 1. Losses. To the maximum extent permitted under applicable law, Client understands and agrees that DA Services will not be liable to Client for any losses incurred by Client that arise out of or are in any way connected with any Securities transaction or other act or failure to act of DA Services under this Agreement, including, but not limited to, any loss that Client may suffer by any reason of any investment decision made or other action taken or omitted in good faith by DA Services, any loss arising from DA Services' adherence to Client's instructions, any tax liability asserted against Client by any federal, state or local authority with respect to the Securities, so long as such act or failure to act does not constitute a breach of DA Services' fiduciary duty to Client. Client (and in addition, for entity accounts, Client Representative) shall indemnify and defend DA Services and DA Services' directors, officers, shareholders, employees and affiliates and hold them harmless from and against any and all claims, losses, damages, liabilities and expenses, as they are incurred, by reason of any act or omission of Client or any custodian, broker, agent or other third party selected by DA Services in a commercially reasonable manner or selected by Client, except such as arise from DA Services' breach of fiduciary duty to Client. In addition to the above indemnities, for entity Clients, the Client Representative shall further indemnify and defend DA Services and DA Services' directors, officers, shareholders, employees and affiliates and hold them harmless from and against any and all claims, losses, damages, liabilities and expenses, as they are incurred, resulting from or in connection to Client's assertion of Client Representative's lack of proper authorization from Client to enter into this Agreement. Anything in this Section 10 or otherwise in this Agreement to the contrary notwithstanding, however, nothing herein shall constitute a waiver or limitation of any rights that Client may have under any federal or state securities laws.**

Client acknowledges that the recommendations given via the Interactive Website or provided as part of the Plan are valid only as of the date the recommendations are provided and are not valid for any period beyond such date. Client acknowledges that DA Services does not furnish actuarial, accounting, tax, or legal advice. DA Services is not a law firm, does not practice law, and cannot and does not furnish legal or tax opinions. DA Services is not an accounting firm, does not practice accounting or auditing, and does not prepare tax returns or financial statements. DA Services is not an actuarial firm, does not provide actuarial advice, and does not administer retirement plans. Client should retain, separately, Client's own attorneys, accountants, and other financial services professionals. Client agrees that Client's own attorneys, accountants and other financial services professionals shall be solely responsible for the accuracy of legal advice, legal opinions, legal documents, accounting documents, tax opinions and tax returns. Client acknowledges that DA Services is not responsible for the accuracy or completeness of information furnished to DA Services by Client or by any other party.

- 1. Termination; Withdrawals.** This Agreement may be terminated by either party with or without cause by notice to the other party, which notice shall be provided by Client to DA Services through the Interactive Website and by DA Services to Client through the primary email address as Client shall update from time to time. Client may redeem the Securities only in accordance with the redemption plans of the various issuers, if any, which are described in each issuer's offering circular, available at www.diversyfund.com/offeringcirculars. Client's redemption of all of the Securities will terminate this Agreement. Upon termination of this Agreement, Sections 4, 9 (only as to fees accruing prior to termination), 9, 15, 16 and 17 shall survive such termination.

Client's death, disability or incompetence will not automatically terminate or change the terms of this Agreement. However, Client's executor, guardian, attorney-in-fact or other authorized representative may cancel this Agreement by giving written notice to DA Services. Upon termination, DA Services agrees to refund to Client that portion of any prepaid fee for which no services have been provided.

11. Securities Information. Client may obtain information on his/her Securities on the Interactive Website. The official records of the Securities held by Client are maintained by each issuer's transfer agent, from which electronic statements may be obtained upon written request.

12. Independent Contractor. DA Services is and will hereafter act as an independent contractor and not as an employee of Client, and nothing in this Agreement may be interpreted or construed to create any employment, partnership, joint venture or other relationship between DA Services and Client.

13. Assignment. DA Services may not assign this Agreement without the prior consent of Client, and, if applicable, the consent of any additional authorized signatories on behalf of Client, if and to the extent that such consent is required under the Investment Advisers Act of 1940, as amended. In the event of an assignment by DA Services, DA Services shall request written consent(s) of Client within a specified reasonable time (which shall not be less than thirty (30) days). If Client does not respond to such request within the time specified, DA Services shall inform Client that the proposed assignee will continue the advisory services of DA Services for a specified reasonable time (which shall not be less than thirty (30) days), and if Client does not respond to such second notice from DA Services, Client's continued acceptance of investment management services from the proposed assignee shall constitute Client's consent(s) to the assignment. This Agreement shall bind and inure to the benefit of and be enforceable by the parties and their respective successors and assigns.

14. Delivery of Information. Client acknowledges electronic delivery of DA Services' brochure that would be required to be delivered under the Advisers Act (including the information in Part 2 of DA Services' Form ADV), which is available on the Interactive Website and provided here by link: www.diversyfund.com/formadv. On written request by Client, DA Services agrees to annually deliver electronically, without charge, DA Services' brochure required by the Advisers Act.

15. Governing Law. This Agreement shall be governed by and construed and interpreted in accordance with the laws of the State of Delaware.

16. Arbitration.

1. Either party may, at its sole election, require that the sole and exclusive forum and remedy for resolution of a Claim be final and binding arbitration pursuant to this Section 16 (this "Arbitration Provision"). The arbitration shall be conducted in Wilmington, Delaware. As used in this Arbitration Provision, "Claim" shall include any past, present, or future claim, dispute, or controversy involving Client (or persons claiming through or connected with Client), on the one hand, and DA Services (or persons claiming through or connected with DA Services), on the other hand, relating to or arising out of this Agreement, any Security, the Interactive Website, and/or the activities or relationships that involve, lead to, or result from any of the foregoing, including (except to the extent provided otherwise in the last sentence of Section (d) below) the validity or enforceability of this Arbitration Provision, any part thereof, or the entire Agreement.
- 2.
3. The party initiating arbitration shall do so with the American Arbitration Association (the "AAA") or JAMS. The arbitration shall be conducted according to, and the location of the arbitration shall be determined in accordance with, the rules and policies of the administrator selected, except to the extent the rules conflict with this Arbitration Provision or any countervailing law. In the case of a conflict between the rules and policies of the administrator and this Arbitration Provision, this Arbitration Provision shall control, subject to countervailing law, unless all parties to the arbitration consent to have the rules and policies of the administrator apply.
- 4.
5. In the event any suit or action is filed to enforce or interpret the terms and obligations of this

- Agreement, the prevailing party shall be entitled to its reasonable attorney fees and costs, including reasonable post-judgment attorney fees incurred in collection efforts.
- 6.
 7. DA Services agrees not to invoke our right to arbitrate an individual Claim that Client may bring in Small Claims Court or an equivalent court, if any, so long as the Claim is pending only in that court. EXCEPT AS EXPRESSLY PROVIDED IN THIS AGREEMENT, NO ARBITRATION SHALL PROCEED ON A CLASS, REPRESENTATIVE, OR COLLECTIVE BASIS (INCLUDING AS PRIVATE ATTORNEY GENERAL ON BEHALF OF OTHERS), EVEN IF THE CLAIM OR CLAIMS THAT ARE THE SUBJECT OF THE ARBITRATION HAD PREVIOUSLY BEEN ASSERTED (OR COULD HAVE BEEN ASSERTED) IN A COURT AS CLASS REPRESENTATIVE, OR COLLECTIVE ACTIONS IN A COURT.
 - 8.
 9. Unless otherwise provided in this Agreement or consented to in writing by all parties to the arbitration, no party to the arbitration may join, consolidate, or otherwise bring claims for or on behalf of two or more individuals or unrelated corporate entities in the same arbitration unless those persons are parties to a single transaction. Unless consented to in writing by all parties to the arbitration, an award in arbitration shall determine the rights and obligations of the named parties only, and only with respect to the claims in arbitration, and shall not (i) determine the rights, obligations, or interests of anyone other than a named party, or resolve any Claim of anyone other than a named party, or (ii) make an award for the benefit of, or against, anyone other than a named party. No administrator or arbitrator shall have the power or authority to waive, modify, or fail to enforce this sub-section (e), and any attempt to do so, whether by rule, policy, arbitration decision or otherwise, shall be invalid and unenforceable. Any challenge to the validity of this sub-section (e) shall be determined exclusively by a court and not by the administrator or any arbitrator.
 - 10.
 11. This Arbitration Provision shall survive (i) suspension, termination, revocation, closure, or amendments to this Agreement and the relationship of the parties; (ii) the bankruptcy or insolvency of any party hereto or other party; and (iii) any transfer of any loan or Security or any amounts owed on such loans or notes, to any other party. If any portion of this Arbitration Provision other than sub-section (e) is deemed invalid or unenforceable, the remaining portions of this Arbitration Provision shall nevertheless remain valid and in force. If arbitration is brought on a class, representative, or collective basis, and the limitations on such proceedings in sub-section (e) are finally adjudicated pursuant to the last sentence of sub-section (e) to be unenforceable, then no arbitration shall be had. In no event shall any invalidation be deemed to authorize an arbitrator to determine Claims or make awards beyond those authorized in this Arbitration Provision.
 12. **Waiver of Court & Jury Rights. THE PARTIES ACKNOWLEDGE THAT THEY HAVE A RIGHT TO LITIGATE CLAIMS THROUGH A COURT BEFORE A JUDGE, BUT WILL NOT HAVE THAT RIGHT IF ANY PARTY ELECTS ARBITRATION PURSUANT TO THIS ARBITRATION PROVISION. THE PARTIES HEREBY KNOWINGLY AND VOLUNTARILY WAIVE THEIR RIGHTS TO LITIGATE SUCH CLAIMS IN A COURT UPON ELECTION OF ARBITRATION BY ANY PARTY. THE PARTIES HERETO WAIVE A TRIAL BY JURY IN ANY LITIGATION RELATING TO THIS AGREEMENT, THE NOTES OR ANY OTHER AGREEMENTS RELATED THERETO.**
 - 13.
 14. **Notices. All notices and communications under this Agreement must be made through the Interactive Website or by email. DA Services' contact information for this purpose is customerservice@diversyfund.com and Client's contact information for this purpose is contained in Client's user account on the Interactive Website and the primary email address(es) in Client's Account as Client shall update from time to time.**
 - 15.
 16. **Severability and Amendment. The invalidity or unenforceability of any provision hereof shall in no way affect the validity or enforceability of any and all other provisions hereof. Client acknowledges that DA Services may amend this Agreement from time to time by notifying Client by email or message to Client's DA Services user account, which amendment will be effective immediately.**
 - 17.
 18. **Waiver or Modification. DA Services' waiver or modification of any condition or obligation hereunder shall not be construed as a waiver or modification of any other condition or obligation, nor shall DA Services' waiver or modification granted on one occasion be construed as applying to any other occasion.**
 - 19.

20. **Entire Agreement.** This Agreement is the entire agreement of the parties regarding the subject matter hereof and supersedes all prior or contemporaneous written or oral negotiations, correspondence, agreements and understandings (including any and all preexisting client account agreements, which are hereby cancelled). However, the parties may choose to enter into separate agreements between them regarding different subject matters or investment programs.

21.

22. **No Third-Party Beneficiaries.** Neither party intends for this Agreement to benefit any third party not expressly named in this Agreement.

DA Services

Electronic Agreement and Disclosure Statement

BY CONTINUING WITH THIS ONLINE AGREEMENT, YOU AGREE THAT UNLESS INDICATED OTHERWISE THE AGREEMENT AND THE DISCLOSURES REQUIRED TO BE PROVIDED AT THE TIME OF THE AGREEMENT AND ALL FUTURE DISCLOSURES WILL BE PROVIDED ELECTRONICALLY. READ THE INFORMATION BELOW CAREFULLY BEFORE CONSENTING TO RECEIVE INFORMATION ELECTRONICALLY AT THIS WEBSITE AND VIA ELECTRONIC MAIL ("EMAIL"). YOU SHOULD PRINT OR SAVE THIS STATEMENT BY USING THE "PRINT" OR "FILE SAVE" OPTIONS ON YOUR INTERNET BROWSER.

In this Electronic Agreement and Disclosure Statement ("Statement"), please remember that "you" and "your" refer to the person who is establishing a Plan(s), as well as any future plans, and "we", "us" and "our" refer to Diversy Advisory Services, LLC ("DA Services"). Agreements and other information will be provided to you electronically unless indicated otherwise. Included in those agreements and other information will be disclosures required by the Investment Advisers Act of 1940, as amended (the "Act") and other laws (the "Disclosures"). The agreements and other disclosures to be provided to you electronically include:

- DA Services Client Agreement and all amendments, notices and other agreements which supplement the DA Services Client Agreement;
-
- Any other DA Services agreements pertaining to future plans that you may establish and all amendments, notices and other agreements which supplement those agreements;
-
- DA Services' Form ADV Part 2, Notice of Privacy Policy, Terms of Use and other required and permitted legal disclosures; and
-
- Account statements, fee calculation statements and/or performance reports.

By establishing a Plan(s), and signing this agreement via DocuSign or similar online electronic signing service, you are accepting this Statement and you are agreeing to receive electronically the agreements and other information listed in the first and second bulleted paragraphs above, including the Disclosures. Your consent to receive information electronically will apply only to the agreements and other information listed in the first and second bulleted paragraphs above, including the Disclosures. Information regarding your Plan(s), including the Disclosures, will be available on the website, www.diversyfund.com or DA Services' interactive website (collectively, the "Interactive Website"). In addition, the information will be available upon request by contacting us at customerservice@diversyfund.com. When revised or new Disclosures are available on the Interactive Website, we will send a message to your DA Services account, or otherwise notify you of their availability. You are responsible for maintaining a valid email address and software and hardware to receive, read and send email. You must provide us with your current email address and promptly notify us of any changes to your email address in your DA Services account on the Interactive Website. To receive electronically the agreements and other information listed in the first and second bulleted paragraphs above, including the Disclosures, you will need a compatible operating system and web browser, and you will need access to a printer or the ability to download information in order to keep copies for your records. Changes, if any, to these system hardware and software requirements will be updated on the Interactive Website. You must periodically refer to the website for current system requirements. By establishing and then accessing a Plan(s), you are indicating that you have the capability to access the agreements and other information, including the Disclosures, and download or print copies for your records.

For client support or technical assistance regarding your Plan(s), including the Disclosures, you may send an email to customerservice@diversyfund.com. You may obtain a paper copy of the agreements and other information listed in the first and second bulleted paragraphs above, including the Disclosures, at any time by

notifying us using any of the methods described in the immediately preceding paragraph for client support. We will not charge you a fee for the paper copy. This consent will apply on an ongoing basis unless you withdraw your consent. You may withdraw your consent to receive electronically the agreements and other information listed in the first and second bulleted paragraphs above, including the Disclosures. To withdraw your consent, please notify us by sending an email to customerservice@diversyfund.com. By establishing a Plan(s), and signing this agreement via Docusign or similar online electronic signing service, you are indicating that you have reviewed our privacy and security policies on the Interactive Website. You are also acknowledging that your initial use of your DA Services account will constitute your agreement to be bound by the terms and conditions of the agreements and other information listed in the first and second bulleted paragraphs above, including the Disclosures. In addition to providing your signature via Docusign or similar online electronic signing service, by checking the acknowledgement box and submitting such acknowledgement electronically to DA Services, you acknowledge that you have read, understand, and agree to be bound by the terms above. If you do not agree to be bound by the terms above but would like to establish a Plan(s), DO NOT continue with the online process. Instead, please email us at customerservice@diversyfund.com. Because the DA Services Client Agreement relates to the functionality of the DA Services website, DA Services reserves the right to refuse to establish a Plan(s) that is not subject to this Statement. You agree that the agreement and disclosures required to be provided at the time of application and any supplemental agreements or subsequent notices of changes will be provided electronically, and you confirm that you will download or print all electronically-provided documents for your records. You acknowledge that you can access the Disclosures, agreements and information that are provided electronically on the Interactive Website and via email.

Important Considerations

DA Services is an Internet Investment Adviser as defined under Rule 203A-2(e) of the Investment Advisers Act of 1940 and is authorized to provide Clients investment advisory services only through the use of the Interactive Website. DA Services, through the Interactive Website, plans to advise Clients on investment opportunities solely in relation to real estate investments. All DA Services clients will be investing in its affiliates, DF Growth REIT, LLC and DF Growth REIT II LLC (the "Funds") and other Regulation A+ real estate funds not yet created. The Funds are managed by DF Manager LLC, a Delaware limited liability company, (the "Manager") that controls all of the aspects of the Funds' business and operations, including investment decisions (that is, deciding which properties to buy and sell and when to buy and sell them).

DA Services will advise its clients, through the Interactive Website, to invest in the Funds which bear certain aforementioned fees that will benefit affiliates of DA Services. DA Services may receive fees for its advisory services and related persons working on behalf of DA Services' affiliates will receive compensation through fees paid by the Funds in connection with real estate management.

BY SIGNING THIS AGREEMENT, YOU, CLIENT, UNDERSTAND THAT DA SERVICES, IN ITS CAPACITY AS AN INVESTMENT ADVISER, SHALL DIRECT CLIENT FUNDS TO INVEST ONLY IN THE FUNDS, WHICH ARE AFFILIATED WITH DA SERVICES AND THROUGH WHICH RELATED PERSONS WORKING ON BEHALF OF DA SERVICES' AFFILIATES WILL RECEIVE COMPENSATION. DA SERVICES WILL NOT BE INVESTING CLIENT FUNDS INTO ANY NON-AFFILIATED INVESTMENT VEHICLES. FURTHER, CLIENT UNDERSTANDS THAT DA SERVICES SHALL ONLY PROVIDE INVESTMENT ADVICE THROUGH THE USE OF THE INTERACTIVE WEBSITE. FOR ALL OF THE AFOREMENTIONED REASONS, ENTERING INTO AN INVESTMENT ADVISORY RELATIONSHIP WITH DA SERVICES MAY NOT BE SUITABLE FOR ALL INVESTORS.

FOR A COMPLETE DESCRIPTION OF POTENTIAL CONFLICTS, PLEASE REFER TO DA SERVICES' FORM ADV PART 2 AND FORM CRS.

SIGNED:

DIVERSY ADVISORY SERVICES, LLC

By: DiversyFund, Inc.
Its Manager

By: _____

Name:

Title: Chief Investment Officer

Signature: Alan Lewis

CLIENT:

Individual:

Paul A Calo

Signature:

Name: Paul Calo

EXHIBIT 2

From: paul calo texcalo@yahoo.com
Subject: DiversyFund Request
Date: May 11, 2022 at 12:25:27 PM
To: DiversyFund hello@diversyfund.com
Cc: Anthony Lawson alawson@altoira.com

Hello my name is Paul Calo. I invested \$20,000 in DiversyFund about a year ago based on your advertisements regarding the advantages of Private Crowd Funding into the real estate market. I previously invested into publicly traded REITS and have been more than happy doing so. Everything is out in the open and information is supplied to me every quarter. I get to vote on board members and proposals, and get yearly updates on the performance of their properties by the CEO in a taped public meeting every year. My dividends are paid to me religiously, and shares are repurchased with those dividends. I also get official statements proving the ownership stake I have in the REIT.

Currently with DiversyFund,

- 1) I haven't received one statement.
- 2) My dividends have stopped after just a few months.
- 3) I'm told my dividends are being reinvested into improving the properties but there is no way of knowing that for sure.
- 4) I invested in Growth REIT but now the name is changed to Growth REIT 1 and a new investment, Growth REIT 2 has opened. What if Growth REIT 2 fails? Is my investment at risk? Are they truly separate investments?
- 5) There is no phone number to call.
- 6) The only information I get, is the online "Dashboard " which is really more of just an advertisement to invest more money into the fund. If you are accepting more money from me, does it go into Growth REIT 1 or Growth REIT 2???
- Growth REIT 1 is closed so how come it isn't explained that new money will go into a new investment with a new liquidation timeline???
- 7) How does an automated investment get calculated at payout? Do investors need to have blind faith that it will be fair and equitable?
- 8) My balance in the DiversyFund dashboard does not match my balance in my Alto IRA.
- 9) I get no information from DiversyFund regarding my investment. Nothing in the mail, nothing in emails. Anytime I ask about audits, I'm directed to the SEC website which is not very easy to navigate. I would've hoped that a more user

friendly year end audit would be prepared by DiversyFund. I would also expect some type of commentary from the owners of the fund on investment timelines, plans, performance, ect, ect.

In conclusion, I don't feel that there was an honest disclosure as to how little of information and documentation would be supplied to me. I would appreciate my initial investment of \$20,000 be returned to my Alto IRA. You can keep the dividends at this point and I wish you luck in attracting new investors. This just isn't the type of investment for me.

Thankyou
Paul Calo

On May 9, 2022, at 4:13 PM, Kari H (DiversyFund) <hello@diversyfund.com> wrote:

##- Please type your reply above this line -##

You are registered as a CC on this request (50284). Reply to this email to add a comment to the request.



Kari H (DiversyFund)

May 9, 2022, 1:13 PM PDT

Hello,

Thank you. I will forward this to the correct person.

Have a great day!

Kari H

EXHIBIT 3

Please let us know if you have any further questions..

Kari Hassey



paul calo

May 21, 2021, 8:03 AM PDT

I was seriously considering investing 10% more of my portfolio into DiversyFund but have just a few questions before I decide to do it. I currently already have 10% invested into publicly traded REITS (WP Carey, Residential Reality Income, Camdon Properties, and Public Storage), and would like to add to that to bring my REIT exposure to 20%.

- 1). About how long will my money be tied up?
- 2). Will I get any statements, account information, or commentary about my investment during that time?
- 3). Are the owners / managers fellow investors?

I understand all about the redemption rules or lack of them, and will be patient with money I will not need for a while, but I would also like to receive information about my account from time to time.

Thank you

Paul

texcalo@yahoo.com

This email is a service from DiversyFund. Delivered by [Zendesk](#)

[X79P3R-X0QW]

SEC-CaloP-E-0000133

OS Received 06/03/2022

[DiversyFund] Re: Questions.

From: Kari Hassey (DiversyFund) (hello@diversyfund.com)

To: texcalo@yahoo.com

Date: Friday, May 21, 2021, 12:52 PM EDT

##- Please type your reply above this line -##

Your request (34411) has been updated. To add additional comments, reply to this email.



Kari Hassey (DiversyFund)

May 21, 2021, 9:52 AM PDT

Hello,

Thank you for reaching out. My name is Kari, and I am happy to help!

1). About how long will my money be tied up?

There is roughly 4 more years left before we sell the properties and liquidate the investors.

2). Will I get any statements, account information, or commentary about my investment during that time?

At the moment, we do not provide investor statements. Investors can keep track of their accounts by visiting their dashboard.

This is one of the initiatives we are working on and definitely on our "to-do list". As a start-up, we are always looking for ways to improve. We do want to start sending out e-statements to investors, we are not quite there yet but it is definitely on our radar. In the meantime, investors can keep track of their investment's performance by logging into the website or app. We will also get emails when the dividends post to your account.

3). Are the owners / managers fellow investors?

At DiversyFund, we are vertically integrated and do everything in house, we basically eliminate the middle man and middle man fees (broker fees, management fee, etc.) This means we actually own all of the real estate assets that are being purchased as opposed to other platforms that simply raise funds for other 3rd party projects. We are fully invested in our projects and oversee everything from start to finish. This allows us to have a no-fee platform and provide our investors with more transparency. We profit upon the success of the project and liquidation of the REIT alongside our investors.

SEC-CaloP-E-0000134

OS Received 06/03/2022

Welcome to simpler, smarter investing

From: DiversyFund (hello@diversyfund.com)

To: texcalo@yahoo.com

Date: Sunday, May 23, 2021, 08:54 AM EDT



Thank you for creating an account with DiversyFund. We know you're busy, that's why we made the process fast and easy.

We're in the business of creating wealth for the everyday investor. Our first investment offering provides you with access to ownership in a multi-million dollar property portfolio, all with one simple fund. Tap on the button below to make your first investment.

[Get Started](#)

Want to Learn More?

Join us for a free **25-minute webinar** to learn more about DiversyFund and how we serve the everyday investor. We'll walk you through our REIT investment, explain how it works and answer some of your questions.

The DiversyFund Team

FEATURED ON

Join Our Smart Investing Community On Social Media



SEC-CaloP-E-0000135

OS Received 06/03/2022

It's not too late to start building wealth

From: DiversyFund (hello@diversyfund.com)

To: texcalo@yahoo.com

Date: Monday, May 24, 2021, 08:54 AM EDT



Hi Paul,

You don't need to be a realtor or an accredited investor to make money, you just have to find a team of people who know the industry inside and out.

That's where we come in. We are a group of experienced investors. Every investment decision we make is backed by data, tech, and our team of seasoned real estate professionals. Only properties that meet our extensive criteria make it into the fund.

We look at hundreds of data points related to market conditions, historical performance, and other investment indicators to vet properties and curate a high quality portfolio.



Summerlyn
Killeen, TX

TYPE	POTENTIAL RETURN
Multifamily	18% IRR

Acquiring a cash flowing 200-unit apartment complex for a value-add opportunity where we renovate the property to increase cash flows.



McArthur Landing
Fayetteville, NC

TYPE	POTENTIAL RETURN
Multifamily	15.5% IRR

A multifamily value-add opportunity that creates wealth by repositioning an existing 211-unit apartment complex built in 2014 requiring minimal renovation to achieve higher cash flows and returns.

So how will you build wealth with DiversyFund?

We're dedicated to developing wealth-building offerings for the everyday investor.

Here's what you get with our fund:

1. Real assets: multifamily properties — a historically strong commercial real estate category
2. Diversification: investing in an alternative asset category, and a fund vehicle with multiple properties
3. Value-add strategy: strong appreciation potential

Do you want to experience the life of the 1%? Get started today.

Invest Today

Real people. Real results.

"Our plan was to look into alternative investment this year. Happy we found this one."
— Nancy T.

The DiversyFund Team

FEATURED ON



Join Our Smart Investing Community On Social Media



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DiversyFund, Inc. ("DiversyFund") operates a website at diversyfund.com (the "Site"). By submitting a testimonial and photo, DiversyFund has the right to publish them on our website and social media. By using the Site, you accept our [Terms of Use](#) and [Privacy Policy](#). Past performance is no guarantee of future results. Any historical returns, expected returns, or probability projections may not reflect actual future performance. All securities involve risk and may result in partial or total loss. Neither DiversyFund nor any of its affiliates provides tax advice or investment recommendations and do not represent in any manner that the outcomes described herein or on the Site will result in any particular investment or tax consequence. Prospective investors should confer with their personal tax advisors regarding the tax consequences based on their particular circumstances. Neither DiversyFund nor any of its affiliates assume responsibility for the tax consequences for any investor of any investment. This message is not a proposal to sell or the solicitation of interest in any security, which can only be made through official documents such as a private placement memorandum or a prospectus.

Our mailing address is
DiversyFund INC.
750 B St, Suite 1930
San Diego, CA 92101 US

You may [Manage Subscriptions](#) or [Unsubscribe](#) from all emails.

SEC-CaloP-E-0000137

OS Received 06/03/2022

Re: Request #34411: How would you rate the support you received?

From: paul calo (texcalo@yahoo.com)

To: hello@diversyfund.com

Date: Monday, May 24, 2021, 09:49 AM EDT

One last question. What would be the advantage to investing in Diversy Fund over a REIT stock like Reality Income Trust or Camdon Property Trust. ?

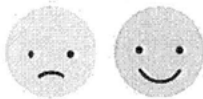
On May 21, 2021, at 2:02 PM, DiversyFund <hello@diversyfund.com> wrote:

##- Please type your reply above this line -##

Hello paul calo,

We'd love to hear what you think of our customer service. Please take a moment to answer one simple question by clicking either link below:

How did we do?



Here's a reminder of what this request was about:



Kari Hassey (DiversyFund)

May 21, 2021, 9:52 AM PDT

Hello,

Thank you for reaching out. My name is Kari, and I am happy to help!

1). About how long will my money be tied up?

There is roughly 4 more years left before we sell the properties and liquidate the investors.

2). Will I get any statements, account information, or commentary about my investment during that time?

At the moment, we do not provide investor statements. Investors can keep track of their accounts by visiting their dashboard.

Best,

Kari Hassey



paul calo

May 24, 2021, 8:35 AM PDT

How can I fund my Diversy account with an individual IRA account without being penalized.

This email is a service from DiversyFund. Delivered by [Zendesk](#)

[X79PY6-03ZO]

SEC-CaloP-E-0000139

OS Received 06/03/2022

[DiversyFund] Re: Retirement Account

From: Kari Hassey (DiversyFund) (support@diversyfund.zendesk.com)

To: texcalo@yahoo.com

Date: Monday, May 24, 2021, 12:15 PM EDT

##- Please type your reply above this line -##

Your request (34507) has been updated. To add additional comments, reply to this email.



Kari Hassey (DiversyFund)

May 24, 2021, 9:15 AM PDT

Hello,

Thank you for reaching out and taking an interest in DiversyFund! I'm happy to help!

You can definitely invest in the Growth REIT with an IRA as long as the IRA is self-directed and allows for investments in non-traded alternatives. IRA investments can not be processed on the website. Custodians will typically request our investment agreement and subscription agreement, some may require additional documentation.

- If you already have a self-directed IRA, all you need to do is reach out to your custodian to see if they allow for investments in non-traded alternatives such as our REIT.
- If your IRA is not self-directed, you would have to roll over your current IRA into a self-directed IRA. We can help you set one up with, Millennium Trust, one of the custodians we work with. If you have another custodian in mind, we're happy to work with them as well.

Our minimum investment for IRA investments is \$10,000 US. Investing with an IRA typically involves an outside custodian fee that can eat into your profits so starting with a lower amount doesn't make much sense.

I'm happy to guide you through the next steps, please let me know if you have any questions.

Division of Enforcement's Exhibit 28

Please let us know if you have any further questions..

Kari Hassey



paul calo

May 21, 2021, 8:03 AM PDT

I was seriously considering investing 10% more of my portfolio into DiversyFund but have just a few questions before I decide to do it. I currently already have 10% invested into publicly traded REITS (WP Carey, Residential Realty Income, Camdon Properties, and Public Storage), and would like to add to that to bring my REIT exposure to 20%.

- 1). About how long will my money be tied up?
- 2). Will I get any statements, account information, or commentary about my investment during that time?
- 3). Are the owners / managers fellow investors?

I understand all about the redemption rules or lack of them, and will be patient with money I will not need for a while, but I would also like to receive information about my account from time to time.

Thank you

Paul

texcalo@yahoo.com

This email is a service from DiversyFund. Delivered by [Zendesk](#)

[X79P3R-X0QW]

SEC-CaloP-E-0000133

OS Received 06/03/2022

[DiversyFund] Re: Questions.

From: Kari Hassey (DiversyFund) (hello@diversyfund.com)

To: texcalo@yahoo.com

Date: Friday, May 21, 2021, 12:52 PM EDT

##- Please type your reply above this line -##

Your request (34411) has been updated. To add additional comments, reply to this email.



Kari Hassey (DiversyFund)

May 21, 2021, 9:52 AM PDT

Hello,

Thank you for reaching out. My name is Kari, and I am happy to help!

1). About how long will my money be tied up?

There is roughly 4 more years left before we sell the properties and liquidate the investors.

2). Will I get any statements, account information, or commentary about my investment during that time?

At the moment, we do not provide investor statements. Investors can keep track of their accounts by visiting their dashboard.

This is one of the initiatives we are working on and definitely on our "to-do list". As a start-up, we are always looking for ways to improve. We do want to start sending out e-statements to investors, we are not quite there yet but it is definitely on our radar. In the meantime, investors can keep track of their investment's performance by logging into the website or app. We will also get emails when the dividends post to your account.

3). Are the owners / managers fellow investors?

At DiversyFund, we are vertically integrated and do everything in house, we basically eliminate the middle man and middle man fees (broker fees, management fee, etc.) This means we actually own all of the real estate assets that are being purchased as opposed to other platforms that simply raise funds for other 3rd party projects. We are fully invested in our projects and oversee everything from start to finish. This allows us to have a no-fee platform and provide our investors with more transparency. We profit upon the success of the project and liquidation of the REIT alongside our investors.

Welcome to simpler, smarter investing

From: DiversyFund (hello@diversyfund.com)

To: texcalo@yahoo.com

Date: Sunday, May 23, 2021, 08:54 AM EDT



Thank you for creating an account with DiversyFund. We know you're busy, that's why we made the process fast and easy.

We're in the business of creating wealth for the everyday investor. Our first investment offering provides you with access to ownership in a multi-million dollar property portfolio, all with one simple fund. Tap on the button below to make your first investment.

[Get Started](#)

Want to Learn More?

Join us for a free **25-minute webinar** to learn more about DiversyFund and how we serve the everyday investor. We'll walk you through our REIT investment, explain how it works and answer some of your questions.

The DiversyFund Team

FEATURED ON

Join Our Smart Investing Community On Social Media



SEC-CaloP-E-0000135

OS Received 06/03/2022

It's not too late to start building wealth

From: DiversyFund (hello@diversyfund.com)

To: texcalo@yahoo.com

Date: Monday, May 24, 2021, 08:54 AM EDT



Hi Paul,

You don't need to be a realtor or an accredited investor to make money, you just have to find a team of people who know the industry inside and out.

That's where we come in. We are a group of experienced investors. Every investment decision we make is backed by data, tech, and our team of seasoned real estate professionals. Only properties that meet our extensive criteria make it into the fund.

We look at hundreds of data points related to market conditions, historical performance, and other investment indicators to vet properties and curate a high quality portfolio.



Summerlyn
Killeen, TX

TYPE	POTENTIAL RETURN
Multifamily	18% IRR

Acquiring a cash flowing 200-unit apartment complex for a value-add opportunity where we renovate the property to increase cash flows.



McArthur Landing
Fayetteville, NC

TYPE	POTENTIAL RETURN
Multifamily	15.5% IRR

A multifamily value-add opportunity that creates wealth by repositioning an existing 211-unit apartment complex built in 2014 requiring minimal renovation to achieve higher cash flows and returns.

So how will you build wealth with DiversyFund?

We're dedicated to developing wealth-building offerings for the everyday investor.

Here's what you get with our fund:

1. Real assets: multifamily properties — a historically strong commercial real estate category
2. Diversification: investing in an alternative asset category, and a fund vehicle with multiple properties
3. Value-add strategy: strong appreciation potential

Do you want to experience the life of the 1%? Get started today.

Invest Today

Real people. Real results.

"Our plan was to look into alternative investment this year. Happy we found this one."
— Nancy T.

The DiversyFund Team

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Join Our Smart Investing Community On Social Media



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Our mailing address is
DiversyFund INC.
750 B St, Suite 1930
San Diego, CA 92101 US

You may [Manage Subscriptions](#) or [Unsubscribe](#) from all emails.

SEC-CaloP-E-0000137

OS Received 06/03/2022

Re: Request #34411: How would you rate the support you received?

From: paul calo (texcalo@yahoo.com)

To: hello@diversyfund.com

Date: Monday, May 24, 2021, 09:49 AM EDT

One last question. What would be the advantage to investing in Diversy Fund over a REIT stock like Reality Income Trust or Camdon Property Trust. ?

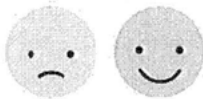
On May 21, 2021, at 2:02 PM, DiversyFund <hello@diversyfund.com> wrote:

##- Please type your reply above this line -##

Hello paul calo,

We'd love to hear what you think of our customer service. Please take a moment to answer one simple question by clicking either link below:

How did we do?



Here's a reminder of what this request was about:



Kari Hassey (DiversyFund)

May 21, 2021, 9:52 AM PDT

Hello,

Thank you for reaching out. My name is Kari, and I am happy to help!

1). About how long will my money be tied up?

There is roughly 4 more years left before we sell the properties and liquidate the investors.

2). Will I get any statements, account information, or commentary about my investment during that time?

At the moment, we do not provide investor statements. Investors can keep track of their accounts by visiting their dashboard.

Best,

Kari Hassey



paul calo

May 24, 2021, 8:35 AM PDT

How can I fund my Diversy account with an individual IRA account without being penalized.

This email is a service from DiversyFund. Delivered by [Zendesk](#)

[X79PY6-03ZO]

SEC-CaloP-E-0000139

OS Received 06/03/2022

[DiversyFund] Re: Retirement Account

From: Kari Hassey (DiversyFund) (support@diversyfund.zendesk.com)

To: texcalo@yahoo.com

Date: Monday, May 24, 2021, 12:15 PM EDT

##- Please type your reply above this line -##

Your request (34507) has been updated. To add additional comments, reply to this email.



Kari Hassey (DiversyFund)

May 24, 2021, 9:15 AM PDT

Hello,

Thank you for reaching out and taking an interest in DiversyFund! I'm happy to help!

You can definitely invest in the Growth REIT with an IRA as long as the IRA is self-directed and allows for investments in non-traded alternatives. IRA investments can not be processed on the website. Custodians will typically request our investment agreement and subscription agreement, some may require additional documentation.

- If you already have a self-directed IRA, all you need to do is reach out to your custodian to see if they allow for investments in non-traded alternatives such as our REIT.
- If your IRA is not self-directed, you would have to roll over your current IRA into a self-directed IRA. We can help you set one up with, Millennium Trust, one of the custodians we work with. If you have another custodian in mind, we're happy to work with them as well.

Our minimum investment for IRA investments is \$10,000 US. Investing with an IRA typically involves an outside custodian fee that can eat into your profits so starting with a lower amount doesn't make much sense.

I'm happy to guide you through the next steps, please let me know if you have any questions.

SEC-CaloP-E-0000140

OS Received 06/03/2022

Division of Enforcement's Exhibit 29

ESCROW SERVICES AGREEMENT

This Escrow Services Agreement (this "Agreement") is made and entered into as of August 19, 2021 by and between Prime Trust, LLC ("Prime Trust" or "Escrow Agent") and DF Growth REIT II LLC ("Issuer").

RECITALS

WHEREAS, the Issuer proposes to offer for sale and sell securities to prospective investors ("Subscribers"), as disclosed in its offering materials, in a registered offering pursuant to the Securities Act of 1933, as amended, or exemption from registration (i.e. Regulation A+, D or S) (the "Offering"), the equity, debt or other securities of the Issuer (the "Securities") in the amount of at least \$0.00 (the "Minimum Amount of the Offering") and up to the maximum amount of \$75,000,000.00 (the "Maximum Amount of the Offering").

WHEREAS, Issuer desires to establish an Escrow Account in which funds received from Subscribers will be held during the Offering, subject to the terms and conditions of this Agreement.

WHEREAS, Prime Trust agrees to serve as third-party escrow agent for the Subscribers with respect to such Escrow Account (as defined below) in accordance with the terms and conditions set forth herein.

AGREEMENT

NOW THEREFORE, in consideration for the mutual covenants, promises, agreements, representations, and warranties contained in this Agreement and other good and valuable consideration, the receipt and adequacy of which is hereby acknowledged, the parties hereby agree as follows:

- 1. Establishment of Escrow Account.** Prior to the Issuer initiating the Offering, and prior to the receipt of the first Subscriber funds, Escrow Agent shall establish an account for the Issuer (the "Escrow Account"). All parties agree to maintain the Escrow Account and Escrow Amount (as defined below) in a manner that is compliant with banking and securities regulations. For purposes of communications and directives, Escrow Agent shall be the sole administrator of the Escrow Account.
- 2. Escrow Period.** The escrow period ("Escrow Period") shall begin with the commencement of the Offering and shall terminate upon the earlier to occur of the following:
 - a. The date upon which the Minimum Amount of the Offering is received, in bona fide transactions that are fully paid for with cleared funds, which is defined to occur when Escrow Agent has received gross proceeds of at least Minimum Amount of the Offering that have cleared in the Escrow Account and the Issuer has instructed a partial or full closing on those funds.; or
 - b. January 28, 2023 if the Minimum Amount of the Offering has not been reached; or
 - c. The date upon which a determination is made by Issuer and/or their authorized representatives to terminate the Offering; or
 - d. Escrow Agent's exercise of the termination rights specified in Section 8.

During the Escrow Period, the parties agree that (i) the Escrow Account and escrowed funds will be held for the benefit of the Subscribers, and that (ii) Issuer is not entitled to any funds received into the Escrow Account, and that no amounts deposited into the Escrow Account shall become the property of Issuer or any other entity, or be subject to any debts, liens or encumbrances of any kind of Issuer or any other entity, until the contingency has been satisfied by the sale of the Minimum Amount of the Offering to such investors in bona fide transactions that are fully paid and cleared.

- 3. Deposits into the Escrow Account.** All Subscribers will be directed by the Issuer and its agents to transmit their data and subscription amounts, via Escrow Agent's technology systems ("Issuer Dashboard"), directly to the Escrow Account to be held for the benefit of Subscribers in accordance with the terms of this Agreement and applicable regulations. All Subscribers will transfer funds directly to the Escrow Agent (with checks, if any, made payable to "Prime Trust, LLC as Escrow Agent for Investors in DF Growth REIT II, LLC") for deposit into the Escrow Account. Escrow Agent shall process all Escrow Amounts for collection through the banking system, shall hold such funds, and shall maintain an accounting of each deposit posted to its ledger, which also sets forth, among other things, each Subscriber's name and address, the quantity of Securities purchased, and the amount paid. All monies so deposited in the Escrow Account and which have cleared the banking system are hereinafter referred to as the "Escrow Amount". No interest shall be paid to Issuer or Subscribers on balances in the Escrow Account. Issuer shall promptly, concurrent with any new or modified Subscription Agreement and/or offering documents, provide Escrow Agent with a copy of the Subscriber's subscription and other information as may be reasonably requested by Escrow Agent in the performance of their duties under this Agreement. Escrow Agent is under no duty or responsibility to enforce collection of any funds delivered to it hereunder. Issuer shall assist Escrow Agent with clearing any and all AML and ACH exceptions.

Funds Hold — clearing, settlement and risk management policy: All parties agree that funds are considered "cleared" as follows:

Wires — 24 hours after receipt of funds

Checks — 10 days after deposit

ACH — As transaction must clear in a manner similar to checks, and as Federal regulations provide investors with 60 days to

recall funds. For risk reduction and protection, in making an effort to provide flexibility to Issuer, the Escrow Agent shall at its discretion post funds as cleared starting 10 calendar days after receipt. Of course, regardless of this operating policy, Issuer remains liable to immediately and without protestation or delay return to Prime Trust any funds recalled for whatever reason pursuant to Federal regulations.

Notwithstanding the foregoing, cleared funds remain subject to internal compliance review in accordance with internal procedures and applicable rules and regulations. Escrow Agent reserves the right to deny, suspend or terminate participation in the Escrow Account of any Subscriber to the extent Escrow Agent, in its sole and absolute discretion, deems it advisable or necessary to comply with applicable laws or to eliminate practices that are not consistent with laws, rules, regulations or best practices.

4. **Disbursements from the Escrow Account.** In the event Escrow Agent does not receive the Minimum Amount of the Offering prior to the termination of the Escrow Period, Escrow Agent shall terminate the Escrow Account and make a full and prompt return of cleared funds to each Subscriber to the Offering.

In the event Escrow Agent receives cleared funds for at least the Minimum Amount of the Offering prior to the termination of the Escrow Period, and for any point thereafter and Escrow Agent receives a written instruction from Issuer (generally via notification on the Issuer Dashboard), Escrow Agent shall, pursuant to those instructions, make a disbursement to the Issuer from the Escrow Account. Issuer acknowledges that there is a 24-hour (one business day) processing time once a request has been received to disburse funds from the Escrow Account. Furthermore, Issuer directs Escrow Agent to accept instructions regarding fees from registered securities brokers in the syndicate, if any, or from the API integrated platform or portal through which this offering is being conducted, if any.

5. **Collection Procedure.** Escrow Agent is hereby authorized, upon receipt of Subscriber funds, to promptly deposit them in the Escrow Account. Any Subscriber funds which fail to clear or are subsequently reversed, including but not limited to ACH chargebacks and wire recalls, shall be debited to the Escrow Account, with such debits reflected on the Escrow Account ledger accessible via Escrow Agent's API or dashboard technology. Any and all escrow fees paid by Issuer, including those for funds receipt and processing are non-refundable, regardless of whether ultimately cleared, failed, rescinded, returned or recalled. In the event of any Subscriber refunds, returns or recalls after funds have already been remitted to Issuer, then Issuer hereby irrevocably agrees to immediately and without delay or dispute send equivalent funds to Escrow Agent to cover such refunds, returns or recalls. If Issuer has any dispute or disagreement with its Subscriber then that is separate and apart from this Agreement and Issuer will address such situation directly with said Subscriber, including taking whatever actions Issuer determines appropriate, but Issuer shall regardless remit funds to Escrow Agent and not involve Escrow Agent in any such disputes.
6. **Escrow Administration Fees, Compensation of Prime Trust.** Escrow Agent is entitled to escrow administration fees from Issuer as set forth in Exhibit A attached hereto. All fees are charged immediately upon receipt of this Agreement and then immediately as they are incurred in Escrow Agent's performance hereunder and are not contingent in any way on the success or failure of the Offering or transactions contemplated by this Agreement. No fees, charges or expense reimbursements of Escrow Agent are reimbursable, and are not subject to pro-rata analysis. All fees and charges, if not paid by a representative of Issuer (e.g. funding platform, lead syndicate broker, etc.), may be made via either Issuers credit card or ACH information on file with Escrow Agent. Escrow Agent may also collect its fee(s), at its option, from any other account held by the Issuer at Prime Trust. It is acknowledged and agreed that no fees, reimbursement for costs and expenses, indemnification for any damages incurred by Issuer or Escrow Agent shall be paid out of or chargeable to the investor funds on deposit in the Escrow Account.
7. **Representations and Warranties.** The Issuer covenants and makes the following representations and warranties to Escrow Agent:
- It is duly organized, validly existing, and in good standing under the laws of the state of its incorporation or organization and has full power and authority to execute and deliver this Agreement and to perform its obligations hereunder.
 - This Agreement and the transactions contemplated thereby have been duly approved by all necessary actions, including any necessary shareholder or membership approval, has been executed by its duly authorized officers, and constitutes a valid and binding agreement enforceable in accordance with its terms.
 - The execution, delivery, and performance of this Agreement is in accordance with the agreements related to the Offering and will not violate, conflict with, or cause a default under its articles of incorporation, bylaws, management agreement or other organizational document, as applicable, any applicable law, rule or regulation, any court order or administrative ruling or decree to which it is a party or any of its property is subject, or any agreement, contract, indenture, or other binding arrangement, including the agreements related to the Offering, to which it is a party or any of its property is subject.
 - The Offering shall contain a statement that Escrow Agent has not investigated the desirability or advisability of investment in the Securities nor approved, endorsed or passed upon the merits of purchasing the Securities; and the name of Escrow Agent has not and shall not be used in any manner in connection with the Offering of the Securities other than to state that Escrow Agent has agreed to serve as escrow agent for the limited purposes set forth in this Agreement.
 - No party other than the parties hereto has, or shall have, any lien, claim or security interest in the Escrow Funds or any part thereof. No financing statement under the Uniform Commercial Code is on file in any jurisdiction claiming a security interest in or describing (whether specifically or generally) the Escrow Funds or any part thereof.

- f. It possesses such valid and current licenses, certificates, authorizations or permits issued by the appropriate state, federal or foreign regulatory agencies or bodies necessary to conduct its respective businesses, and it has not received any notice of proceedings relating to the revocation or modification of, or non-compliance with, any such license, certificate, authorization or permit.
- g. Its business activities are in no way related to cannabis, gambling, adult entertainment, or firearms.
- h. The Offering complies in all material respects with the Act and all applicable laws, rules and regulations.

All of its representations and warranties contained herein are true and complete as of the date hereof and will be true and complete at the time of any disbursement of Escrow Funds.

8. **Term and Termination.** This Agreement will remain in full force during the Escrow Period and shall terminate upon the following:
- a. As set forth in Section 2.
 - b. Termination for Convenience. Any party may terminate this Agreement at any time for any reason by giving at least thirty (30) days' written notice.
 - c. Escrow Agent's Resignation. Escrow Agent may unilaterally resign by giving written notice to Issuer, whereupon Issuer will immediately appoint a successor escrow agent. Without limiting the generality of the foregoing, Escrow Agent may terminate this Agreement and thereby unilaterally resign under the circumstances specified in Section 2. Until a successor escrow agent accepts appointment or until another disposition of the subject matter has been agreed upon by the parties, following such resignation notice, Escrow Agent shall be discharged of all of its duties hereunder save to keep the subject matter whole.
9. **Binding Arbitration, Applicable Law, Venue, and Attorney's Fees.** This Agreement is governed by, and will be interpreted and enforced in accordance with the laws of the State of Nevada, as applicable, without regard to principles of conflict of laws. Any claim or dispute arising under this Agreement may only be brought in arbitration, pursuant to the rules of the American Arbitration Association, with venue in Clark County, Nevada. The parties consent to this method of dispute resolution, as well as jurisdiction, and consent to this being a convenient forum for any such claim or dispute and waives any right it may have to object to either the method or jurisdiction for such claim or dispute. Furthermore, the prevailing party shall be entitled to recover damages plus reasonable attorney's fees and costs and the decision of the arbitrator shall be final, binding and enforceable in any court.
10. **Limited Capacity of Escrow Agent.** This Agreement expressly and exclusively sets forth the duties of Escrow Agent with respect to any and all matters pertinent hereto, and no implied duties or obligations shall be read into this Agreement against Escrow Agent. Escrow Agent acts hereunder as an escrow agent only and is not associated, affiliated, or involved in the business decisions or business activities of Issuer, portal, or Subscriber. Escrow Agent is not responsible or liable in any manner whatsoever for the sufficiency, correctness, genuineness, or validity of the subject matter of this Agreement or any part thereof, or for the form of execution thereof, or for the identity or authority of any person executing or depositing such subject matter. Escrow Agent shall be under no duty to investigate or inquire as to the validity or accuracy of any document, agreement, instruction, or request furnished to it hereunder, including, without limitation, the authority or the identity of any signer thereof, believed by it to be genuine, and Escrow Agent may rely and act upon, and shall not be liable for acting or not acting upon, any such document, agreement, instruction, or request. Escrow Agent shall in no way be responsible for notifying, nor shall it be responsible to notify, any party thereto or any other party interested in this Agreement of any payment required or maturity occurring under this Agreement or under the terms of any instrument deposited herewith. Escrow Agent's entire liability, and Issuer's exclusive remedy, in any cause of action based on contract, tort, or otherwise in connection with any services furnished pursuant to this Agreement shall be limited to the total fees paid to Escrow Agent by Issuer. The Escrow Agent shall not be called upon to advise any party as to the wisdom in selling or retaining or taking or refraining from any action with respect to any securities or other property deposited hereunder. Escrow Agent may consult legal counsel selected by it in the event of any dispute or question as to the construction of any of the provisions hereof or of any other agreement or of its duties hereunder, or relating to any dispute involving any party hereto, and shall incur no liability and shall be fully indemnified from any reasonable liability whatsoever in acting in accordance with the reasonable opinion or instruction of such counsel. Issuer shall promptly pay, upon demand, the reasonable fees and expenses of any such counsel.
11. **Indemnity.** Issuer agrees to defend, indemnify and hold Escrow Agent and its related entities, directors, employees, service providers, advertisers, affiliates, officers, agents, and partners and third-party service providers (collectively "Escrow Agent Indemnified Parties") harmless from and against any loss, liability, claim, or demand, including attorney's fees (collectively "Expenses"), made by any third party due to or arising out of (i) this Agreement or a breach of any provision in this Agreement, or (ii) any change in regulation or law, state or federal, and the enforcement or prosecution of such as such authorities may apply to or against Issuer. This indemnity shall include, but is not limited to, all Expenses incurred in conjunction with any interpleader that Escrow Agent may enter into regarding this Agreement and/or third-party subpoena or discovery process that may be directed to Escrow Agent Indemnified Parties. It shall also include any action(s) by a governmental or trade association authority seeking to impose criminal or civil sanctions on any Escrow Agent Indemnified Parties based on a connection or alleged connection between this Agreement and Issuer's business and/or associated persons. These defense, indemnification and hold harmless obligations will survive termination of this Agreement. Escrow Agent reserves the right to control the defense of any such claim or action and all negotiations for settlement or compromise, and to select or approve defense counsel, and Issuer agrees to fully cooperate with Escrow Agent in the defense of any such claim, action, settlement, or compromise negotiations.

12. **Entire Agreement, Severability and Force Majeure.** This Agreement contains the entire agreement between Issuer and Escrow Agent regarding the Escrow Account. If any provision of this Agreement is held invalid, the remainder of this Agreement shall continue in full force and effect. Furthermore, no party shall be responsible for any failure to perform due to acts beyond its reasonable control, including acts of God, terrorism, shortage of supply, labor difficulties (including strikes), war, civil unrest, fire, floods, electrical outages, equipment or transmission failures, internet interruptions, vendor failures (including information technology providers), or other similar causes.
13. **Escrow Agent Compliance.** Escrow Agent may, at its sole discretion, comply with any new, changed, or reinterpreted regulatory or legal rules, laws or regulations, law enforcement or prosecution policies, and any interpretations of any of the foregoing, and without necessity of notice, Escrow Agent may (i) modify either this Agreement or the Escrow Account, or both, to comply with or conform to such changes or interpretations or (ii) terminate this Agreement or the Escrow Account or both if, in the sole and absolute discretion of Escrow Agent, changes in law enforcement or prosecution policies (or enactment or issuance of new laws or regulations) applicable to the Issuer might expose Escrow Agent to a risk of criminal or civil prosecution, and/or of governmental or regulatory sanctions or forfeitures if Escrow Agent were to continue its performance under this Agreement. Furthermore, all parties agree that this Agreement shall continue in full force and be valid, unchanged and binding upon any successors of Escrow Agent. Changes to this Agreement will be sent to Issuer via email. Escrow Agent may act or refrain from acting in respect of any matter referred to in this Escrow Agreement in full reliance upon and by and with the advice of its legal counsel and shall be fully protected in so acting or in refraining from acting upon advice of counsel. In the event that the Escrow Agent shall be uncertain as to its duties or rights hereunder, the Escrow Agent shall be entitled to (i) refrain from taking any action other than to keep safe the Escrow Amounts until directed otherwise by a court of competent jurisdiction or, (ii) interplead the Escrow Amount to a court of competent jurisdiction.
14. **Waivers.** No waiver by any party to this Agreement of any condition or breach of any provision of this Agreement will be effective unless in writing. No waiver by any party of any such condition or breach, in any one instance, will be deemed to be a further or continuing waiver of any such condition or breach or a waiver of any other condition or breach of any other provision contained in this Agreement.
15. **Notices.** Any notice to Escrow Agent is to be sent to escrow@primetrust.com. Any notices to Issuer will be to alan@diversyfund.com.

Any party may change their notice or email address giving notice thereof in accordance with this Paragraph. All notices hereunder shall be deemed given: (1) if served in person, when served; (2) if sent by facsimile or email, on the date of transmission if before 6:00 p.m. Eastern time, provided that a hard copy of such notice is also sent by either a nationally recognized overnight courier or by U.S. Mail, first class; (3) if by overnight courier, by a nationally recognized courier which has a system of providing evidence of delivery, on the first business day after delivery to the courier; or (4) if by U.S. Mail, on the third day after deposit in the mail, postage prepaid, certified mail, return receipt requested. Furthermore, all parties hereby agree that all current and future notices, confirmations and other communications regarding this Agreement specifically, and future communications in general between the parties, may be made by email, sent to the email address of record as set forth above or as otherwise from time to time changed or updated in Issuer Dashboard, directly by the party changing such information, without necessity of confirmation of receipt, delivery or reading, and such form of electronic communication is sufficient for all matters regarding the relationship between the parties. If any such electronically-sent communication fails to be received for any reason, including but not limited to such communications being diverted to the recipients' spam filters by the recipients' email service provider or technology, or due to a recipients' change of address, or due to technology issues by the recipients' service provider, the parties agree that the burden of such failure to receive is on the recipient and not the sender, and that the sender is under no obligation to resend communications via any other means, including but not limited to postal service or overnight courier, and that such communications shall for all purposes, including legal and regulatory, be deemed to have been delivered and received. No physical, paper documents will be sent to Issuer, including statements, and if such documents are desired then that party agrees to directly and personally print, at their own expense, the electronically-sent communication(s) or dashboard reports and maintaining such physical records in any manner or form that they desire. Your Consent is Hereby Given: By signing this Agreement electronically, you explicitly agree to this Agreement and to receive documents electronically, including your copy of this signed Agreement as well as ongoing disclosures, communications and notices.

16. **Counterparts; Facsimile; Email; Signatures; Electronic Signatures.** This Agreement may be executed in counterparts, each of which will be deemed an original and all of which, taken together, will constitute one and the same instrument, binding on each signatory thereto. This Agreement may be executed by signatures, electronically or otherwise, and delivered by email in .pdf format, which shall be binding upon each signing party to the same extent as an original executed version hereof.
17. **Substitute Form W-9: Taxpayer Identification Number certification and backup withholding statement. PRIVACY ACT STATEMENT:** Section 6109 of the Internal Revenue Code requires you (Issuer) to provide us with your correct Taxpayer Identification Number (TIN). *Under penalties of Perjury, Issuer certifies that:* (1) the tax identification number provided to Escrow Agent is the correct taxpayer identification number and (2) Issuer is not subject to backup withholding because: (a) Issuer is exempt from backup withholding, or, (b) Issuer has not been notified by the Internal Revenue Service (IRS) that it is subject to backup withholding. *Notification Obligation:* Issuer agrees to immediately inform Prime Trust in writing if it has been, or at any time in the future is notified by the IRS that Issuer is subject to backup withholding.

Under penalty of perjury, by signing this Agreement below I certify that: 1) the number shown above is our correct business taxpayer identification number; 2) our business is not subject to backup withholding unless we have informed FundAmerica in writing to the contrary; and 3) our Company is a U.S. domiciled business.

18. **Survival.** Even after this Agreement is terminated, certain provisions will remain in effect, including but not limited to Sections 3, 4, 5, 10, 11, 12 and 14 of this Agreement. Upon any termination, Escrow Agent shall be compensated for the services as of the date of the termination or removal.

[Signature Page Follows]

Consent is Hereby Given: By signing this Agreement electronically, Issuer explicitly agrees to receive documents electronically including its copy of this signed Agreement as well as ongoing disclosures, communications, and notices.

Agreed as of the date set forth above by and between:

DF Growth REIT II LLC, as Issuer

Alan Lewis

Name: Alan Lewis
Email: alan@diversyfund.com
Title: Chief Investment Officer
Date: August 19, 2021, 11:27:55AM PDT
Signature ID: e52191ab-6f3f-4e3d-957c-1727c03809df

Prime Trust

Tony Botticella

Name: Tony Botticella
Email: escrow@primetrust.com
Company: Prime Trust
Title: Executive Trust Officer
Date: August 24, 2021, 7:51:43PM PDT
Signature ID: bd11d4b3-135e-4ff6-9185-45798b809769

EXHIBIT A

FEES AND COSTS

Prime Trust's Administrative Fees shall be calculated on the following schedule:

ESCROW ACCOUNT

- ACH - Per Transaction - Incoming — \$1.00
- ACH - Per Transaction - Outgoing — \$1.00
- ACH Exception — \$5.00
- AML Check — \$2.00
- AML Check on a Company — \$5.00
- AML Check - International (CA) — \$5.00
- AML Check - International (GB) — \$5.00
- AML Check - International — \$60.00
- AML Check - International on a Company (CA) — \$75.00
- AML Check - International on a Company (GB) — \$75.00
- AML Check - International on a Company — \$75.00
- AML Exception — \$8.00
- Bad Actor Check — \$45.00
- Bad Actor Check - International — \$100.00
- Bad Actor Check - International on a Company — \$160.00
- Check - Stop Payment — \$35.00
- Check Processing - Incoming — \$10.00
- Check Processing - Outgoing — \$10.00
- Credit Card Processing — 4.50%
- Escrow Account — \$25.00/month
- Escrow Setup — \$500.00
- Wire Processing - Incoming (domestic) — \$15.00
- Wire Processing - Incoming (international) — \$35.00
- Wire Processing - Outgoing (domestic) — \$15.00
- Wire Processing - Outgoing (international) — \$35.00

Misc Administrative Services (not under contract, but which Escrow Agent agrees to perform), \$100 per hour.

CUSTODIAL ACCOUNT

- Cash Management Fee — 1.00% of issuer funds reconciled and processed
- Cash Management Fee - Total Cap — \$4,000.00

Misc Administrative, investment management, cash disbursement, accounting, and other services are per the most current and then in effect fee schedule for Prime Trust, a copy of which is available on www.primetrust.com