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. <u>INTRODUCTION</u>

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. <u>FACTS</u>

A. <u>The Respondent</u>

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 cofounded 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. <u>Background of Regulation A</u>

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. <u>REIT II's Regulation A Continuous Offering was Qualified on January 29,</u> 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. <u>On August 26, 2021, REIT II Raised the Maximum Offering Amount from</u> <u>\$50 Million to \$75 Million By Filing an Offering Circular Supplement</u>

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

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

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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 Servicesaffiliated 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. <u>REIT II Made Conflicting Statements Relating to its Fees</u>

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. <u>ARGUMENT</u>

A. <u>Summary Disposition Standard</u>

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. <u>Applicable Regulation A Legal Requirements</u>

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 <u>not</u> 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 <u>offers</u> 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 "<u>commenced</u>" 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 <u>offered</u> 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. <u>There is no Genuine Issue of Material Fact that REIT II Failed to Comply</u> with the Requirements of Regulation A or that its Offering Statements and <u>Solicitation Materials Contained Untrue Statements of Material Facts or</u> <u>Material Omissions that Rendered Statements Made Misleading</u>

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).

<u>First</u>, 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. <u>CONCLUSION</u>

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 Administrative Law Judge U.S. Securities and Exchange Commission 100 F. Street, N.E. Washington, D.C. 20549 alj@sec.gov

(By electronic email only)

(By electronic email only)

DF Growth REIT II, LLC c/o Sanjay Bhandari, Esq. c/o Arielle A. Seidman, Esq. BUCHALTER 655 W. Broadway, Suite 1625 San Diego, CA 92101 <u>sbhandari@buchalter.com</u> <u>aseidman@buchalter.com</u>

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

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:

 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 REITII 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.

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.

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 Form1-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 REITII 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.

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-000013340.

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
17	3, 2022 bates-stamped SEC-ShahA-E-0000226-37
18	Email exchange between Ankit Shah and DiversyFund dated May 3,
10	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
2)	REIT II dated August 19, 2021, bates-stamped DF-001268-74.
	$\begin{bmatrix} \text{KL11} \text{ If ualeu August 19, 2021, 0ales-stamped DF-001208-74.} \end{bmatrix}$

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

Washing on DC 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: <u>024-11394</u>

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 eg st ant as spec fed n ts cha te) $% \left({{{\rm{E}}_{{\rm{A}}}}_{{\rm{A}}}} \right)$

Commss on F e Numbe 024-11394

Delaware

(State o othe ju sd ct on of nco po at on o o gan zat on)

85-26000369 (IRS Emp oye Ident f cat on Numbe)

750 B Street Suite 1930 San Diego, CA 92101

(Add ess of p nc pa execut ve off ces)

(858) 430-8528

Issue 's te ephone numbe, nc ud ng a ea code

Item 1

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

Operating Results

The Company was fo med on August 6, 2020 and qua fed by the Secu t es and Exchange Commission on Janua y 29, 2021 As of June 30, 2021, the Company has not yet commenced ts ope at ons but p and to begin a sing money and making investments stating in the second has for the yea

Fo the pe od f om Janua y 1, 2021 th ough June 30, 2021 (the "Repotng Pe od") () the net taxab e ncome of the Company was ess than ze o, () the ea estate nvestment t ust taxab e ncome of the Company was ess than ze o, and () the Company had no net ncome f om fo ec osu e p ope ty

Liquidity & Capital Resources

The Company s seek ng to a se up to \$75,000,000 of cap tan the Offeng by seng Cass A Investo Sha es As of June 30, 2021, the Company had a sed \$0

The Company does not cu ent y have any unfunded cap ta comm tments. We expect to dep oy a most a of the cap ta we as en the Offengn making ea estate nvestments. Should we need mole cap ta fo any eason, we could eithe se mole Cass A. Investo. Shales o se othe casses of secultes. In seing Cass A. Investo. Shales o othe secultes, we might be constained by the secultes aws. Fo example, we all enot a lowed to se mole than \$75,000,000 of secultes using Regulation. A duing any period of 12 months.

Trend Information

Dung the Repotng Period, the Company was faced with many charges and opportunities as a result of the COVID-19 pandemic Among them

- According to the US Bu eau of Economic Analysis, ealiging objective poduction the United States given by a strong 63%, with many economic for ecastes projecting continued strong growth though the less of the year. Higher levels of economic growth mean mole money flowing though the economy and mole opportunities for tenants of multifamily properties to find grainful employment. This is not universe to react the economy and mole opportunities of the strong a steady flow of operating cash flow while economy expenses is nevering existing expenses.
- According to Pew Research, between the second quarter of 2019 through the second quarter of 2021, the median houry wages of high-wage works is not eased from \$50,59 to \$52,68 and the median for ow-wage works is not eased from \$10,79 to \$11,70. Given that many tenants of multifamily hoursing projects far within the ow- and medium-wage categories, this is a we come development is not it means that tenants of multifamily hoursing projects within the ow- and medium-wage categories, this is a we come development is not it means that tenants of multifamily hoursing projects within the ow- and medium-wage categories of property that we nited to invest in (such as comme craited and number of the second of the entities) shall have sufficient means to pay the rest of gations as we
- Acco d ng to the US Bu eau of Labo Stat st cs, the Un ted States seasona y-adjusted unemp oyment ate has d opped s gn f cant y to 52% as of August 2021, down f om ough y 15% du ng the he ght of the pandemc. This d op n unemp oyment has been fet a coss a demog aph c and soc oeconomc nd cato s, mean ng that the dak days of the pandemc-nduced eccess on appea to be behnd us. Mo eove, many of the ndust es such as eta, hosp ta ty, and food/beve age that emp oy many tenants of mut fam y p ope t es cont nue to expe ence ext eme abo sho tages, nd cat ng that maket demand fo abo p ov ded by many tenants of mut fam y p ope t es w cont nue nto the fo esceab e futu e. A of these a e ove whe mng y post ve t ends that shou d ensu e at east a steady demand fo mut fam y p ope t es moving for wad.

• L ke y as a esu t of these post ve econome nd cato s, Fann e Mae's md-yea mu t fam y ma ket out ook p ojects that demand for mu t fam y hous ng w cause vacancy ates to dee ne th ough the next 12 to 24 months. As a esu t, Fann e Mae's p oject ng that ents w key ne ease du ng this pe od afte emain ng fat o negative through most of 2020. A of this means that the mu t fam y ma ket w continue to be a use at ve investment opportunity through the for esceable future and we e eve the Company is we -positioned to take advantage of these t ends.

At the same t me, not a soc a o economic nd cato s a e as osy as they may othe wise appea. Fo example

- The Un ted States s st expe enc ng h gh eves of new co onav 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 tunt es fo the pandemc to mpact tenants d ect y (o nd ect y th ough a f end o fam y membe) wh ch would mpact the ab ty to pay the ent on t me and n fu. In the wost 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 cose with may do the same Even n the best case scena o, many pe sons who a e nfected with COVID-19 ecove but st have ong-asting effects common y effect or as "ong COVID". In ethe s tuat on, this may cause a dec ease n enta payments which enclass ng ou ope at ng costs due to the expense of fo ecosing o evicting on tenants.
- The substant a nfux of gove nment ad to fight the pandem c and the esu ting economic g owth have ed to an inclusion in not seen n mole than a decade. When many expects evenths in fation is only tempolary and wonly affect a few industies ong-term, this possible these expects a ewong and that the cullent event evens of inflation work continue to seen the future. This so to find at on, which so-fa has impacted the cost of essent a goods such as food and transportation (especially the pice of used casis), is unfortunately the type of inflation that work event work at the additional to the pice of used casis, we emain optimistic that any inflation is melley tempolary and won to othe wise impact ou operations in any significant way.
- W this on much cap table ng njected nto the United States maket, the eal estate maket is heating up to evels not seen since before the Geat Recession in 2008-09. Interest ates on moltgage oans emains at one a historic ows and the nterruption to the construction maket brought on by the pandemic and its esuiting impacts on global supply chains means that competition for new investment opportunities can be fore with many new participants entering an a eady clowed industry. Because of the tack lecoid of our Manage and our pincipals, we be even the Company is we support to navigate this chaining maket once we begin to deploy the capital we intend to a selform investors at this yea.

A though we have no way of know ng f these t ends w cont nue n the futue, 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

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Korr 2		
Item 2		
Other Information		
None		
	4	
Item 3		
Financial Statements		
	DF Growth REIT II, LLC	
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Ba ance Sheet		F-2
Notes to F nanc a Statements		F-3-F-5
	F-1	
	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 Payab e	\$	45,450
TOTAL LIABILITIES	\$	45,450
TOTAL LIABILITIES AND EQUITY	\$	45,450
	Ψ	10,100

The accompany ng notes a e an nteg a pat of these fnanc a statements

F-2

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

Note 1 Nature of Operations

DF G owth REIT II, LLC (the "Company") s a mted ab ty company o gan zed August 6, 2020 unde the aws of De awa e The Company was fo med to pu chase and nvest n ce tan ea estate p ope t es and p ojects such as mut -fam y and comme c a ea estate

As of June 30, 2021, the Company has not commenced p anned p nc pa ope at ons no gene ated evenue The Company's act v t es s nce ncept on have cons sted of format on act v t es and p epa at ons to a se cap ta Once the Company commences ts p anned p nc pa ope at ons, t w ncu add t ona expenses. The Company's dependent upon add t ona cap ta esou ces for the commencement of ts p anned p nc pa ope at ons and s subject to sks and unce tant es; nc ud ng fa ng to secu e fund ng to ope at ona ze the Company's p anned ope at ons of fang to p of tab y ope ate the bus ness

The Company's sexte na y managed by DF Manage, LLC, ("Manage"), which s a subsidiary of the Company's sponso, Dive syFund, Inc ("Sponso")

Management does not be eve that any ecent y ssued, but not yet effect ve, account ng standa ds cou d have a mate a effect on the accompany ng ba ance sheet As new account ng p onouncements a e ssued, the Company w adopt those that a e app cab e unde the c cumstances

Note 2 Summary of Significant Accounting Policies

Basis of Presentation

The account ng and epot ng poc es of the Company conform to account ng pnc pes gene a yaccepted n the United States of Ame ca (GAAP)

The Company adopted the ca enda yea as ts bas s of epo t ng

Use of Estimates

The p epa at on of the ba ance sheet n conformty with GAAP equilibrium estimates and assumptions that affect the epo ted amounts of assets and abit estimates and disclosure solutions of the ba ance sheet of the ba ance sheet Actual estimates and different matters.

Cash Equivalents and Concentration of Cash Balance

The Company cons de s a h gh y qu d secu t es w than o g na matu ty of ess than the emonths to be cash equ va ents The Company's cash and cash equ va ents n bank depost accounts, at t mes, may exceed fede a y nsu ed mts

Deferred Offering Costs

The Company comp es with the equi ements of FASB ASC 340-10-S99-1 with ega ds to offen g costs P or to the completion of an offen g, offen g costs are capital zed. The defended offen g costs are charged to stockhold es' equity upon the completion of an offen g or to expense for the offeng s not completed. As of June 30, 2021, defended offeng costs to take ds 45,450

F-3

Fair Value of Financial Instruments

F nanc a Account ng Standa ds Boa d ("FASB") gu dance spec f es a h e a chy of va uat on techn ques based on whethe the nputs to those va uat on techn ques a e obse vab e o unobse vab e Obse vab e nputs effect maket data obta ned f om ndependent sou ces, wh e unobse vab e nputs effect maket assumpt ons. The h e a chy g ves the h ghest p o ty to unadjusted quoted p ces n act ve makets for dent calculates or able tes (Leve 1 measu ement) and the owest p o ty to unobse vab e nputs (Leve 3 measu ement). The there eves of the fall value h e a chy a e as for ows

Leve 1 - Unadjusted quoted p ces n active makets fo dent ca assets o ab t es that the epoting entity has the abity to access at the measu ement date. Leve 1 p ma y consists of financial nist uments whose value is based on quoted maket p ces such as exchange-t aded nist uments and sted equities.

Leve 2 - Inputs othe than quoted p ces nc uded with n Leve 1 that a e obse vab e fo the asset o ab ty, e the d ect y o nd ect y (e g, quoted p ces of s m a assets o ab t es n active ma kets, o quoted p ces fo dent ca o s m a assets o ab t es n ma kets that a e not active)

Leve 3 - Unobse vab e nputs fo the asset o ab ty F nanca nst uments a e cons de ed Leve 3 when the fa vaues a e dete mned us ng p c ng mode s, d scounted cash fows o s m a techn ques and at east one s gn f cant mode assumpt on o nput s unobse vab e

Revenue Recognition

The Company ecogn zes evenue when (1) pe suas ve ev dence exsts of an a angement with the custome effecting the terms and conditions under which p oducts o selvices will be p ovided; (2) de very has occur ed o selvices have been p ovided; (3) the fee s fixed o determinable; and (4) co ection s easonably assued. No evenue has been ea ned o ecognized as of June 30, 2021

Income Taxes

The Company s a mted ab ty company Accodingly, under the Interna Revenue Code, a taxable income or loss flows through to the members of the statements. Therefore, no provision for neometax has been ecoded in the statements. Income from the Company sign point taxed to the members on the individual tax etu instance.

The Company comp es wth FASB ASC 740 fo account ng fo unce tanty n ncome taxes ecogn zed n a company's fnanc a statements, which p esc bes a ecogn ton the shold and measu ement p ocess fo fnanc a statement ecogn ton and measu ement of a tax post on taken o expected to be taken n a tax etu n Fo those benefits to be ecogn zed, a tax post on must e mole-key-than-not to be sustained upon examination by taxing authorities FASBASC 740 as op ovides guidance on de ecogn ton, class fication, ne est and penalties, accounting ninter mpe ods, disclosule and t and ton Based on the Company's evaluation, thas been concluded that the elden on significant unce tain tax positions equing ecogn ton in the Company's financial statements. The Company be eves that the normal tax positions would be sustained on audit and does not ant cipate any adjustments that would esuit night a change to the financial position.

The Company may n the futu e become subject to fede a, state and oca ncome taxat on though t has not been since ts ncept on The Company s not p esent y subject to any ncome taxaud t n any taxing ju sd ct on

Net Earnings or Loss per Unit

Net ea n ngs o oss pe un t s computed by d v d ng net ncome o oss by the we ghted-ave age numbe of un ts outstand ng du ng the pe od, exc ud ng un ts subject to edempt on o fo fe tu e The Company p esents bas c and d uted net ea n ngs o oss pe un t D uted net ea n ngs o oss pe un t effect the actua we ghted ave age of un ts ssued and outstand ng du ng the pe od, adjusted fo potent a y d ut ve secu t es outstand ng Potent a y d ut ve tems a e exc uded f om the computat on of the d uted net ea n ngs o oss pe un t f the nc us on wou d be ant -d ut ve As no potent a y d ut ve tems exst and no membe sh p un ts a e outstand ng as of June 30, 2021, the Company has not p esented bas c net oss pe un t o d uted net oss pe un t

Note 3 Going Concern

The accompany ng ba ance sheet has been p epa ed on a go ng conce n bas s, wh ch contemp ates the ea zat on of assets and the sat sfact on of ab t es n the no ma cou se of bus ness. The Company s a bus ness that has not commenced p anned p nc pa ope at ons, p ans to ncu add t ona costs n pu su t of ts cap ta fnanc ng p ans, and has not gene ated any evenues as of June 30, 2021. The Company's ab ty to cont nue as a go ng conce n n the next twe ve months s dependent upon ts ab ty to obta n cap ta fnanc ng f om nvesto s suff c ent to meet cu ent and futu e ob gat ons and dep oy such cap ta to p oduce p of tab e ope at ng esu ts. No assu ance can be g ven that the Company w be successfu n these efforts.

Note 4 Member's Equity / (Deficit)

No membe sh p un ts have been ssued and no cap ta has been cont buted to the Company as of June 30, 2021

The debts, ob gat ons, and ab tes of the Company, whethe $a \ sn g \ n \ cont \ act$, to t, o othe wse, $a \ e \ so \ e \ y$ the debts, ob gat ons, and ab tes of the Company, and no membe of the Company s ob gated pe sona y fo any such debt, ob gat on, o ab ty

Note 5 Subsequent Events

Events that occu afte the ba ance sheet date, but befo e the fnanc a statements we e ava ab e to be ssued, must be evaluated for ecogn ton o d sc osu e. The effects of subsequent events that p ov de ev dence about cond t ons that exsted at the ba ance sheet date a e ecogn zed in the accompanying fnanc a statements. Subsequent events which p ov de evidence about cond t ons that exsted after the ba ance sheet date equipment events which p ov de evidence about cond t ons that exsted after the ba ance sheet date equipment events which p ovide evidence about cond t ons that existed after the ba ance sheet date equipment events which p ovide evidence about cond t ons that existed after the ba ance sheet date equipment events which p ovide evidence about cond t ons that existed after the ba ance sheet date equipment events which p ovide evidence about cond t ons that existed after the ba ance sheet date equipment events we evidence about cond t ons that existed after the ba ance sheet date equipment events which p ovide evidence about cond t ons that existed after the ba ance sheet date equipment events we evidence about cond t ons that existed after the ba ance sheet date equipment events accompanying notes. Management has evaluated the activity of the Company through September 28, 2021, the date the finance a statements we eava abe to be ssued.

Offering Proceeds

As of Septembe 28, 2021, we had a sed tota g oss offe ng p oceeds of app oxmate y \$2,649,511 f om sett ed subsc pt ons and ssued an agg egate of 264,951 sha es of ou common stock As of Septembe 28, 2021, app oxmate y \$72,350,489 n sha es ema ned ava ab e fo sa e to the pub c pu suant to the Offe ng

Note 6 Miscellaneous Items

On Janua y 30, 2020, the Wo d Hea th O gan zat on dec a ed the co onav us outb eak a "Pub c Hea th Eme gency of Inte nat ona Conce n" and on Ma ch 10, 2020, dec a ed t to be a pandemc Act ons taken a ound the wo d to he p mt gate the sp ead of the co onav us nc ude est ct ons on t ave, and qua ant nes n ce ta n a eas, and fo ced c osu es fo ce ta n types of pub c p aces and bus nesses. The co onav us and act ons taken to mt gate t have had and a e expected to cont nue to have an adve se mpact on the economes and fnanc a ma kets of many count es, nc ud ng the geog aph ca a ea n wh ch the Company ope ates. Wh e t s unknown how ong these cond t ons w ast and what the comp ete fnanc a effect w be to the company, pe A an Lews, Ch ef Investment Offce, th s COVID-19 outb eak s not expected to have a pe manent negat ve mpact on DF G owth REIT II's ope at ons. Add t ona y, t s easonab y poss b e that est mates e ated to goodw and othe ong- ved assets.

Item 4

Exhibits

Exhibit 1A-2A	<u>Cetfcate of Fo mat on *</u>
Exhibit 1A-2B	LLC Agreement The ag eement by and among the Company and a of ts membe s capt oned "Lmted Lab ty Company Ag eement" and dated August 20, 2020 *
Exhibit 1A-2C	Authorizing Resolution The eso ut on adopted by the Manage c eat ng the Cass A Investo Sha es *
Exhibit 1A-6A	Investment Agreement The ag eement to be s gned by each Investo to acque a C ass A Investo Sha es *
Exhibit 1A-6B	Management Agreement The ag eement capt oned "Management Se v ces Ag eement" by and between the Company and the Manage dated August 20, 2020 *

* A Exh b ts a e nco po ated by efe ence to those p ev ous y f ed

5

Signatures

Pu suant to the equ ements of Regu at on A, the ssue has duy caused ths epot to be s gned on ts beha f by the unde s gned, the eunto duy autho zed

DF Growth REIT, LLC

By DF Manage , LLC, as Manage

By Dve syFund, Inc , as Manage

Pu suant to the equ ements of Regu at on A, th s epo t has been s gned by the fo owng pe sons n the capact es and on the dates nd cated

/s/ A an Lew s

A an Lews D ecto and Ch ef Investment Offce of Dve syFund, Inc Septembe 28, 2021

/s/CagCec o

C a g Cec o D ecto and Ch ef Execut ve Off ce of D ve syFund, Inc Septembe 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, LLC

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

Th s document (the "Supplement") supplements the Offeng C cu a of DF G owth REIT II, LLC, (the "Company") dated Janua y 19, 2021 (the "Offeng C cu a") Unless other with the supplement, cap tailed tension in the Supplement have the mean ngs given to them in the Offeng C cu a

The pu pose of th s Supp ement s to p ov de add t ona nfo mat on that s not n the Offe ng C cu a

Increase in Offering Amount

The amount the Company s seek ng to a se n the Offe ng has een nc eased f om \$50,000,000 to \$75,000,000

Change in Fee Structure

The sect on of the Offeng C cu a capt oned "Compensat on of Management Fees" s ev sed n ts ent ety to p ov de as fo ows

Fees

Type of Fee	Description and Amount
Organization & Offering Expense Reimbuirsement	The Company w e mbu se the Sponso fod ect expenses neu ed by the Sponso and ts aff ates to o gan ze and ope ate the Company and conduct the Offe ng, ne ud ng
	• Ma ket ng expenses pa d to vendo s, cont acto s, and consu tants;

- Pay o expenses of ma ket ng emp oyees;
- Softwa e costs;

.

sma tphone app cat ons; used to ma ket and ope ate the Company; and Pay o expenses and softwa e costs fom p oduct and tech emp oyees wo k ng on the fntech p atfo m and sma tphone app cat ons The O gan zat on & Offeng Expense Rembu sement may not exceed 10% of the cap ta a sed fom the sae of Cass A Investo Sha es Asset Management Fee The Sponso w chage the Company an annua asset management fee equa to 2% of the of the cap ta a sed f om the sa e of Cass A Investo Sha es The Sponso may, n ts so e d sc et on, equ e the payment of the asset management fee up to f ve yeas n advance, wh ch sha be non-efundab e Estimate The amount of the o gan zat on and offeng fee depends on the amount of cap ta a sed. We cannot make a easonab e est mate at th s t me Acquisition Fee The Sponso w chage each P oject Ent ty (o the Company tse f, f the Company owns ea estate d ect y) an acqust on fee of between 1% and 4% of the tota p oject costs, ne ud ng both "ha d" costs (e.g., the cost of p ope ty) and "soft" costs (e.g., p ofess ona fees) Whe ep ope ty s owned by an ent ty n which the e s anothe financia pathe a joint ventue the Sponso might be ent t ed to a s m a acqu s t on fee to the extent 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 1-4% acqu s t on fee fo d ect nvestment) Howeve, the Company's sha e of the fee w not exceed 1-4% of the Company's sha e of the tota sa e p ce Estimate If the Company a ses the fu \$75,00,000 and maintains an ave age eve age at 0 (bo owing) of 55%, the sponso fee wou d ange between \$1,666,667 and \$6,666,667

Fees pad to vendo s, cont acto s, and consu tants e at ng to the Sponso's on ne fntech p atfo m and

Property Disposition Fee	Whe e the Company owns p ope ty d ect y o s the so e owne of a P oject Ent ty, the Sponso w ece ve a p ope ty d spost on fee equa to 1% of the tota sa e p ce of each p ope ty
	Whe ep ope ty s owned by an ent ty n wh ch the e s anothe f nanc a patne a joint ventue the Sponsom ght be ent t ed to a s m a d spost on fee to the extent negot ated with the f nanc a patnes n such joint ventue (which could be h ghe than the 1% d spost on fee for d ect nivestment). Howeve, the Company's shale of the fee w not exceed 1% of the Company's shale of the total sale pice.
	<i>Estimate</i> The amount of the d spos t on fee w depend on the se ng p ce of assets by the Company and any jo nt ventu es 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 We cannot make a easonab e est mate at th s t me
Financing Fee	Whe e the Company owns p ope ty d ect y, o s the so e owne of a P oject Ent ty, the Sponso w ece ve a fnanc ng fee equa to 10% of the amount of each oan p aced on a p ope ty, whethe at the t me of acqu s t on o pu suant to a efnanc ng Th s fnanc ng fee w be n add t on to any fees pad to th d pat es, such as mo tgage b oke s
	Whe ep ope ty s owned by an ent ty n wh ch the e s anothe f nanc a pathen a joint ventue the Sponso mght be ent t ed to a s m a f nanc ng fee to the extent negot ated with the f nanc a pather s n such joint ventue (which could be h ghe than the 1% f nanc ng fee for d ect nvestment) Howeve, the Sponso 's shale of the fee w not exceed 1% of the Company's shale of the oan
	<i>Estimate</i> The amount of the fnanc ng fee w depend on the se ng p ce of assets by the Company and any jo nt ventu es 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 We cannot make a easonab e est mate at th s t me
Construction Management Fee	The Sponso mght p ov de const uct on management sev ces If so, the Sponso be entited to a const uct on management fee equa to 75% of actual const uct on costs
	<i>Estimate</i> The amount of the const uct on management fee w depend on the natu e and cost of the const uct on se v ces the Manage p ov des We cannot make a easonab e est mate at th s t me
	3

Guaranty Fee	If the Sponso o an aff ate gua ant es ndebtedness of the Company o a P oject Ent ty, nc ud ng gua ant es of any so- ca ed "bad boy" ca veouts, the gua anto w be ent t ed to a gua anty fee equa to 0.5% of the oan
	Est mate The amount of the gua anty fee w depend on the amount of oans equ ng a gua anty We cannot make a easonable est mate at this time
Other Fees	The Company o P oject Ent t es mght engage the Sponso o ts aff ates to pe fo m othe sev ces The compensat on pa d to the Sponso o ts aff ates n each case must be () fa to the Company and the P oject Ent t es, () compa ab e to the compensat on that wou d be pa d to an un e ated pa ty, and () d sc osed to Investo s
	Estimate We cannot make a easonab e est mate of othe fees at this time

The sect on of the Offeng C cu a capt oned "Compensat on of Management" Stages of Deve opment" s ev sed n ts ent ety to p ov de as fo ows

Stages of Development

The stages of the Company's o gan zat on, deve opment, and ope at on, and the compensat on pad by the Company to the Manage and ts aff ates du ng each stage, a e as fo ows

Stage	Compensation
O gan zat on	 O gan zat on & Offe ng Expense Re mbu sement Asset Management Fee
Acqu s t on	 O gan zat on & Offeng Expense Rembu sement Asset Management Fee Acquist on Fee Financing Fee
Ope at on	 Asset Management Fee Gua anty Fee F nanc ng Fee Retu ns f om Co-Investment P omoted Inte est D spos t on Fee
L qu dat on	 Retu ns f om Co-Investment P omoted Inte est D spos t on Fee

* * *

This Supplement is not complete without, and may not be delive ed ol used except in connection with, the Offeling C culai, including a lof ts Exh bits, amendments, and p ol supplements

We mght fu the amend o supp ement the Offe ng C cu a f om t me to t me by f ng add t on a amendments o supp ements. You should ead the ent e Offe ng C cu a , as amended o supp emented, efo e dec d ng whethe to nvest $\frac{1}{2}$

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

F e No 024-11394

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

Th s document (the "Supplement") supplements the Offeng C cu a of DF G owth REIT II, LLC, (the "Company") dated Janua y 19, 2021 (the "Offeng C cu a") Unless other wise defined in this Supplement, capital zed teins in this Supplement have the meanings given to them in the Offeng C cu a

The pu pose of this Supplement is to pow deadd tional information that is not in the Offeling C cu a

Decrease in Offering Amount

The amount the Company s seek ng to a se n the Offe ng has een dec eased f om \$75,000,000 to \$50,000,000

* * *

This Supplement s not complete without, and may not be deviced or used exception connection with, the Offering C cuia, including a of the Exhibits, amendments, and p or supplements

We mght fu the amend o supplement the Offe ng C cu a fom time to time by f ng add tona amendments o supplements. You should ead the ent e Offe ng C cu a , as amended o supplemented, befo e dec d ng whether to nvest C = 0

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.

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, LLC

(Exact name of eg st ant as spec fed n ts cha te)

Commss on F e Numbe 024-10912

Delaware

(State o othe ju sd ct on of nco po at on o o gan zat on)

83-1263155 (IRS Emp oye Ident f cat on Num e)

750 B Street Suite 1930

San Diego, CA 92101 (Add ess of p nc pa execut ve off ces) (858) 430-8528

Issue 's te ephone numbe, nc ud ng a ea code

Item 1

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

Operating Results

The Company began ope at ng on Novembe 1, 2018 As of June 30, 2021, the Company had nvested a tota of \$35,172,294 n ten sepa ate p ojects managed by ou Sponso

Project	Amount	Investment	Туре	Units
D ve syFund Pa k B vd	\$ 2,590,700	Equ ty	M xed-Use	59
DF Summe yn	\$ 1,455,500	Equ ty	Mut-Fam y	200
McA thu LG	\$ 4,937,449	Equ ty	Mut-Fam y	121
Bvd West	\$ 6,100,672	Equ ty	Mut-Fam y	242
Woods de H gh and	\$ 3,737,928	Equ ty	Mut-Fam y	54
Cottonwood C eek	\$ 3,575,336	Equ ty	Mut-Fam y	36
The Sa d n a G oup	\$ 244,500	Equ ty	Student Hous ng	8
The F ance Apa tments	\$ 3,516,904	Equ ty	Mut-Fam y	30
Azu Apa tments	\$ 7,671,305	Equ ty	Mut-Fam y	49
D ve syFund G an to	\$ 1,342,000	Debt	S ng e-Fam y	N/A

As of June 30, 2021 the Company has ece ved d st but ons n the amount of \$100,700 f om these p ojects and has made d st but ons n the amount of \$2,118,289 to ts owne s

Fo the pe od f om Janua y 1, 2021 th ough June 30, 2021 (the "Repotng Pe od") () the net taxab e ncome of the Company was ess than ze o, () the ea estate nvestment t ust taxab e ncome of the Company was ess than ze o, and () the Company had no net ncome f om fo ec osu e p ope ty

The fo owng p esents ou cash fows fo the Repotng Pe od

Cash provided by (used in)	
Ope at ng act v t es (gene a and admn st at ve expenses)	\$ (4,751,902)
Invest ng act v t es	(17,973,419)
F nanc ng act v t es	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

1

Liquidity & Capital Resources

The Company s seek ng to a se up to \$75,000,000 of cap ta n the Offe ng by se ng Cass A Investo Sha es As of June 30, 2021, the Company had a sed \$54,670,218, of wh ch app oxmate y \$22,223,551 was a sed du ng the Repo t ng Pe od

The Company does not cu enty have any unfunded cap ta comm tments. We expect to dep oy a most a of the cap ta we as en the Offengn making ea estate nvestments. Should we need mole cap ta fo any eason, we could eithe se mole Cass A. Investo. Shales o se othe casses of seculties in seing Cass A. Investo. Shales o othe seculties, we might be constained by the seculties aws. Fo example, we allowed to se mole than \$75,000,000 of seculties using Regulation A. duing any period of 12 months.

Trend Information

Du ng the Repot ng Pe od, the Company continued to be impacted as a esuit of the COVID-19 pandemic. While this had a negative impaction some aspects of ou bus ness, the pandemic (and the fede a gove niment's esponse to the pandemic) had many positive impacts as we Among them

- According to the US Bu eau of Economic Analysis, ealiging object poduct in the United States given by a stong 63%, with many economic for ecastes significant polymetry of the est of the year. High every solution of economic given mean more money fowing through the economy and more opportunities for our tenants to find gainful employment. This is not united means that fewer tenants we default on the lentaria obligations, is multiple as the given by easily 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 houry wages of high-wage workers in creased from \$50,59 to \$52,68 and the median for ow-wage workers in creased from \$10,79 to \$11,70. Given that many tenants of multifamily hours ng projects far within the ow- and medium-wage categories, this is a we come development since it means that our tenants we have greater means to afford the rent and also to stomach any increases in entithat we expression yield due to the onset of the pandemic should the Company decide to pulsue such increases.
- Acco d ng to the US Bu eau of Labo Stat st cs, the Un ted States seasona y-adjusted unemp oyment ate has d opped s gn f cant y to 52% as of August 2021, down f om ough y 15% du ng the he ght of the pandemc. This d op n unemp oyment has been fet ac oss a demog aph c and soc oeconomc nd cato s, mean ng that the da k days of the pandemc-nduced ecess on appea to be behind us. Mo eove, many of the ndust es such as eta, hosp ta ty, and food/beve age that emp oy many tenants of mut fam y p ope t es continue to experience ext eme abo sho tages, nd cating that ma ket demand fo abo p ovided by many tenants of ou p ope t es w continue nto the foreseable future. A of these a e ove wheming y positive t ends that should ensure at east a steady demand for mut fam y p ope t es moving forwaid.

• Lke y as a esu t of these post ve econome nd cato s, Fann e Mae's md-yea mu t fam y ma ket out ook p ojects that demand for mu t fam y hous ng w cause vacancy ates to dee ne th ough the next 12 to 24 months. As a esu t, Fann e Mae's p oject ng that ents w key ne ease du ng th s pe od afte ema n ng fat o negat ve th ough most of 2020 A of this means that the mu t fam y ma ket w continue to be a use at ve nvestment opportunity through the for esceable future and we e eve the Company size -post oned to take advantage of these t ends.

At the same time, not a social of economic indicato siale as osy as they may other wise appeal. For example

- Va ous fede a, state, and oca fo ec osu e and ev ct on mo ato ums mpacted ou ab ty to ev ct nonpay ng tenants du ng the Repot ng Pe od S nce tenants knew that we had no ab ty to equ e them to pay ent w thout these necessa y toos at ou d sposa, this c eated a d s ncent ve fo some tenants to pay ent on a time y basis key mpacting ou d st but ons to investo s. Howeve, most of those mo ato ums have now exp ed o een epea ed, p ov d ng us with nc eased eve age to enfoce the terms of ou eases.
- In o de to ass st p ope ty owne s n manag ng nonpay ng tenants, Cong ess a ocated b ons of do a s n ad that was supposed to be d ected to p ov d ng f nanc a e ef to othe w se cash-st apped and o ds and p ope ty owne s Unfo tunate y, many states have been nc ed b y s ow to d sbu se th s money, mean ng that substant a unused funds ema n that cou d othe w se be used to p ov de ass stance to the Company Wh e th s was a f ust at ng tu n of events du ng the Repot ng Pe od, t does eave open the poss b ty of a a ge nfux of cash du ng the est of the yea o next yea wheneve states get a ound to d st but ng th s ass stance and/o Cong ess enacts f xes to the p og amenab ng funds to f ow mo ef ee y
- The Un ted States s st expe enc ng h gh eves of new co onav us cases and deaths wh ch w key continue to impact both ou tenants and ou co e bus ness ope at ons G eate v a sp ead means mole oppo tunt es fo the pandem c to impact ou tenants d ectly (o indicetly though a f end o fam y membe) which would impact the ability to pay the ention time to us in fu. In the worst cases, some of ou tenants may delo become hosp taized fo a significant amount of time or someone they are close with may do the same. Even in the best case scenario, many persons who are infected with COVID-19 ecover but st have ong-asting effects commonly effect or as "ong COVID". In either situation, this may cause us to experience a declease in entain payments while no close situation of the expense of fore cosing or eventing on tenants.
- The substant a nfux of gove nment a d to fight the pandem c and the esu t ng econom c g owth have ed to an nc ease n nf at on not seen n mo e than a decade Wh e many expets be evenths n f at on s on y tempo a y and w on y affect a few ndust es ong-tem, t s poss b e these expets a e w ong and that the cu ent evels of nf at on w continue to sen the future. This so t of nf at on, which so-fa has impacted the cost of essent a goods such as food and t anspot tat on (especially the pice of used cais), s unfortunately the type of nf at on that w key h t ou tenants the hadest. A though we are hopeful that Congress w take act on to p ov de add t on a support to ou tenants, we emain optimistic that any infation ou tenants a element give many of the superior of the

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 At the ve y east, t s c ea that both the Company and ou tenants w cont nue to face cha enges mposed by the pandem c mov ng fo wa d How we and they nav gate these cha enges w g eat y nf uence ou etu ns to Investo s

Item 2

Other Information

Du ng the Repot ng Pe od, the Company made two sepa ate oans tota ng 2 m on to ts manage, D ve syfund Inc, which neu nte est at a ate equa to 4% pe yea and matu es on Octobe 20, 2021 (which may be extended for up to 60 days at the Company's disc et on). The pu pose of these oans is to enable ou Investors to ean a etu n on othe wise nondep oyed funds of the Company as we wait to find the ght nivestment opportunities at the ght pices.

Financial Statements

DF Growth REIT, LLC

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Conso dated Statement of Ope at ons	F3
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Notes to the Conso dated F nanc a Statements	F6-14

F-1

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

	_	As of June 30, 2021
ASSETS Investments n enta ea estate p ope t es, net of accumu ated dep ec at on	\$	63,449,193
Const uct on n p og ess	φ	3,651,729
Tota ea estate equ ty nvestments		1,729,299
Rea estate debt nyestments		1,342,000
Cash and cash equ va ents		11,575,602
Re ated pa ty ecc vab es		2,530,042
Inte est ecc vab e		122,015
Notes and accounts ece vab e		2,156,156
Othe assets		2,362,416
TOTAL ASSETS	\$	88,918,453
LIABILITIES AND EQUITY		
LIABILITIES		
Notes payab e, net of unamo t zed oan fees	\$	38,961,933
Accounts payab e and acc ued expenses		218,896
D v dends payab e		220,863
Renta secu ty depos ts and othe ab t es		611,074
Defe ed Income		26,340
P epa d ents		50,103
Inte est payab e		15,787
TOTAL LIABILITIES	\$	40,104,996
EQUITY		
Common sha es \$10 00 pa va ue; 7,500,000 sha es autho zed; 5,467,022 sha es ssued and outstand ng, net of offe ng costs as of June 30, 2021	\$	54,670,218
Subsc pt on ece vab e	\$	(1,432,001)
Accumu ated defc t		(5,641,142)
Non-cont o ng nte est		1,216,382
TOTAL EQUITY	\$	48,813,457
TOTAL LIABILITIES AND EQUITY	\$	88,918,453
	Ψ	00,710,455

The accompany ng notes a e an nteg a pat of these fnanc a statements

F-2

DF Growth REIT, LLC **Consolidated Statement of Operations** For the year period June 30, 2021 REVENUES Renta p ope ty evenues 2,611,158 \$ 60,821 Inte est ncome Un ea zed Investment Income 68,943 301,310 Othe ncome TOTAL REVENUE 3,042,233 \$

EXPENSES	
Dep ec at on	\$ 962,538
P ope ty ope at ng and ma ntenance	818,285
Rea estate taxes	211,299
Inte est expense	1,220,293
Gene a and admn st at ve expenses	1,487,510
Tota Ope at ng Expenses	\$ 4,699,926
Invest ng expenses	
Invest ng expenses	\$ 266,059
Tota Invest ng Expenses	\$ 266,059
TOTAL EXPENSES	\$ 4,965,985
NET LOSS	\$ (1,923,753)
Loss att buted to non-cont o ng nte est	(16,052)
Loss att buted to common stockho de s	(1,907,701)

The accompany ng notes a e an nteg a pat of these f nanc a statements

F-3

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

	Commo	n Stock		S	ubscription	A	ccumulated		Total
	Shares		Amount		Receivable		Deficit		 Equity
Decembe 31, 2020	3,244,667	\$	32,446,667	\$	(229,035)	\$	(1,599,100)	-	\$ 30,618,532
P oceeds f om ssuance of common stock	2,222,355	\$	22,223,551	\$	(1,202,966)		-	-	21,020,585
D st but ons dec a ed on common stock	-		-		-	\$	(2,118,289)	-	(2,118,289)
Non Cont o ng Inte est due to conso dated									
of nvestment	-		-		-	\$	1,216,382		\$ 1,216,382
Net oss	-		-		-	\$	(1,923,753)		\$ (1,923,753)
Ba ance as of June 30, 2021	5,467,022	\$	54,670,218	\$	(1,432,001)	\$	(4,424,760)		\$ 48,813,457

The accompany ng notes a e an nteg a pat of these fnanc a statements

F-4

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

Cash fows f om ope at ng act v t es	_	For the Period from January 1, 2021 through June 30, 2021
Net oss	\$	(1,923,753)
Adjustments to econc e net oss to net	Ŷ	(1,720,700)
Cash used n ope at ng act v t es		
Dep ec at on		962,539
Un ea zed oss on equ ty nvestments		(67,943)
Amo t zat on on debt ssuance costs		71,423
Cap ta zed nte est		(199,593)
Non-cont o ng nte est		(93,000)
Changes n ope at ng assets and ab t es		
Inc ease n e ated pa ty ece vab es		(2,501,714)
Inc ease n nte est ece vab e		(60,822)
Inc ease n notes and accounts ece vab e		(1,866,988)
Dec ease n othe assets		640,013
Inc ease n accounts payab e and acc ued expenses		(23,986)
Inc ease n d v dends payab e		90,537
Increase n enta security deposits and other about the security deposite and security depos		355,668
Inc ease n p epa d ents		23,411
Dec eease n nte est payab e		(184,034)
Inc ease n defe ed ncome		26,340
Net cash used n ope at ng act v t es		(4,751,902)

Cash fows fom nvest ng act v t es	
Investment n ea estate p ope t es	(17,475,419)
Investment n equ ty method nvestees	(132,500)
Investment n ea estate debt nvestments	(365,500)
Net cash used n nvest ng act v t es	(17,973,419)
Cash fows f om f nanc ng act v t es	
P oceeds f om the ssuance of common stock	21,020,585
P oceeds f omnotes payab e	10,050,000
P nc pa payments on notes payab e	(490,501)
Payment on oan fees assoc ated with new debt	(232,167)
Payments made to nvesto s fo d v dends	(1,091,796)
Net cash p ov ded by f nanc ng act v t es	29,256,121
Net nc ease n cash and cash equ va ents	6,530,800
Cash and cash equ va ents, beg nn ng of pe od	5,044,803
Cash and cash equ va ents, end of pe od	\$ 11,575,603

The accompany ng notes a e an nteg a pat of these fnanc a statements

F-5

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

Note 1 Formation and Organization

DF G owth REIT, LLC (the "Company") s a De awa e co po at on fo med on Ju y 16, 2018, that bu ds weath by nvesting n cash-fowing apa timent bu dings along with single and muit-fam y plope tes. Ou focus s on ong-teim capital apple cation form the enovation and epositioning of these muit-fam y plope tes. The use of the teims the "Company," "we,", "us," o "ou" in this Annual Report effection DF G owth REIT, LLC, unless the context indicates other wise. We have elected to be taxed as a REIT under the Interina Revenue Code of 1986, as amended (the "Code"), commencing with ou taxable year ended December 31, 2019.

The Company s exte na y managed by DF Manage , LLC , ("Manage "), wh ch s a subs d a y of the Company's sponso , D ve syFund, Inc ("Sponso ")

Pu suant to the Fo m 1-A f ed with the SEC with espect to ou offen ng (the "Offen ng") of up to \$75,000,000 n sha es of common stock, the pu chase p ce fo a sha es was \$10 00 pe sha e as of June 30, 2021 The Offen ng was qua f ed by the SEC on Novembe 13, 2018, and we commenced ope at ons on Novembe 13, 2018 As of June 30, 2021, we had ssued 5,467,022 sha es of ou common stock fo an agg egate pu chase p ce of \$54,670,218 The Company has the authot ty to ssue 7,500,000 sha es of common stock

Note 2 Summary of Significant Accounting Policies

Principles of Consolidation Note

The conso dated fnanc a statements ne ude the accounts of DF G owth REIT LLC and the fo owng subs d a es n wh ch g owth REIT has a cont o ng fnanc a nte est

Subsidiary	Owning Entity	% Ownership	Year Acquired/Organized
D ve syfund Pa k B vd , LLC	DF G owth REIT	62 91%	2017
McA thu LGLLC	DF G owth REIT	100%	2020
BLVDW NC LLC	DF G owth REIT	100%	2020
4500 SOUTH STATE STREET UT LLC	DF G owth REIT	100%	2020
WOODSIDE HIGHLAND UT LLC	DF G owth REIT	100%	2020
524 SW ST LUCIE, LLC (F ance			
Apa tment)	DF G owth REIT	100%	2020
201 SW JOAN JEFFERSON WAY, LLC			
(Azu Apa tment)	DF G owth REIT	100%	2021

The conso dated fnanc a statements ne ude 100% of each subs d a y's assets, ab t es, ope at ons and cash fows, with the net ests not owned by REIT effected as "noncont o ng net ests n subs d a es" A s gn f cant net -company accounts and t ansact ons have been e mnated n conso dat on

Use of Estimates

The p epa at on of the fnanc a statements n conform ty wth GAAP equ es management to make est mates and assumptions that affect the epo ted amounts of assets and ab t es and d sc osu e of contingent assets and ab t es at the date of the financ a statements. Actual events and esu ts could d ffer form those assumptions and est mates

Cash and Cash Equivalents

Cash and cash equ va ents cons st of demand deposts Cash and cash equ va ents a e ca ed at cost wh ch app ox mates fa va ue

Concentration of Credit Risk

At t mes, ou cash may exceed the Fede a Depost Insu ance Co po at on depost nsu ance mt of \$250,000 pe nst tut on The Company mt gates c ed t sk by p ac ng cash wth majo f nanca nst tut ons To date, the Company has not expe enced any osses on cash

Geographic concentration

As of June 30, 2021, the Company's nvestments n ea estate ope ate n Ca fo n a, Texas, No th Ca o na, Fo da, and Utah Futu e ope at ons cou d be affected by changes n econom c o othe cond t ons n those geog aph ca a eas o the demand fo such hous ng

Variable Interest Entities and Voting Interest Entities

A va ab e nte est ent ty ("VIE") s an ent ty that acks one o mo e of the cha acte st cs of a vot ng nte est ent ty A VIE s defined as an ent ty n which equity nvestors do not have the cha acte st cs of a cont o ng financial nte est o do not have sufficient equity at sk for the ent ty to finance ts act vit es without add t on a subolid nated financial support form other parties. The determination of whether an ent ty s a VIE ne udes consideration of values factors. These factors include eview of the formation and design of the entity, ts organization as tucture including decision-making ability and elevant financial agreements, and analysis of the forecasted cash flows of the entity. We make an nit a determination upon acquisition of a VIE, and cassess the nit a evaluation of an entity as a VIE upon the occur ence of certain events.

A VIE must be conso dated on y by ts p may benef c a y, wh ch s defined as the pa ty who, a ong w th ts aff ates and agents has both the () powe to d ect the act v t es that most s gn f cant y mpact the VIE's pe fo mance; and () ob gat on to abso b the osses of the VIE o the ght to ece ve the benef ts f om the VIE, wh ch cou d be s gn f cant to the VIE We dete mne whethe we a e the p may benef c a y of a VIE by cons de ng va ous facto s, nc ud ng, but not mted to wh ch act v t es most s gn f cant y mpact the VIE's econom c pe fo mance and wh ch pa ty cont o s such act v t es; the amount and cha acte st cs of ts nvestment; the ob gat on o ke hood fo us o othen te ests to p ov de f nance a suppot; cons de at on of the VIE's pupose and des gn, nc ud ng the sks the VIE was des gned to c eate and pass th ough to ts va ab e nte est ho de s and the s m a ty w th and s gn f cance to the bus ness act v t es of ou nte est and the othe neests. We eassess ou detemnation of whethe we a e the p may benef c a y of a VIE each epoting pe od. S gn f cant judgments e ated to these detemnations nc ude est mates about the futu epe for mance of nvestments hed by VIEs and gene a maket cond tions. The maximum sk of oss e ated to ou nvestment s mide to ou eco ded nvestment n such ent tes, f any

A vot ng nte est ent ty ("VOE") s an ent ty n wh ch equ ty nvesto s have the cha acte st cs of a cont o ng fnanc a nte est and has suff c ent equ ty at sk to fnance ts act v t es A cont o ng fnanc a nte est exsts f mted pa tne s w th equ ty at sk a e ab e to exe c se substant ve k ck-out ghts o a e ab e to exe c se substant ve pa t c pat on ghts Unde the VOE mode, gene a y, on y a s ng e mted pa tne that s ab e to exe c se substant a k ck-out ghts w conso date the ent ty

As of June 30, 2021, the Company hed nvestments n two ent tes, which we evaluated under the VIE mode and we end consolidated because the Company was not determined to be the pimaly energically. These nvestments are called on the equity method because of the Company's sign ficant influence.

As of June 30, 2021, the Company hed nvestments n seven ent tes, which we evaluated under the VOE mode and a e conso dated because the Company s able to exel c se substant a k ck-out ghts and substant ve patic pation ghts

Income Taxes

The Company ope ates and s taxed as a REIT fo fede a ncome tax pu poses fo the yea ended Decembe 31, 2021 To qua fy as a REIT, the Company must meet ce ta n o gan zat ona and ope at ona equ ements, nc ud ng a equ ement to d st bute at east 90% of ts taxab e ncome to ts stockho de s As a REIT, the Company gene a y s not subject to fede a co po ate ncome tax on that po t on of ts taxab e ncome that s cu ent y d st buted to stockho de s The Company may be subject to ce ta n state and oca taxes on ts ncome and p ope ty, and fede a ncome and exc se taxes on ts und st buted ncome No mate a p ov s ons have been made fo fede a ncome taxes n the accompany ng fnanc a statements, and no g oss defe ed tax assets o ab t es have been eco ded as of June 30, 2020 As of June 30, 2021, \$2,118,291, n d st but ons have been dec a ed to stockho de s, wh ch we e c ass fed fo tax pu poses as non-taxab e etu n of cap ta

A taxpe ods since nception emain open to examination by the majo taxing authorities in a juli solutions where we are subject to taxation

Revenue Recognition

Renta ncome s ecogn zed as entas become due Renta payments ece ved n advance a e defe ed unt ea ned A eases between the Company and tenants of the p ope ty a e ope at ng eases and a e one yea o ess

Fo ce tan p ope t es, n add t on to cont actua base ent, the tenants pay the sha e of ut t es to the Company The ncome and expenses assoc ated w th these p ope t es a e gene a y eco ded on a g oss bas s when the Company s the p may ob go Fo the yea ended June 30, 2021, the Company d d not eco d any e mbu sements of expenses

Tenant fees, such as app cat on fees, admn st at ve fees, ate fees, and othe evenues f om tenants a e eco ded when amounts become due

F-7

Purchase Accounting for Acquisitions of Real Estate

Effect ve Novembe 13, 2018, (Incept on) the Company adopted the p ov s ons of Account ng Standa d Update 2017-01, which p ov desithat f substant a y a the fa value of the g oss assets s concent ated n any nd v dua asset, the acquistion s t eated as an asset acquist on as opposed to a bus ness combination. Unde an asset acquist on, costs d ectly e ated to the acquistion a e capital zed as part of the pulchase considered at on. The fa value of the pulchase considered at on and the fa value of the assets acquied s consistent with the techniques used in a bus ness combination.

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

The Company evews ts ea estate po tfo o on a qua te y bass to asce ta n f the e a e any nd cato s of mpa ment to the vaue of any of ts ea estate assets, nc ud ng defe ed costs and ntang b es, to dete mne f the e s any need fo an mpa ment cha ge In evew ng the po tfo o, the Company examines one o

mo e of the fo owng the type of asset, the cu ent f nanc a statements o othe ava ab e f nanc a nfo mat on of the asset, and the econom c s tuat on n the a ea n wh ch the asset s ocated Fo each ea estate asset owned fo wh ch nd cato s of mpa ment exst, management pe fo ms a ecove ab ty test by compa ng the sum of the est mated und scounted futu e cash f ows at butab e to the asset to ts ca y ng amount. If the agg egate und scounted cash f ows a e ess than the asset's ca y ng amount, an mpa ment oss s eco ded to the extent that the est mated fa vaue s ess than the asset's ca y ng amount. The est mated fa vaue s dete mned us ng a dscounted cash f own of the expected futu e cash f ows though the useful for the p ope ty. The analys s nc udes an est mate of the futu e cash f ows that a e expected to esu t form the ea estate nvestment's use and eventuad spost to may so no may so no de facto s such as expected futu e ope at ng ncome, t ends and p ospects, the effects of eas ng demand, compet t on and othe facto s

Allowance for Doubtful Accounts

The Company manta ns an a owance fo doubtfu accounts fo est mated osses esu t ng f om the nab ty of a tenant to make equ ed ent payments. On June 30, 2021, the e was ze o ba ance n the a owance fo doubtfu accounts. The Company eco ds bad debt expense as a educt on of enta ncome and/o tenant e mbu sements.

Advertising costs

The Company's po cy s to expense advets ng costs when neu ed Pu suant to the Company's ope at ng ag eement, the Company may be equ ed to embu se the Sponso fo advets ng costs e ated to the as ng of cap ta of up to 1% of tota cap ta a sed

Deferred Financing Costs

Mo tgage costs a e cap ta zed and amo t zed us ng the st a ght- ne method wh ch management does not be eve s mate a y d ffe ent than the effect ve nte est ate method, ove the te ms of the espect ve debt ob gat ons At June 30, 2021, defe ed fnanc ng costs amounted to \$912,770, net of accumu ated amo t zat on Amo t zat on of such costs s nc uded n nte est expense and app ox mated \$71,423 n 2021 The Company p esents unamo t zed defe ed fnanc ng costs as a d ect deduct on f om the ca y ng amount of the e ated debt ab ty

Fair Value

Fa value s the exchange p ce that would be eceived fo an asset op a d to tansfe a abity (ext p ce) n the pincipal of most advantageous market for the asset of abity n an oide y tansact on between market part c pants on the measurement date. The eare there evels of nputs that may be used to measure favore values

Leve 1 Quoted p ces (unadjusted) fo dent ca assets o ab t es n act ve ma kets that the ent ty has the ab ty to access as of the measu ement date

Leve 2 S gn f cant othe obse vab e nputs othe than Leve 1 p ces such as quoted p ces fo s m a assets o ab t es; quoted p ces n ma kets that a e not act ve; o othe nputs that a e obse vab e o can be co obo ated by obse vab e ma ket data

		0
- F	(L	x

Leve 3 S gn f cant unobse vab e nputs that effect a company's own assumpt ons about the assumpt ons that maket patt c pants would use n p c ng an asset o ab ty

Fair Value Option

ASC 825 "Fa Vaue Opt on fo Fnanc a Assets and Fnanc a Lab tes" ("ASC 825") p ov des a fa vaue opt on e ect on that a ows companes to evocably e ect fa vaue as the n t a and subsequent measu ement att bute fo ce tan fnanc a assets and ab tes ASC 825 pe mts the fa vaue opt on e ect on on an nst ument by nst ument bas s at n t a locogn ton. We have decided not to make this elect on

Note 3 Investments in Real Estate

The fo owng tabe p esents the Company's acqu s t ons of ea estate dung the peod f om Janua y 1, 2021 though June 30, 2021

Description of Property	Date acquired	Ownership Percentage	Contract Purchase Price	Terms of Payment	cquisition Costs
Azu Apa tment	Janua y 27, 2021	100 00%	\$ 15,500,000	Cash	\$ 1,353,720
Stua t, FL					
Totals for 2021			\$ 15,500,000		\$ 1,353,720

The fo owng tab e deta s the a ocat on of the pu chase p ce fo the Company's acquist ons of ea estate duing the pe od fom Novembe 13, 2018 (nception) through June 30, 2021

Description of Property	 Land	 Building	 Total
Pa k B vd	\$ 3,700,000	\$ -	\$ 3,700,000
San D ego, CA			
McA thu Land ng	\$ -	\$ 10,271,913	\$ 10,271,913
Fayettev e, NC			
Bou eva d West	\$ -	\$ 13,848,427	\$ 13,848,427
Geenve, NC			
Woods de at Ho aday	\$ -	\$ 9,110,137	\$ 9,110,137
Ho aday, UT			
Cottonwood C eek	\$ -	\$ 5,721,798	\$ 5,721,798
Mu ay, UT			
The F ance	\$ -	\$ 4,755,281	\$ 4,755,281
Stua t, FL			

Azu Apa tment		\$ 17,013,718	\$ 17,013,718
Stua t, FL			
Totals for 2021 before depreciation	\$ 3,700,000	\$ 60,721,274	\$ 64,421,274

Minimum Future Rents

The enta p ope t es owned at June 30, 2021, a e p nc pa y eased unde 12-month ope at ng eases with ce tain tenant enewal ghts. The Company expects to eccive enta income of \$5,282,398 f om these eases in 2021

Note 4 Commercial Real Estate Debt Investments

As of June 30, 2021, ou debt e ated nvestment was not considered mpared, and no mparment charges were eco ded in the financial statements. We be even the fail value of the debt nvestment easonably approximates to the carlying value of the debt nvestment as of June 31, 2021. The Company had nvested in one debt e ated nvestment as of June 30, 2021. Dive syFund G and to, LLC is a 12-month term note maturing on 9/27/2021 with a 10.25% annual interest ate. The for owing table edges beside output to the transmission of the systement activity for the year ended June 30, 2021.

Investment in Debt:	A	Amount
Ba ance at beg nn ng of pe od	\$	976,500
P nc pa and nte est epayments		-
Investment and nte est		365,500
Ba ance as of June 30, 2021	\$	1,342,000

The fo owng tab es p esent the Company's nvestments n debt secu t es, as of June 30, 2021

			Original				
			Principal Amount or			Average Investment	Allocation by Investment
Asset Type	Number	Cost		Carrying Value		Return	Туре
Res dent a P ope ty	1	\$	1,342,000	\$	1,342,000	10 25%	100 00%
Ba ance as of June 30, 2021	1	\$	1,342,000	\$	1,342,000	10 25%	100 00%

The fo owng tab ep esent ce tan nfo mat on about the Company's nvestments n debt secu t es, as of June 30, 2021, by cont actua matu ty g oup ng

		Amounts Maturing Within One
Asset Type	Number	Year
Res dent a P ope ty	1	\$ 1,342,000
Ba ance as of June 30, 2021	1	\$ 1,342,000

Credit Quality Monitoring

The Company's p efe ed equ ty nvestments that ean nte est based on debt- ke te ms a e typ cay secued by nte ests n ent t est hat have nte ests n ea estate. The Company evaluates ts debt nvestments at east quartery and d ffe ent ates the eat vec ed t quarty pincipally based on () whether the bolowers cui ently paying contractual gualanteed p effered equity payments in accordance with the contractuate ms; and () whether the Company be even the bolower will be able to pe formunde the contractuate ms in the future, as we as the Company's expectations as to the ultimate ecovery of pincipal at mature ty. The Company considered an investment for which it expects to ecove fully payment of contractual pincipal and nte est payments as "pe forming". As of June 30, 2021, the nivestment is considered to be pe forming and no allowance for oan oss has been ecoided. In the event that an investment is deemed other than pe forming, the Company will evaluate the nist unment for any equiled impairment.

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Note 5 Equity Method Investments

As of June 30, 2021, the Company has nvested n two sepa ate mut fam y p ope t es that a e be ng epo ted on the equ ty method. The fo ow ng tab e p esents ce ta n nfo mat on about the Company's nvestments n equ ty secu t es, as of June 30, 2021.

				06/30/21
Property Name	Year Invested	Location	Ownership	Value
The Sa d n a G oup	2018	San D ego, CA	53%	\$ 190,628
DF Summe yn LLC	2019	K een, TX	38% 3	\$ 1,538,672
Total			5	\$ 1,729,300

Note 6 Related Party Arrangements

DF Manager, LLC, Manager

Subject to ce tan est ct ons and mtat ons, the Manage s espons be for managing the Company's affa s on a day-to-day bas s and for dent fying and making investments on beha for the Company

The Manage w not be embused fo o gan zat on a and offeng expenses neu ed n conjunct on with the Offeng The Company w not embuse the Manage fo actua expenses neu ed on beha f of the Company n connect on with the select on o acquist on of an nvestment, to the extent not embused by the bo owe, whethe o not the Company ut mate y acquises the nvestment. The Company w not embuse the Manage fo out-of-pocket expenses pad to the d pates n connect on with p ov d ng selvces to the Company.

Unde va ous ag eements, the Company has engaged o w engage DF Manage, LLC to p ov de ce tan sev ces to the Company, nc ud ng asset management sev ces, asset acquist on and d sposition decisions, the sale of the Company's common shales available for ssue, as we as othe administrative espons bit es for the Company nc ud ng accounting sev ces and nvestorie eations. As a esuit of these eationships, the Company sidependent upon DF Manage, LLC. In the event that these companies we elimited to p ovide the Company with the espective sev ces, the Company would be equied to find a tenative p ovide softhese sev ces.

DiversyFund, Inc., Sponsor

The Sponso ece ves an acqu st on feed ect y f om the Company's ea estate nvestments fo sponso ng the acqu st on of the asset. The sponso pe forms sev ces of sou c ng, unde w t ng, due d gence, nvestment ove s ght, a ang ng debt f nanc ng, and execut on of the bus ness p an The Sponso s ent t ed to ece ve an acqu st on fee pad at the asset eve of up to 800% of the tota p oject cost nc ud ng acqu st on p ce, const uct on o cap ta expend tu e budget and nsu ance and ca y ng costs. Sponso s a so ent t ed to ece ve a f nanc ng fee f om the asset eve of up to 1% of the tota debt amount obta ned fo a p oject. Sponso s a so ent t ed to ece ve an asset management fee of up to 2% of co ected ents f om a p oject. In 2021 the Sponso ece ved f nanc ng and acqu s t on fees tota ng \$1,453,720 n connect on w th the acqu s t ons of one new mu t -fam y p ope t es

		A	equisition	Financing		Total
Property Name	Date		Fee	 Fee	Sp	onsor Fee
Azu Apa tment	1/27/2021	\$	1,253,720	\$ 100,000	\$	1,353,720
Tota		\$	1,253,720	\$ 100,000	\$	1,353,720

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Executive Officers of our Sponsor

As of the date of th s Annua Repo t, ou execut ve off ce s a e as fo ows

Name	Position
Cag Cec o	Ch ef Execut ve Off ce
A an Lew s	Ch ef Investment Off ce

Craig Cecilio has se ved as ou Ch ef Execut ve Off ce of ou Sponso s nce ts ncept on

Alan Lewis has se ved as the Ch ef Investment Offce of ou Sponso s nce ts ncept on

DF Manage acts as the Company's manage and s who y owned and ope ated by the sponso

A equ ty and debt nvestments owned by the Company a e e ated pat es as they a e managed d ect y by D ve syFund, Inc

Related Part Receivable

On June $22^{nd} 2021$, The Company ent \$2,000,000 as a shot te m oan to D ve syfund Inc, the sponso with 4% annual net est at to support to sope at ons. The Company oaned \$501,713 55 for Summe yn's nsu ance and p operty taxes and was epad on July 13, 2021 after the epoting period \$28,328 was elated to ega selvces for DF G owth REIT II LLC. This amount is owed back to the Company and we be epad in 2021.

Note 7 Commitments and Contingencies

Legal Proceedings

As of June 30, 2021, we we enot named as a defendant n any active opending t gat on Howeve, t s possible that the Company could become involved n values t gat on matters a single n the old nay could be of our business. A though we are unable to pied ct with certainty the eventual outcome of any t gat on, management s not awale of any t gat on key to occul that we cull entry assess as being significant to us

Note 8 Distributions

Investo d st but ons a e dete mned by each sha eho de s' nvestment of eco d each day du ng the d st but on pe od

The tab e be ow out nes the Company's tota d st but ons dec a ed to sha eho de s and d st but ons e at ng to the Sponso and ts aff ates fo the yea 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 th ough Decembe 31,2019	0 00059113	5 00%	\$ 140,945	\$ 140,945	
Janua y 1, 2020 th ough Decembe 31, 2020	0 00074774	5 00%	\$ 885,549	\$ 885,549	
Janua y 1, 2021 th ough June 30, 2021	0 00054714	5 00%	\$ 1,091,797	\$ 870,933	
			\$ 2,118,291		

(1) Dst but ons a e pado e nvested on the 15 h of the fo owng month after the dst but on pe od

Note 9 Notes Payable

The fo owng tab e summa zes the tems of notes payab e outstand ng at June 30, 2021

Property	Lender	г	Monthly Debt Service	Interest Rate	Maturity	2021
Unsecu ed Notes	Lenter	-		merestitute	17 meter rey	 2021
				14 00% (F xed Defe ed		
D ve syFund Pa k B vd	D ve syFund Income Fund			Inte est)	4/17/2022	\$ 134,800
						\$ 134,800
Secu ed Notes						
D ve syFund Pa k B vd	Socot a Cap ta Inc	\$	24,578	9 75% (F xed)	8/1/2022	\$ 3,025,000
D ve syFund Pa k B vd	Tempo Fund ng Oppo tun ty	\$	8,000	24 00% (F xed)	6/23/2022	130,533
D ve syFund Pa k B vd	Tom Ca a uca	\$	8,000	16 00% (F xed)	5/18/2022	200,000
McA thu Land ng	Standa d Insu ance Company	\$	33,584	4 13% (F xed)	7/1/2045	6,145,747
	StanCo p Mo tgage Investo s,					
Bvd West	LLC	\$	42,364	3 63% (F xed)	5/20/2045	8,176,251
	Keystone Rea Estate Income					
Woods de	Tust	\$	43,582	7 25% (F xed)	9/1/2022	6,000,000
	StanCo p Mo tgage Investo s,					
Cottonwood	LLC	\$	12,766	3 50% (F xed)	8/26/2045	2,512,373
F ance Apa tments	Edgewood Mac VLLC	\$	26,372	8 75% (F xed)	12/1/2022	3,500,000
Azu Apa tments	Edgewood Mac VLLC			7 25% (F xed)	1/26/2022	10,050,000
						\$ 39,739,903
Unamo t zed Loan Costs						\$ (912,770)
Tota Notes Payab e						\$ 38,961,933

Unsecu ed Sen o Notes

In 2017, the Company ssued a p vate p acement of unsecu ed sen o notes Th s sen o note has a ba ance of \$134,800 as of June 30, 2021 and s due n 2022 The sen o note has a fixed annua nte est ate of 14%

Secu ed Mo tgage Notes

As of June 30, 2021, the Company had 3397 m on outstand ng on n ne non- ecou se mo tgage notes A nte est ates on the secu ed mo tgage notes a e fxed Assets with depice ated caying values of 629 m on we epiedged as secular to on these mo tgage notes payable.

Note 10 Investment and depreciation in real estate properties

Rea estate assets a e stated at dep ec ated cost ess mpa ment, f any Bu d ngs a e dep ec ated ove the est mated usefu ves of 30 yeas. The fe of a pat cu a bu d ng depends upon a numbe of facto s nc ud ng whethe the bu d ng was deve oped o acqu ed and the cond t on of the bu d ng upon acqu s t on. The Company uses the st a ght- ne method fo a dep ec at on and amo t zat on.

	Estimated	
	Us eful Life	 2021
Land		\$ 3,700,000
Ope at ng Rea Estate P ope t es	30 Yea s	61,182,974
Less Accumu ated Dep ec at on		(1,433,782)
Total Real Estate, net		\$ 63,449,192

Note 11 Subsequent Events

Events that occu afte the ba ance sheet date, but befo e the fnanc a statements we e ava ab e to be ssued, must be evaluated for ecogn ton o d sc osu e. The effects of subsequent events that p ov de ev dence about cond t ons that exsted at the ba ance sheet date a e ecogn zed in the accompanying fnanc a statements. Subsequent events which p ov de evidence about cond t ons that exsted after the ba ance sheet date equipment events which p ov de evidence about cond t ons that exsted after the ba ance sheet date equipment events which p ovide evidence about cond t ons that existed after the ba ance sheet date equipment events which p ovide evidence about cond t ons that existed after the ba ance sheet date equipment events which p ovide evidence about cond t ons that existed after the ba ance sheet date equipment events which p ovide evidence about cond t ons that existed after the ba ance sheet date equipment events we evidence about cond t ons that existed after the ba ance sheet date equipment events which p ovide evidence about cond t ons that existed after the ba ance sheet date equipment events we evidence about cond t ons that existed after the ba ance sheet date equipment events accompanying notes. Management has evaluated the activity of the Company through Septembe 24, 2021, the date the finance a statements we eave abe to e sized.

DiversyFund Granito LLC

In Ju y, 2021, the Company made an add t ona debt nvestment of \$70,000 In August, 2021 the Company nvested \$76,000 In Septembe 2021 the Company nvested \$90,000 As of Septembe 24, 2021, the Company has made a tota debt nvestment of \$1,578,000

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DiversyFund Park Blvd., LLC

In Ju y, 2021, the Company made an add t ona equ ty nvestment of \$270,000 In August, 2021, the Company made an add t ona equ ty nvestment of \$53,000 In Septembe 2021 the Company nvested \$105,000 As of Septembe 24, 2021, the Company has made a tota equ ty nvestment of \$3,018,700

North Charleston Townhomes, LLC

On Septem e 1, 2021 the Company acqu ed a 145-un t mut-fam y asset, W ow R dge Apa tments, n No th Cha eston, South Ca o na The Company OS Received 06/03/2022

nvested \$6,100,000 of equ ty to secu e the asset at a p ce of \$22,075,000

Property Acquisition Deposits

On Ju y 1^s, 2021, the Company made an add t ona equ ty nvestment of \$250,000 nto Cobb e H Apa tments On Ju y 2nd, 2021, the Company made an add t ona equ ty nvestment of \$100,000 nto M ss on V as Apa tments F om Ju y 8^h to Ju y 20^h, 2021, the Company made a payment of \$70,974 fo Town Cente Apa tments' sta t-up costs, ega fees and pay o On Ju y 22nd, 2021, the Company made an add t ona equ ty nvestment of \$250,000 nto V age C eek Apa tments On August 3^d, 2021, the Company made an add t ona equ ty nvestment of \$21,000 fo Town Cente's sta t-up costs and pay o costs On August 25^h, 2021, the Company made an add t ona equ ty nvestment of \$100,000 nto M ss on V as Apa tments F om August 5^h to 24^h, the Company made a payment of \$21,000 fo Town Cente's sta t-up costs and pay o costs On August 25^h, 2021, the Company made an add t ona equ ty nvestment of \$100,000 nto M ss on V as Apa tments As of Septembe 28^h, 2021, the Company has made a tota equ ty nvestment of \$2,708,854 fo new p ope ty acqu st ons

Offering Proceeds

As of Septembe 24, 2021, we had a sed tota g oss offe ng p occeeds of app oxmate y \$61,163,582 f om sett ed subsc pt ons and ssued an agg egate of 6,116,358 sha es of ou common stock As of Septembe 24, 2021, app oxmate y \$13,836,418 n sha es ema ned ava ab e fo sa e to the pub c pu suant to the Offe ng

Note 12 Miscellaneous Items

On Janua y 30, 2020, the Wo d Hea th O gan zat on dec a ed the co onav us outb eak a "Pub c Hea th Eme gency of Inte nat ona Conce n" and on Ma ch 10, 2020, dec a ed t to be a pandemc Act ons taken a ound the wo d to he p mt gate the sp ead of the co onav us nc ude est ct ons on t ave, and qua ant nes n ce ta n a eas, and fo ced c osu es fo ce tan types of pub c p aces and bus nesses. The co onav us and act ons taken to mt gate t have had and a e expected to cont nue to have an adve se mpact on the economes and fnanc a ma kets of many count es, nc ud ng the geog aph ca a ea n wh ch the Company ope ates. Wh e t s unknown how ong these cond t ons w ast and what the comp ete fnanc a effect w be to the company, management does not expect the COVID-19 outb eak to have a pe manent negat ve mpact on DF G owth REIT's ope at ons. Add t ona y, t s easonab y poss b e that est mates made n the fnanc a statements have been, o w be, mate a y and adve se y mpacted n the nea te mas a esu t of these cond t ons, such as mpa ment osses e ated to goodw and othe ong- ved assets

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nem 4

Exhibits

Exhibit 1A-2A	Cetfcate of Fo mat on *
Exhibit 1A-2B	LLC Agreement The agreement by and among the Company and a of ts members capt oned "Lmted Lab ty Company
	Ag eement" and dated August 1, 2018 *
Exhibit 1A-2C	Authorizing Resolution The eso ut on adopted by the Manage c eating the C ass A Investo Sha es *
Exhibit 1A-6A	Investment Agreement The ag eement to be s gned by each Investo to acque a C ass A Investo Sha es *
Exhibit 1A-6B	Management Agreement The ag element capt oned "Management Se v ces Ag element" by and between the Company and the
	Manage dated August 1, 2018 *
Exhibit 1A-8	<i>Escrow Agreement</i> The Agreement capt oned "Escrow Services Agreement" with Prime Trust, LLC*

* A Exh b ts a e nco po ated by efe ence to those p ev ous y f ed

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Signatures

Pu suant to the equ ements of Regu at on A, the ssue has duy caused ths epot to be s gned on ts beha f by the unde s gned, the eunto duy autho zed

DF Growth REIT, LLC

- By DF Manage , LLC, as Manage
- By D ve syFund, Inc , as Manage

By
$$\frac{/s/C a g Cec o}{C a g Cec o, Ch ef Execut ve Off ce}$$

Pu suant to the equ ements of Regu at on A, this Semannua Report has been signed below by the following pe sons on beha fof the ssue and in the capacities and on the dates indicated

/s/ A an Lew s

A an Lews D ecto and Ch ef Investment Off ce of D ve syFund, Inc Septembe 28, 2021

/s/ C a g Cec o C a g Cec o D ecto and Ch ef Execut ve Off ce of D ve syFund, Inc Septembe 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

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

FORM1 K

OMB APPROVAL

OMB Number: 3235-0720

Estimated average burden hours per response: 600.0

1-K: Filer Information

Issuer CIK	000 750695
Issuer CCC	XXXXXXXX
Is filer a shell company?	© Yes ● No
Is the electronic copy of an official filing submitted in paper format?	
File Number	
Is this filing by a successor company pursuant to Rule 257(b)(5) resulting from a merger or other business combination?	© Yes [●] No
Successor File Number	
Submission Contact Information	
Is this a LIVE or TEST Filing?	● LIVE ◎ TEST
Would you like a Return Copy?	
Period	2 3 202
Name	
Phone	
E-Mail Address	
Notify via Filing Website only?	

1-K: Tab 1 Notification

This Form 1-K is to provide an	Annual Report Special Financial Report for the fiscal year
Fiscal Year End	2 3 202
Exact name of issuer as specified in the issuer's charter	DF Growth REIT
CIK	000 750695
Jurisdiction of Incorporation / Organization	DELAWARE
I.R.S. Employer Identification Number	83 263 55
Address of Principal Executive Offices	
Address 1	600 W BROADWAY
Address 2	SUITE 420
City	SAN DIEGO

State/Country

CALIFORNIA

92 0

Mailing Zip/ Postal Code

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 eg st ant as spec fed n ts cha te)

Commss on F e Numbe 024-10912

Delaware

(State o othe ju sd ct on of nco po at on o o gan zat on)

> 750 B Street Suite 1930 San Diego, CA

(Add ess of p nc pa execut ve offces)

92101

(Z p Code)

83-1263155

(IRS Emp oye

Ident f cat on Numbe)

(858) 430-8528

Reg st ant's te ephone numbe, nc ud ng a ea code

Class A Investor Shares

(T t e of each c ass of secu t es ssued pu suant to Regu at on A) $% \left({{T}_{k}} \right)$

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Caution Regarding Forward-Looking Statements

The te m "fo wa d-ook ng statements" means any statements, nc ud ng fnanc a p oject ons, that e ate to events o cond t ons n the futu e Often, fo wa d-ook ng statements nc ude wo ds ke "we ant c pate," "we be eve," "we expect," "we ntend," "we p an to," "th s m ght," o "we w

Fo wa d-ook ng statements a e, by the natu e, subject to unce tant es and assumpt ons The statement "We be eve ong-te mt ends favo seconda y and te t a y c t es" s not ke the statement "We e eve the sun w se n the East tomo ow" It s mposs be fo us to know exact y what s go ng to happen n the futu e, o even to ant c pate a the th ngs that cou d happen. Ou bus ness cou d be subject to many unant c pated events, nc ud ng a of the th ngs we tak about n the "R sks of Invest ng" sect on of ou. Offen g C cu a, wh ch may be accessed v a the EDGAR webs te ma ntaned by the Secu t es and Exchange Comm ss on

Consequent y, the actua esu t of nvest ng n the Company coud (and a most ce ta n y w) d ffe f om those ant c pated o mp ed n any fo wa d-ook ng statement, and the d ffe ences coud be both mate a and adve se We do not unde take any ob gat on to ev se, o pub c y e ease the esu ts of any ev s on to, any fo wa d-ook ng statements, except as equ ed by aw

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 fo med to nvest n ea estate p ojects, p ma y n and a ound p may and seconda y c t es o c t es that have a a ge un ve s ty, with what we be eve s a s gn f cant p of t potent a Wh e ou p may focus w be on "vaue-add" mut -fam y ea estate (cu ent y a majo ty of the Company's po tfo o n such p ojects), we mght a so nvest n othe ea estate p ojects that we dete m ne have s gn f cant p of t potent a such as othe vaue-add comme c a ea estate nc ud ng off ce o ndust a, se f-sto age, o mut -fam y o es dent a oppo tun st c p ojects

Somet mes the Company w own ea estate d ect y Most of the tme, howeve, the nvestments made by the Company w be though othe ent tes ("P oject Ent tes") Fo examp e, f the Company nvests n a mut-fam y p ope ty, the p ope ty w key be owned by a d ffe ent ent ty, such as a mted patnesh p o a mted ab ty company Typ cay, P oject Ent tes w be cont o ed by the Sponso o anothe ent ty cont o ed by the Sponso Howeve, f the Company does not cont o the P oject Ent ty tse f then twe et an cont o ghts, mean ng the Company's consent w be equed to ce tan majo act ons taken by the P oject Ent ty, such as the sa e o effnancing of ts ea estate and the ep acement of ts manage o gene a patne

The manage of the Company, DF Manage, LLC, a De awa e mted ab ty company, which we effe to as the "Manage," s an aff ate of D ve syFund, Inc, a De awa e co po at on and a ea estate develope, which we effe to as the "Sponso" The Sponso maintains a website, www.D ve syFund.com (the "Ste") where t seeks funding for the estate projects

Regulation A Offering

On Novembe 13, 2018, ou Offe ng C cu a dated Octobe 3, 2018 (the "<u>Offe ng C cu a</u>"), whe eby we sought to a se up to \$50,000,000 th ough the sa e of C ass A Investo Sha es unde Regu at on A (the "<u>Offe ng</u>"), was "qua fed" by the Secu t es and Exchange Commss on On Ma ch 26, 2021, we nc eased the amount we we e seek ng to a se up to \$75,000,000 The Offe ng C cu a s ava ab e th ough the SEC's EDGAR s te, www.sec.gov/edga, and may a so be obtained by contact ng the Company As of Novem e 13, 2021, the Offe ng s te mnated, and we had a sed \$65,128,397 f om the sa e of C ass A Investo Sha es

LLC Agreement

The Company s gove ned by a Lmted Lab ty Company Ag eement dated August 1, 2018, which we effect to as the "<u>LLC Ag eement</u>" A copy of the LLC Ag eement s attached as Exh b t 1A-2B

Management

The Company s managed by the Manage The LLC Ag eement gene a y g ves the Manage exc us ve cont o ove a aspects of the Company's bus ness Othe membe s of the Company, nc ud ng Investo s who pu chase Cass A Investo Sha es n the Offe ng, gene a y have no ght to pat c pate n the management of the Company The e s on y one except on to th s u e the owne s of the Cass A Investo Sha es may, n some s tuat ons, emove the Manage fo cause

Page 2

Investment Strategy

The Company s seek ng to nvest n a d ve s f ed po tfo o of p edomnant y mu t fam y va ue add ea estate assets th oughout the Un ted States

In t a y, the Company ntends to ta get mut -fam y p ope t es n a "va ue-add" st ategy That means a st ategy where the Company would buy an exsting mut - fam y p ope ty and unde take enovations with a view toward adding sign ficant value. For example, the Company might enovate nd vidua units, add and scaping, and/o addid exercise facilities of the sign of the sign

The Company's ove a mut -fam y va ue-add st ategy s

- Ident fy mut -fam y apa tment communities in quality ocations in the Company's taget makets, where the Company be eves it can acquire properties for owe than the actual value or where the Company can add sign from the use through the d-party hands-on management and/or appresent are company and sign from the use through the d-party hands-on management and/or appresent are company and sign from the use through the d-party hands-on management and/or appresent are company and sign from the use through the d-party hands-on management and/or appresent are company and sign from the use through the d-party hands-on management and/or appresent are company and sign from the use through the d-party hands-on management and/or appresent are company and sign from the use through the d-party hands-on management and/or appresent are company and sign from the use through the d-party hands-on management and/or appresent are company and the d-party hands-on management and/or appresent are company and the d-party hands-on management and/or appresent are company and the d-party hands-on management and/or appresent are company and the d-party hands-on management and/or appresent are company are company and the d-party hands-on management and/or appresent are company and the d-party hands-on management and/or appresent are company are company and the d-party hands-on management and/or appresent are company a
- Buy those communities at be ow-market pices, o at market pices where the e s sufficient ups depotent a to obtain above-market etu ns over the ong te m;

- Make physical at eations and othe improvements to those communities, where the Company can achieve sign ficant benefit with minimal capital out ay; and
- Th ough th d-pa ty management, nc ease the ents to nc ease the ove a vaue of the p ope ty

Cu ent y a majo ty of the Company's po tfo o s n these va ue-add mut -fam y nvestments

The Company s a so nvested n a new mut -fam y g ound up const uct on p ope ty whe e t be eves t can expect a s gn f cant p of t

The Company mght a so pu chase, bu d, o nvest n othe k nds of p ope t es, beyond mu t -fam y p ope t es, so ong as such p ope t es a e gene at ng post ve cash fow o can be made to gene ate post ve cash fow once bu t and stab zed

The Company mght a so nvest n es dent a pope tes fo example, s ng e-fam y homes where the Manage be eve the Company can ach eve a s gn f cant p of t The Company cu ent y has one debt nvestment e ated to a p ope ty ot zoned for s ng e fam y

Geog aph ca y, we ntend to focus on ocat ons which can att act h gh-qua ty tenants, spec f ca y cent a bus ness d st cts o subu ban makets of p may and seconda y met opo tan c t es

Page 3

The Multi-Family Market

H sto ca y, the mut-fam y ma ket has been d ven by favo ab e supp y/demand fundamenta s nc ud ng () a m ted numbe of new un ts com ng onto the ma ket; () the demog aph c often efe ed to as "echo boome s;" () an nc ease n the numbe of mmg ants; and (v) t ghte end ng gu de nes ead ng to owe ates of home owne sh p

Howeve, the onset of the COVID-19 pandem c n Ma ch 2020 nte upted many of these post ve fundamentas, caus ng the mut -fam y hous ng ma ket to expe ence mo e ma ket tu bu ence than t has n ecent yeas Many tenants ost the jobs, the ncome, o some even ost the ves, wh e othe s fed to the subu bs seek ng mo e soc a y-d stant hous ng opt ons A though anothe pandem c could potent a y affect the hous ng ma ket at any t me, we be eve the e a e s gn f cant s gns fo opt msm about the mut -hous ng ma ket n 2022 and beyond

Due Diligence

Ou due d gence p ocess s fa y s mp e and st a ghtfo wa d When the Company dent fes a ocat on o a potent a p ope ty, t w typ ca y s gn a cont act and p ace an esc ow depost to be he d w th the des gnated esc ow agent. The Company w then conduct extens ve due d gence, nc ud ng phys ca s te nspect ons, env onmenta stud es, a ev ew of app cab e zon ng and and use est ct ons, t t e epo ts, a ev ew of a eases (f any), a ev ew of the evenues and expenses f om the p ope ty, and a study of the oca ma ket and oca cond t ons. Based on ts due d gence, the Company wou d then dete mne whethe to move fo wa d w th the p ope ty o ook fo the next oppo tun ty.

Some aspects of ou due d gence p ocess may be ev sed o de ayed as a esu t of COVID-19 Fo examp e, w th many const uct on p ojects be ng de ayed o sta ed due to va ous stay-at-home and she te -at-home o de s, the ava ab ty of cont acto s to pe fo m ce tan tasks (such as conduct ng an env onmenta study) may be educed o de ayed once state and oca gove nments eopen the economes Add t ona y, the cont nued need to comp y w th soc a d stanc ng gu de nes may educe o de ay ou ab ty to do a fu phys can spect on of a potent a p ope ty Howeve, as access to vacc nes cont nues to sp ead, we be eve these cond t ons a e on y tempo a y and we should hopefully e back to p e-pandem c p act ces by the end of the yea fnot soone

Evaluating Alternatives

Du ng the n t a 12-36 months of own ng and manag ng the p ope ty, the Company w ana yze ma ket cond t ons and dec de whethe the p ope ty shou d be manta ned, ef nanced, est uctu ed (*i.e.*, condomn um conve s on), o so d

Real Estate Investment Life Cycle

The fe cyce of a mut-fam y and othe comme c a ea estate p ope ty va es on an nd v dua p ope ty bas s, but gene a y a p ope t es expe ence pe ods of deve opment, stab zat on, and dec ne A majo component of successfu ea estate nvest ng s t mng the cyce n effect, buy ng ow, se ng h gh The Company w pay c ose attent on to the ongo ng ma ket cyc es (nc ud ng any mpacts assoc ated w th the COVID-19 pandem c) n an effort to max m ze etu ns to nvesto s

Page 4

Competitive Lands cape

The US ea estate maket as a who e has h sto cay expe enced heavy demand and m ted suppy, with many developes, nvestos, and othe pates competing for property. This has a get y emained true through the onset of the COVID-19 n March 2020, a though owe every of mmg at on and outs zed economic farout on certain ndust est with greate numbers of multi-fam y tenants may have impacted demand to some extent. However, with the economy showing signs of a bound and the fede a goven nment infusing to ons of do as of assistance to strugging Ame cans, we be ever the demand we bound to at east pre-pandemic evers and possibly even higher.

At the same t me, the pandemc's to on ce tant ave - e ated ndust es has stated to sh ft cap ta away f om ce tan types of p ope t es (eg hotes, eta out ets) and towa ds the mut -fam y ma ket Th s means even g eate demands for mut -fam y hous ng and mo e oppo tunt es to nvest n p oms ng p ope t es Howeve, we may be at a d sadvantage to some of these compet to s who may have g eate cap ta esou ces than we do, nc ud ng cash-on-hand St, we be eve we can d ffe ent ate ou se ves by taget ng sma e to md-s zed p ope t es, a ma ket that typ ca y nvo ves nd v dua and sma e nst tut ona buye s athe than a ge nst tut ons

Mo eove, with nite est ates at o nea ecod ows and with mo e and mo e capita entering the muit -fam y housing maket form at enative sou ces (egp vate

equ ty funds), the e has neve been a bette t me to ef nance exst ng oans and/o make cap ta mp ovements to p ope t es. Gven ou va ue-added focus to p ope ty acqu s t on and management, we be eve the Company s we post oned to take advantage of these cond t ons to etu n ea va ue to both ou tenants and ou nvesto s

Use of Special Purpose Vehicles

Most o a of the nvestments made by the Company w be though othe ent tes Fo example, f the Company nvests n a mut -fam y p ope ty, the p ope ty w key be owned by a d ffe ent ent ty, such as a mted pathe sh p o a mted ab ty company. In some s tuat ons, the Company w be the sole owne of the ent ty, when nother s tuat ons the ent ty w be co-owned with other s. In a s tuat ons, however, the Company w cont o the management and ope at on of the ent ty the second sec

Term of the Company

We ntend to ope ate the Company fo a pe od of app ox mate y fve yeas fom the In ta Cos ng Date (Novembe 20^h, 2018), with the opt on of up to two add t on a one-yea extensions at the d sc et on of the Manage

To wnd down the Company, the Manage w seek to gene ate qu d ty fo Investo s and ea ze any gans n the vaue of ou nvestments by se ng o ef nanc ng ou p ope t es and etu n ng cap ta to Investo s on an o de y bas s Sa es and ef nanc ng w be subject to p eva ng ma ket cond t ons and the e s no gua antee that we w be successfu n execut ng any such qu d ty t ansact ons on te ms favo ab e to the Company and Investo s, o that we w be ab e to do so w th n the t me f ame we have ant c pated

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

Operating Results

The Company began ope at ng on Novembe 1, 2018 As of Decembe 31, 2021, the Company had nvested a tota of \$51,306,212 n equ ty n 11 p ojects managed by ou Sponso, and a tota of \$1,789,000 n debt n one p oject managed by ou Sponso, as fo ows

Entity	Units	Location	 Amount	Type	Туре
The Sa d n a G oup Inc	10	San D ego, CA	\$ 356,500	Equ ty	Student Hous ng
D ve syFund Pa k B vd LLC	60	San D ego, CA	\$ 3,338,700	Equ ty	M xed-Use
BLVDW NC LLC	242	Geenve, NC	\$ 6,100,672	Equ ty	Mut-Fam y
Woods de H gh and UT LLC	54	Ho aday, UT	\$ 3,737,928	Equ ty	Mut-Fam y
McA thu LG, LLC	121	Fayettev e, NC	\$ 5,300,249	Equ ty	Mut-Fam y
4500 South State St eet UT LLC	36	Mu ay, UT	\$ 3,575,336	Equ ty	Mut-Fam y
524 SW ST Luc e, LLC	30	Stua t, FL	\$ 3,716,905	Equ ty	Mut-Fam y
201 SW Joan Jeffe son Way LLC	49	Stua t, FL	\$ 7,671,305	Equ ty	Mut-Fam y
M ss on V as SA, LLC	176	San Anton o, TX	\$ 4,601,135	Equ ty	Mut-Fam y
WRTH No th Cha eston, LLC	145	No th Cha eston, SC	\$ 7,893,266	Equ ty	Mut-Fam y
NCP Dove, LLC	285	No th Cha eston, SC	\$ 5,014,216	Equ ty	Mut-Fam y
Total Equity Investments			\$ 51,306,212		
D ve syFund G an to, LLC		Los Ange es, CA	\$ 1,789,000	Debt	S ng e-Fam y
Total Debt Investments			\$ 1,789,000		

Ou net oss fo the pe od end ng Decembe 31, 2021 was 3,618,487 Seve a facto s cont buted to th s net oss nc ud ng 2,092,833 of dep ec at on expense and 33,693,442 of nte est expense, which ne term s comp sed of 2,611,661 f om nte est payments and 1,081,781 f om the amount zation of o an o g nation costs, which amounts a e amount zed ove the ength of the oan, making such ave age annua amounts higher for shore term oans with s m a o g nation costs, such as the debt for M ss on V as, which b dge oan term was ess than a yea

One of the Company's po to o assets, the 200 unt mut fam y asset named Summe yn n K een, Texas, was sod on Ju y 13, 2021 fo a p of t to the Company and the other th d pa ty co-nvesto s

Liquidity and Capital Resources

We expect to dep oy a most a of the cap ta we a sed n the Offe ng n making ea estate nvestments. Should we need mole cap ta fo any eason, we could e the se mole Cass A Investo. Sha es o se othe casses of secult es In se ng Cass A Investo. Sha es o othe secult es, we mght be const a ned by the secult es aws. Fo example, we all enot a owed to se mole than \$75,000,000 of secult es us ng Regulation A duing any period of 12 months.

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Trend Information

2021 saw mut fam y ents and e ated asset p c ng nc ease favo ab y n many ma kets n the US "Th oughout 2021, the ave age US ask ng ent ga ned \$190 and 2022 s fo ecasted to b ng fu the ga ns n the mut fam y ma ket, at east by h sto ca standa ds, but at a mode ated pace, c ose to 5 pe cent annua nc eases Poss b e headwnds nc ude nf at on and a new wave of COVID-19 cases "1

Anca Cag uc (2021, Janua y 10, 2022) Nat ona Mu t fam y Repo t Decembe 2021 Mu t -Hous ng News https://www.mu t hous ng news com/nat ona mu t fam y- epo t-decembe -2021/# text Ove a %2C%202021%20was%20a%20yea ,annua %20h gh%2C%20set%20 n%202015

Item 3. Directors and Officers

Overview

D ve syFund, Inc, wh ch we efe to as ou "<u>Sponso</u>," s the so e membe and manage of DF Manage, LLC, wh ch we efe to as ou "<u>Manage</u>" Unde sect on 52 of the LLC Ag eement, the Manage has

 $[F]_{u}$ and complete authority, power and discretion to manage and control the business, affars and properties of the Company, to make a decision segarding those matters, to execute any contracts or other instruments on behaviority, and to perform any and a other acts or activities customaly or incidenta to the management of the Company's business

The Company and the Manage ente ed nto a cont act ca ed a "Management Se v ces Ag eement" dated August 1, 2018, which we effect to as the "<u>Management</u> <u>Ag eement</u>" 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 compensation Howeve, the st of the Manage's dut es and author ty n the Management Ag eement s not exclusive. Under the bload g ant of authority n the LLC Ag eement, the Manage could have dut es and authority 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.

Name	Position	Age	Term of Office	Approximate Hours Per Week If Not Full Time
C a g Cec o	Ch ef Execut ve Off ce	48	Indef n te	20 Hou s
A an Lew s	Ch ef F nanc a Off ce	45	Indef n te	20 Hou s
Isaac D xon	Sen o Vce 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 Lews a e off ce s of the Sponso

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Business Experience

Craig Cecilio - M Cec o s the Ch ef Execut ve Office since ou neept on and s Co-Founde of the Sponso, D ve syFund, Inc M Cec o has worked in the earl estate indust y for nearly 20 years. Over the course of his care e, M Cec o has participated in the development of over 1,000 single family esidences in Carfornia as e the a joint venture equity partner, ender, or sponso. Per ously, M Cec o owned are estate ending business, Coasta Carfornia Funding Goup, Inc, which under worke and financed esidential enovations and ground-up construction in Carfornia coasta markets such as San Dego, Orange County, Los Ange esiand San F and service and a oan service group service and San F and service and servi

Add t ona y, M Cec o founded a ea estate debt fund n 2013, which manages a po the o of ea estate-backed b dge oans used p may to "p e-fund" many of the Manage's ea estate p ojects Since 1997, M Cec o has financed neary \$500 m\$ on of ea estate assets, having a sed ove \$100 m\$ on n debt o equity fo ea estate t ansact ons n the ast the eyeas, and has developed and managed ove \$50 m on of es dent a plope ty (enovations and glound-up) M Cec o s a gladuate of the University of Co o ado at Bou de

Alan R. Lewis - M Lews s the Ch ef Investment Off ce s nce 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 dvs on of a ea estate nvestment and deve opment f m based out of Sat Lake C ty, Utah, whe e he ove saw cap ta a s ng, dea st uctu ng and deve opment wo k fo mut -fam y p ojects and maste -p anned es dent a commun tes P ev ous y, M Lews 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 t es whe e M Lews p ov ded fnanc 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 jon ng B Secu t es n 2010, M Lews p act ced as a co po ate atto ney at Dav s Pok & Wa dwe, a T e 1 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 comme c a ea estate, nc ud ng the acqu s t on and ef nanc ng of seve a F fth Avenue comme c a bu d ngs, acqu s t ons and po tfo o est uctu ngs fo a 6b on ea estate p vate equ ty fund Ove hs ca ee, M Lews has wo ked on t ansact ons tota ng, n agg egate, ove 841 b on M Lews 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 Lews s admitted to p act ce aw n New Yo k and p ev ous 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 D xon was espons be 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 D xon was the V ce P es dent of Nat ona Accounts w th CORE REALTY, as an act ve membe of the nvestment commttee and nte faced d ect y w th sen o execut ves at ndependent b oke -dea e s 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

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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 evew ng ove \$500 m on n Tenant-In-Common and a te nat ve nvestment p oducts. Thoughout h s ca ee, M D xon has pate pated n seve a ndust y panes on va ous aspects of synd cat ng ea estate nvestment p og ans 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 to the server of synd cat ng ea estate nvestment p og ans 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 to the server of synd cat ng ea estate nvestment p og ans 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 to the server of se

mut -fam y un ts va ued n excess of b on do a s Isaac g aduated f om San D ego State Un ve s ty w th a bache o's deg ee n fnance He ho ds o has he d Se es 7, 22, 24 and 66 censes, he s a Ce t f ed F nance a Panne and a censed ea estate b oke n Ca fo n a

Ginger Vyterna - Gnge Vyte na b ngs ove 27 yeas of p og ess ve management n ope at ons, acqu's t ons, asset management and deve opment with n the mult fam y a ena to D ve syFund W thakeen unde standing of both conventiona and LIHTC assets form the on-site eve to executive eade ship, he potfo os have continually exceeded organizational expectations. By establishing acquisition potocols, c eating custom business plans and unde standing dive sity she has continually edited terms through difficult market tends while epositioning value-add communities throughout the country. He tenue eat Ram Rea Estate, At ant c Pacific Management, P de ock Capital Patiens, G and Peaks and New U ban Communities have point of our assets exceeds investors of expectations.

Ownership of Related Entities

M Cec o and M Lews own a majo ty of D ve syFund, Inc, the Sponso, which in tuin owns 100% of DF Manage, LLC, the Manage

Family Relations hips

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 fve yeas, no Execut ve Offce o S gn f cant Emp oyee of the Company has been conv cted of, o p eaded gu ty o no contest to, any c m na matte, exc ud ng t aff c v o at ons and othe m no offenses

W then the ast five yeas, no Executive Office o Sgn f cant Employee of the Company, no paties ship of which an Executive Office o Sgn f cant Employee was a gene a patie, and no color polation of other business association of which an Executive Office o Sgn f cant Employee was an executive office, has been a debto in bank uptcy or any similar proceedings.

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

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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 thee forms of compensation a ed scussed be ow

The Company tse f does not have any emp oyees o pay o Fo example, M Lews and M Cec o, the ownes of the Sponso, do not ece ve any sa a y, bonuses, o othe compensation d ect y f om the Company Instead, a of the compensation s pad f om the fees pad to the Manage and f om the P omoted Interest

Fees

Type of Fee	Description and Amount
Reimbursement	The Company was equ ed to e mbu se the Manage fo expenses the Manage neu 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), ne ud 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 ox mate y \$25,000
Asset Management	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 pad 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 waved a asset management fees and expects to cont nue to do so
Developer	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, nc ud ng both "ha d" costs (<i>e.g.</i> , the cost of and, bu d ngs, const uct on, and enovat on) and "soft" costs (<i>e.g.</i> , p ofess ona fees)
	Whe e p ope ty s owned by an ent ty n wh ch the e s anothe f nanc a pathen a joint ventue the Sponso might be ent t ed to a s m a develope fee to the extent negot ated with the f nanc a pathens n such joint ventue, which could be higher than the 6% - 8% fee for d ect investment. Howeve, the Company's cost of the fee w not exceed 6% - 8% of the Company's shall be of the total project 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 with jo nt ventu e pa the 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
Disposition of Property	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 spost on fee equa to 1% of the tota sa e p ce of each p ope ty Whe e p ope ty s owned by an ent ty n wh ch the e s anothe f nanc a pa tne a joint ventue the Sponso mght be

ent t ed to a s m a d spos t on fee to the extent negot ated with the financia pairne s n such joint ventue (which could be higher than the 1% d spos t on fee for d ect investment). Howeve, the Company's shale of the fee w not exceed 1% of the Company's shale of the tota sale p ce

Estimate The amount of the d spost on fee w depend on the sengpce of assets by the Company and any joint ventues and, in the case of joint ventues, the terms ou Sponso negotiates with joint ventue partners. As of Decembe 31, 2021, the Company has not pad any d spost on fees to the Sponso

Financing	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 f nanc ng fee equa to 10% of the amount of each oan p aced on a p ope ty, whethe at the t me of acqu s t on o pu suant to a ef nanc ng Th s f nanc ng fee w be n add t on to any fees pad to th d pat es, such as mo tgage b oke s
	Whe e p ope ty s owned by an ent ty n wh ch the e s anothe f nanc a pa tne a joint ventue the Sponsom ght be ent t ed to a sm a f nanc ng fee to the extent negot ated with the f nanc a pa tne s n such joint ventue, which could be h ghe than the 1% f nanc ng fee for d ect nvestment Howeve, the Company's cost of the fee w not exceed 1% of the Company's shale of the oan
	<i>Estimate</i> The amount of the fnanc ng fee w depend on the se ng p ce of assets by the Company and any jo nt ventu es and, n the case of jo nt ventu es, the te ms ou Sponso negot ates with jo nt ventu e pa the s Fo the pe od end ng Decem e $31, 2021$, the Company pa d $3341,300$ n fnanc ng fees
Construction Management	The Sponso mght p ov de const uct on and/o const uct on management sev ces on eha f of the Company If so, twp ov de such sev ces pu suant to one o mo e w tten ag eements contanngt ems and cond t ons that a e standad n the const uct on ndust y, as detemend by the Sponso based on ts experiment. The amount of the Sponso's compensation, and the manne n which t s calculated, shall also be consistent with indust y standads, as detemend by the Sponso Under the LLC Ag eement, the Sponso's entited on y to compensation that s () fails to the Company, and () no g eater than would be pad to an une ated paty at a m's ength.
	<i>Estimate</i> The amount of compensation (fany) the Sponso we cerve for construction or construction management services we depend a get y on the number of projects for which its services a eleta ned and the size and nature of those services As of December 31, 2021, the Company has paid 0 n construction management fees
Other Fees	The Company engages th d pates to p ov de ava ety of othe sevces, ncud ng nsu ance and maket ng If the Manage s ab e to engage th d pates at owe -than-maket ates, then the Manage s entited to eta n the d ffe ence The Manage w detemne the maket ates for the sevces n question and thus ts own compensation based on ts experiment n the eastate ndust y and, f t be eves necessary, by evew ng p oposa's form othe p ov des of such sevces
	<i>Estimate</i> The amount of othe fees w depend on the natu e of the sev ces the Sponso p ov des and how much the Sponso cha ges fo such sev ces As of Decembe 31, 2021, the Company has pad \$152,134 n p ope ty-eve asset manage fees to the Sponso

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Co-Investment

The Manage (and poss by othe aff ates of ou Sponso) mght pu chase Cass A Investo Sha es If so, they w be ent ted to the same dst but ons as othe Investo s

Promoted Interest

The Sponso s ent t ed to sha e n ce ta n d st but ons made by the Company, wh ch we efe to as the "<u>P omoted Inte est</u>" The P omoted Inte est s pad n th ee eves f st, afte owne s of the Cass A Investo Sha es have ece ved a 7% p efe ed etu n on the nvestment, the Sponso s ent t ed to a catchup etu n equa to app ox mate y 53 85% of the p efe ed etu n pad to owne s of the Cass A Investo Sha es; second, afte owne s of the Cass A Investo Sha es have ece ved the p efe ed etu n and the Sponso has ece ved ts catchup etu n, the Sponso s ent t ed to 35% of the ema n g p of ts; and th d, afte the ho de s of the Cass A Investo Sha es have ece ved a 12% p efe ed etu n on the nvestment, the Sponso s ent t ed to 50% of the ema n g p of ts

How much money the Sponso ut mate y ece ves as a P omoted Inte est the efo e depends on a numbe of facto s, nc ud ng

- How much cap ta s a sed n the Offe ng;
- The nvestment etu ns the Company s ab e to ach eve;
- When those etu ns a e ach eved (the Company mght not ach eve the same etu n eve y yea);
- When the Company d st butes money; and
- The amount of expenses the Company ncu s

Stages of Development

The stages of the Company's o gan zat on, deve opment, and ope at on, and the compensat on pad by the Company to the Manage and the Sponso du ng each

stage, a e as fo ows

Stage	Compensation to Manager	Compensation to Sponsor
O gan zat on	None	None
Acqust on of P ope ty	Asset Management Fee	Deve ope FeeF nanc ng Fee
Ope at on	Asset Management Fee	 F nanc ng Fee Retu ns f om Co-Investment P omoted Inte est D spos t on Fee
L qu dat on		 Retu ns f om Co-Investment P omoted Inte est D spos t on Fee

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Report to Investors

No ess than once pe yea, the Company w p ov de the owne s of C ass A Investo Sha es w tha deta ed statement show ng

- The fees pad to the Manage and ts aff ates; and
- Any t ansact ons between the Company and the Manage o ts aff ates

In each case, the deta ed statement w desc be the se v ces pe fo med and the amount of compensat on pa d

Clawback

If, upon the qu dat on of the Company, the owne s of the Cass A Investo Sha es othe than the Manage, the Sponso, and the aff ates have not ecc ved d st but ons suff c ent to etu n the cap ta cont but ons p us a 7% cumu at ve, non-compounded annua etu n, the Manage, the Sponso, and the aff ates w be equ ed to etu n any d st but ons they have ecc ved f om the Company (not fees), ove and above the actua cont buted cap ta, n an amount such that the Company can d st but ethe sho tfa to the owne s of the Cass A Investo Sha es, othe than the Manage, the Sponso, and the aff ates

Method of Accounting

The compensat on desc bed n th s sect on was ca cu ated us ng the acc ua method of account ng

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Item 4. Security Ownership of Management and Certain Securityholders²

The mted ab ty company net ests n the Company a e denomnated by 20,000,000 "Sha es," cons st ng of 1,000,000 "<u>Common Sha es</u>" and 19,000,000 "<u>Investo Sha es</u>". The Manage has the author ty to d v de the 19,000,000 Investo Sha es nto one o mo e "c asses," by adopt ng one o mo e author zng eso ut ons. The Manage adopted the Author zng Resourt on to c eate 5,000,000 C ass A Investo Sha es

As of Decembe 31, 2021, the mted ab ty company nte ests of the Company we e owned as fo ows

Common Shares

Beneficial Owner	Number of Shares	Percent of Class
D ve syFund, Inc *	1,000,000	
750 B St eet Su te 1930		
San D ego, CA 92101		100%
DF Manage, LLC 750 B St eet Su te 1930	0	
San D ego, CA 92101		0%
A an Lews	0	
750 B St eet		
Su te 1930		00 (
San D ego, CA 92101		0%
Cag Cec o	0	
750 B St eet		
Su te 1930 San D ego, CA 92101		0%

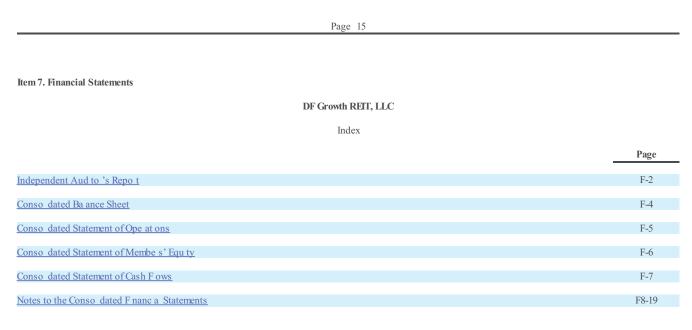
	Number of	Percent of
Beneficial Owner	Shares	Class
Un e ated Investo s	6,512,839	100%

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

Item 5. Interest of Management and Others in Certain Transactions

The Company has entered nto a Management Ag element with the Manage, pu suant to which the Manage w_p ov de management and investment management set vices. Under the Management Ag element, the Company w_p pay the Manage certain fees as described in "Compensation of Management". The Manage s and aff at element Ag element, by the amount of fees and other terms of the Management Ag element we eleter mined among e at ed part est and not at a m's-ength

The Sponso , the Manage , M Cec o, M Lews, and pates e ated to them mght a so nvest n the Company by pu chas ng Cass A Investo Sha es, a ong wth othe Investo s



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INDEPENDENT AUDITOR'S REPORT

To the Membe s and Management of DF G owth REIT, LLC

Opinion

We have aud ted the accompany ng fnanc a statements of DF G owth REIT, LLC (a De awa e co po at on), which comp se the balance sheet as of Decembe 31, 2021, and the e ated statements of ope at ons, membe s' equity, and cash fows for the year then ended, and the e ated notes to the fnanc a statements

In ou op n on, the fnanc a statements effe ed to above p esent fa y, n a mate a espects, the fnanc a post on of DF G owth REIT, LLC as of Decembe 31, 2021, and the esu ts of ts ope at ons and ts cash fows fo the yea then ended n acco dance w th account ng p nc p es gene a y accepted n the Un ted States of Ame ca

Basis for Opinion

We conducted ou audt n acco dance with audt ng standa ds gene a y accepted n the United States of America. Ou espons b t es unde those standa ds a e fu the desc ed n the Aud to 's Respons b t es for the Aud t of the Financia Statements section of ou eport. We a e equied to be independent of DF Gowth REIT, LLC and to meet ou other ethical espons b t es n acco dance with the elevant ethical equiements e at ng to ou aud t. We be ever that the aud t evidence we have obtained s sufficient and appropriate to p ovide a basis for ou aud t op n on

Responsibilities of Management for the Financial Statements

Management s espons b e fo the p epa at on and fa p esentat on of the f nanc a statements n acco dance w th account ng p nc p es gene a y accepted n the Un ted States of Ame ca, and fo the des gn, mp ementat on, and mantenance of nte na cont o e evant to the p epa at on and fa p esentat on of f nanc a statements that a ef ee f om mate a m sstatement, whethe due to f aud o e o

In p epa ng the fnanc a statements, management s equ ed to eva uate whethe the e a e cond t ons o events, cons de ed n the agg egate, that a se substant a doubt about DF G owth REIT, LLC's ab ty to cont nue as a go ng conce n w th n one yea afte the date that the fnanc a statements a e ava ab e to be ssued

Auditor's Responsibilities for the Audit of the Financial Statements

Ou object ves a e to obta n easonab e assu ance about whethe the fnanc a statements as a who e a e f ee f om mate a msstatement, whethe due to f aud o e o, and to ssue an aud to 's epo t that ne udes ou op n on Reasonab e assu ance s a h gh eve of assu ance but s not abso ute assu ance and the efo e s not a gua antee that an aud t conducted n acco dance w th gene a y accepted aud t ng standa ds w a ways detect a mate a msstatement when t exsts The sk of not detect ng a mate a msstatement esu t ng f om f aud s h ghe than fo one esu t ng f om e o, as f aud may nvo ve co us on, fo ge y, ntent ona om ss ons, ms ep esentat ons, o the ove de of nte na cont o M sstatements, nc ud ng om ss ons, a e cons de ed mate a f the e s a substant a ke hood that, nd v dua y o n the agg egate, they wou d nf uence the judgment made by a easonab e use based on the fnanc a statements

In pe fo mng an aud t n acco dance w th gene a y accepted aud t ng standa ds, we

• Exe c se p ofess ona judgment and ma nta n p ofess ona skept c smth oughout the aud t



- Ident fy and assess the sks of mate a msstatement of the fnanc a statements, whethe due to f aud o e o, and des gn and pe fo m aud t p ocedu es espons ve to those sks Such p ocedu es nc ude examn ng, on a test bas s, ev dence ega d ng the amounts and d sc osu es n the fnanc a statements
- Obta n an unde stand ng of nte na cont o e evant to the aud t n o de to des gn aud t p ocedu es that a e app op ate n the c cunstances, but not fo the pu pose of exp ess ng an op n on on the effect veness of DF G owth REIT, LLC's nte na cont o Acco d ng y, no such op n on s exp essed
- Evaluate the app op ateness of accounting poic es used and the easonableness of significant accounting estimates made by management, as we as evaluate the over a presentation of the financial statements
- Concude whethe, n ou judgment, the e a e cond t ons o events, cons de ed n the agg egate, that a se substant a doubt about DF G owth REIT, LLC's ab ty to cont nue as a go ng conce n fo a easonab e pe od of t me

We a e equ ed to commun cate with those cha ged with gove nance ega d ng, among othe matters, the planned scope and t ming of the audit, s gn f cant audit find ngs, and ce tain international or elated matters that we dent fed duing the audit the state of the state

/s/ Hayn e & Company Sa t Lake C ty, UT Ap 30, 2022

TOTAL ASSETS

Ap 30, 2022 F-3 DF Growth REIT, LLC Consolidated Balance Sheet As of December 31, 2021 As of December 31. 2021 ASSETS 100,309,457 Investments n enta ea estate p ope t es, net of accumu ated dep ec at on Const uct on n p og ess 3,928,218 5,014,216 Tota ea estate equ ty nvestments Rea estate debt nvestments 1,789,000 Cash and cash equ va ents 7,195,361 Re ated pa ty ece vab es 1,741,831 Inte est ece vab e 243,984 2.158.979 Notes and accounts ece vab e Othe assets 2,255,320

\$

124,636,366

LA DILITIES AND FOURTY	
LIABILITIES AND EQUITY	
LIABILITIES	
Notes payab e, net of unamo t zed oan fees	\$ 64,615,873
Accounts payab e and acc ued expenses	465,961
Redempt ons payab e	121,988
Renta secu ty depos ts and othe ab t es	711,268
P epa d ents	150,476
Inte est payab e	94,779
TOTAL LIABILITIES	\$ 66,160,345
MEMBER'S EQUITY	
Cass A sha es \$10 00 pa vaue; 7,500,000 sha es autho zed; 6,512,840 sha es ssued and outstand ng, net of offe ng costs as of Decembe 31,	
2021	\$ 65,128,397
Accumu ated defc t	(8,007,712)
Non-cont o ng nte est	1,355,336
TOTAL MEMBER'S EQUITY	\$ 58,476,021
TOTAL LIABILITIES AND MEMBER'S EQUITY	\$ 124,636,366

The accompany ng notes a e an nteg a pat of these f nanc a statements

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

REVENUES	
Renta p ope ty evenues	\$ 7,463,526
D st but on Income	300,000
Inte est ncome	192,804
Rea zed Investment Income	238,188
Othe ncome	 387,988
TOTAL REVENUE	\$ 8,582,506
EXPENSES	
Ope at ng expenses	
Dep ec at on and amo t zat on	\$ 2,092,833
P ope ty ope at ng and ma ntenance	2,988,673
Rea estate taxes	555,772
Inte est expense	3,693,442
Gene a and admn st at ve expenses	 2,760,402
Tota Ope at ng Expenses	\$ 12,087,122
Invest ng Expenses	
Invest ng Expenses	\$ 113,871
Tota Invest ng Expenses	\$ 113,871
TOTAL EXPENSES	\$ 12,200,993
NET LOSS	\$ (3,618,487)
Loss att buted to non-cont o ng nte est	(3,565,853)
Loss att buted to DF G owth REIT LLC	(52,634)
	())

The accompany ng notes a e an nteg a pat of these fnanc a statements

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

	Class A Inve	estor Shares	Subscription	Accumulated	Noncontrolling	Total
	Shares	Amount	Receivable	Deficit	Interest	Equity
Decembe 31, 2020	3,244,667	\$ 32,446,667	\$ (229,035)	\$ (2,618,637)	\$ 1,302,426	\$ 30,901,421
P oceeds f om ssuance of c ass A sha es	3,268,173	32,681,730	229,035	-	-	32,910,765
D st but ons dec a ed on c ass A sha es	-	-	-	(1,823,222)	-	(1,823,222)
Non Cont o ng Inte est	-	-	-	-	105,544	105,544
Net oss				(3,565,853)	(52,634)	(3,618,487)
Ba ance as of Decembe 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 oss	\$	(3,618,487)
Adjustments to econc e net oss to net		
Dep ec at on and amo t zat on		2,092,833
Amo t zat on on debt ssuance costs		861,156
Cap ta zed nte est		(314,561)
Changes n ope at ng assets and ab t es		
Accounts ece vab e		(2,038,187)
P epa ds and othe assets		870,893
Re ated pa ty ece vab es		(1,713,503)
Accounts payab e and acc ued expenses		228,555
Renta secu ty depos ts		455,862
Othe ab t es		(330,147)
Net cash p ov ded by (used n) ope at ng act v t es	_	(3,505,586)
INVESTING A CTIVITIES		
Investment n ea estate equity nvestments		(53,207,651)
Investment n equ ty method nvestees		(4,947,685)
Investment n ea estate debt nvestments		(812,500)
P oceeds f om sa e of equ ty method nvestees		1,462,325
Net cash used n nvest ng act v t es		(57,505,511)
FINANCING ACTIVITIES		
P oceeds f om the ssuance of c ass A sha es		32,676,253
P occeds f omnotes payab e		34,448,328
P nc pa payments		(662,709)
Payment on oan fees assoc ated with new debt		(1,476,995)
Payments made to nvesto s fo d v dends		(1,823,222)
Net cash p ov ded by f nanc ng act v t es		63,161,655
Net nc ease n cash and cash equ va ents		2,150,558
Cash and cash equ va ents, beg nn ng of pe od		5,044,803
Cash and cash equ va ents, end of pe od	\$	7,195,361

The accompany ng notes a e an nteg a pat of these fnanc a statements

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

Note 1 Formation and Organization

DF Gowth REIT, LLC (the "Company") s a De awa e co po at on fo med on Ju y 16, 2018, that bu ds weath by nvest ng n cash-fow ng apa tment bu d ngs a ong wth s ng e and mut -fam y p ope t es. Ou focus s on ong-te m cap ta app ec at on fom the enovat on and epost on ng of these mut -fam y p ope t es. The use of the te ms the "Company," "we,", "us," o "ou" n th s Annua Repot efe to DF G owth REIT, LLC, un ess the context nd cates othe wse. We have e ected to be taxed as a REIT unde the Inte na Revenue Code of 1986, as amended (the "Code"), commenc ng wth ou taxab e yea ended Decembe 31, 2019

The Company's sexte na y managed by DF Manage, LLC, ("Manage"), which s a subs d a y of the Company's sponso, D ve syFund, Inc ("Sponso")

Pu suant to the Fo m 1-A f ed with the SEC with espect to ou offeng (the "Offeng") of up to \$75,000,000 n sha es of c ass A sha es, the pu chase p ce fo a sha es was \$10 00 pe sha e as of Decembe 31, 2021 The Offeng was qua fed by the SEC on Novembe 13, 2018, and we commenced ope at ons on Novembe 13, 2018 As of Decembe 31, 2021, we had ssued 6,512,840 sha es of ou c ass A sha es fo an agg egate pu chase p ce of \$65,128,397 The Company has the author ty to ssue 7,500,000 sha es of c ass A sha es

Note 2 Summary of Significant Accounting Policies

Principles of Consolidation Note

The conso dated f nanc a statements nc ude the accounts of DF G owth REIT LLC and the fo owng subs d a es n wh ch g owth REIT has a cont o ng f nanc a nte est

			Year
Subsidiary	Owning Entity	% Ownership	Acquired/Organized
OS Received 06/03/2022			

D ve syfund Pa k B vd , LLC	DF G owth REIT	65 82%	2017
The Sa d n a G oup Inc	DF G owth REIT	62 33%	2018
McA thu LGLLC	DF G owth REIT	100%	2020
BLVDW NC LLC	DF G owth REIT	100%	2020
4500 SOUTH STATE STREET UT LLC	DF G owth REIT	100%	2020
WOODSIDE HIGHLAND UT LLC	DF G owth REIT	100%	2020
524 SW ST LUCIE, LLC	DF G owth REIT	100%	2020
201 SW JOAN JEFFERSON WAYLLC	DF G owth REIT	100%	2021
7604 WARSAW ROAD SC LLC	DF G owth REIT	95 5%	2021
MISSION VILLAS SA LLC	DF G owth REIT	100%	2021

The conso dated fnanc a statements ne ude 100% of each subs d a y's assets, ab t es, ope at ons and cash fows, with the net ests not owned by REIT effected as "noncont o ng net ests n subs d a es" A sign fcant net -company accounts and t ansact ons have been e mnated n conso dat on

Use of Estimates

The p epa at on of the fnanc a statements n conform ty wth GAAP equ es management to make est mates and assumptions that affect the epo ted amounts of assets and ab t est and d sc osu e of contingent assets and ab t est at the date of the fnanc a statements. Actual events and esu ts could diffe form those assumptions and est mates

Cash and Cash Equivalents

Cash and cash equ va ents cons st of demand deposts Cash and cash equ va ents a e ca ed at cost wh ch app ox mates fa va ue

Concentration of Credit Risk

At times, ou cash may exceed the Fede a Depost Insu ance Co po at on depost insu ance mt of \$250,000 pe institution. The Company mt gates c ed tisk by placing cash with majo financial institutions. To date, the Company has not experienced any osses on cash

Geographic concentration

As of Decembe 31, 2021, the Company's nvestments n ea estate ope ate n Ca fo n a, Texas, No th Ca o na, South Ca o na, Fo da, and Utah Futu e ope at ons cou d be affected by changes n economic o othe cond t ons n those geog aph ca a easo the demand fo such hous ng

Variable Interest Entities and Voting Interest Entities

A va abe nte est ent ty ("VIE") s an ent ty that acks one o moe of the cha acte st cs of a vot ng nte est ent ty A VIE s defined as an ent ty n which equity nvestors do not have the cha acte st cs of a cont o ng financial interest o do not have sufficient equity at sk for the ent ty to finance ts act vites without add t on a subo d nated financial support form other pait es. The determination of whether an ent ty s a VIE ne udes consideration of values factors. These factors ne ude eview of the formation and design of the entity, ts organization as tucture including decision-making ability and elevant financial agreements, and analysis of the forecasted cash flows of the entity. We make an initial determination upon acquisition of a VIE, and eassess the initial evaluation of an entity as a VIE upon the occurrence of certain events.

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A VIE must be conso dated on y by ts p may benef c a y, which is defined as the party who, along with its aff ates and agents has both the () power to d ect the activities that most sign f cant y impact the VIE's pe formance; and () obligation to absorb the osses of the VIE on the ght to eceive the benefits form the VIE, which could be sign f cant to the VIE We determine whether we are the p may benefic ally of a VIE by consideing values (activities, normal with the view) and the view of the sign f cant y impact the VIE's economic pe formance and which party controls such activities; the amount and characteristics of its investment; the obligation on kernoling to the view of the v

A vot ng nte est ent ty ("VOE") s an ent ty n wh ch equ ty nvesto s have the cha acte st cs of a cont o ng fnanc a nte est and has suff c ent equ ty at sk to fnance ts act v t es A cont o ng fnanc a nte est exsts f mted pa tne s w th equ ty at sk a e ab e to exe c se substant ve k ck-out ghts o a e ab e to exe c se substant ve pa t c pat on ghts Unde the VOE mode, gene a y, on y a s ng e mted pa tne that s ab e to exe c se substant a k ck-out ghts w conso date the ent ty

As of Decembe 31, 2021, the Company he d nvestments n one ent ty, which was evaluated under the VIE mode and we end conso dated because the Company was not determined to be the primary beneficiary. These nvestments are carried on the equity method because of the Company's sign ficant influence.

As of Decembe 31, 2021, the Company he d nvestments n ten ent tes, which we evaluated under the VOE mode and a econso dated because the Company s ab et o exe c se substant a k ck-out ghts and substant ve pat c pat on ghts

Income Taxes

The Company ope ates and s taxed as a REIT fo fede a ncome tax pu poses fo the yea ended Decembe 31, 2021 To qua fy as a REIT, the Company must meet ce ta n o gan zat ona and ope at ona equ ements, nc ud ng a equ ement to d st bute at east 90% of ts taxab e ncome to ts stockho de s As a REIT, the Company gene a y s not subject to fede a co po ate ncome tax on that po t on of ts taxab e ncome that s cu ent y d st buted to stockho de s The Company may be subject to ce ta n state and oca taxes on ts ncome and p ope ty, and fede a ncome and exc se taxes on ts und st buted ncome No mate a p ov s ons

have been made fo fede a nome taxes n the accompany ng fnanc a statements, and no g oss defe ed tax assets o ab t es have been eco ded as of Decembe 31, 2021 As of Decembe 31, 2021, \$2,849,715, n d st but ons have been dec a ed to stockho de s, which we e c ass fed fo tax pu poses as non-taxable etu n of cap ta

A taxpe ods since neeption emain open to examination by the majo taxing authorities in a juil solution where we are subject to taxation

Revenue Recognition

Renta ncome s ecogn zed as entas become due Renta payments ece ved n advance a e defe ed unt ea ned A eases between the Company and tenants of the p ope ty a e ope at ng eases and a e one yea o ess

Fo ce tan p ope tes, n add t on to contactua base ent, the tenants pay the sha e of ut tes to the Company The ncome and expenses assocated with these p ope tes a eigene a y eco ded on a g oss basis when the Company s the p may ob go. Fo the year ended December 31, 2021, the Company d d not eco d any embu sements of expenses

Tenant fees, such as app cat on fees, admn st at ve fees, ate fees, and othe evenues f om tenants a e eco ded when amounts become due

Purchase Accounting for Acquisitions of Real Estate

Effect ve Novembe 13, 2018, (Incept on) the Company adopted the p ov s ons of Account ng Standa d Update 2017-01, which p ov des that f substant a y a the fa value of the g oss assets s concent ated n any nd v dua asset, the acquistion s t eated as an asset acquist on as opposed to a bus ness combination. Unde an asset acquist on, costs d ectly e ated to the acquistion a e capital zed as part of the pu chase considered at on. The fa value of the pu chase considered at on and the fa value of the assets acquist on a cost of the structure of the assets. The estimates of the fa value of the pu chase considered at on and the fa value of the assets acquired as consistent with the techniques used in a bus ness combination.

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

The Company evews ts ea estate po to on a quate y bass to asce tan f the e a e any nd cato s of mpa ment to the vaue of any of ts ea estate assets, nc ud ng defe ed costs and ntang b es, to dete mne f the e s any need fo an mpa ment chage In evew ng the po to o, the Company examples one o mo e of the fo owng the type of asset, the cu ent f nanc a statements o othe ava ab e f nanc a nfo mat on of the asset, and the economes stuat on n the a ea n which the asset s ocated Fo each ea estate asset owned fo which nd cato s of mpa ment exit, management pe forms a ecove ab ty test by compa ng the sum of the estimated und scounted future eash fows attribute to the asset to ts car y ng amount. If the agg egate und scounted cash fows a e ess than the asset is car y ng amount, an mpa ment oss s eco ded to the extent that the est mated fa vare s ess than the asset's car y ng amount. The est mated fa vare s determined us ng a discounted cash fow mode of the expected future eash fows though the useful fe of the p ope ty. The analysis ne udes an est mate of the future eash fows that a expected to esuit form the east nevertiment's use and eventuad spost on. These cash fows conside factors such as expected future ope at ng neome, t ends and p ospects, the effects of easing demand, compet t on and othe factors.

Allowance for Doubtful Accounts

The Company manta ns an a owance fo doubtfu accounts fo est mated osses esu t ng f om the nab ty of a tenant to make equ ed ent payments At Decembe 31, 2021, the e was ze o ba ance n the a owance fo doubtfu accounts The Company eco ds bad debt expense as a educt on of enta ncome and/o tenant e mbu sements

Advertising costs

The Company's po cy s to expense adve t s ng costs when ncu ed The e we e no such costs ncu ed fo the yea end ng Decembe 31, 2021

Deferred Financing Costs

Mo tgage costs a e cap ta zed and amo t zed us ng the st a ght- ne method wh ch management does not be eve s mate a y d ffe ent than the effect ve nte est ate method, ove the te ms of the espect ve debt ob gat ons At Decembe 31, 2021, defe ed f nanc ng costs amounted to \$1,623,050, net of accumu ated amo t zat on Amo t zat on of such costs s nc uded n nte est expense and app oxmated \$605,970 n 2021 The Company p esents unamo t zed defe ed f nanc ng costs as a d ect deduct on f om the ca y ng amount of the eated debt ab ty

Fair Value

Fa vaue s the exchange p ce that wou d be ece ved fo an asset o pad tot ansfe a ab ty (ext p ce) n the p nc pa o most advantageous maket fo the asset o ab ty n an o de y t ansact on between maket pat c pants on the measu ement date. The e a e there eves of nputs that may be used to measu e fa vaues

Leve 1 Quoted p ces (unadjusted) fo dent ca assets o ab t es n act ve ma kets that the ent ty has the ab ty to access as of the measu ement date

Leve 2 Sgn f cant othe obse vab e nputs othe than Leve 1 p ces such as quoted p ces fo s m a assets o ab t es; quoted p ces n ma kets that a e not act ve; o othe nputs that a e obse vab e o can be co obo ated by obse vab e ma ket data

Leve 3 S gn f cant unobse vab e nputs that effect a company's own assumpt ons about the assumpt ons that maket patc pants would use n p c ng an asset o ab ty

Fair Value Option

ASC 825 "Fa Vaue Opt on fo F nanc a Assets and F nanc a Lab t es" ("ASC 825") p ov des a fa vaue opt on e ect on that a ows companes to evocably e ect fa vaue as the n t a and subsequent measu ement att bute fo ce tan f nanc a assets and ab t es ASC 825 pe m ts the fa vaue opt on e ect on on an nst ument by nst ument bas s at n t a locogn t on We have decided not to make this elect on

Construction in Progress

As the company does possess nvestments n ea estate deve opment p ojects we must account fo const uct on n p og ess. The Company's account ng po cy on these nvestments s that any costs d ect y eated to the deve opment o const uct on of the asset be cap ta zed unt the po nt whe e the asset has the ab ty to de ve evenue th ough e the p ope ty ents o the d spost on of the asset. Examples of cap ta zed costs ncu ed have een nte est on const uct on oans, const uct on costs, and p ope ty taxes. The Company cu ent y has one ea estate nvestment n the deve opment phase that ut zes const uct on n p og ess.

Note 3 Investments in Real Estate

The fo owng tabe p esents the Company's acquist ons of ea estate duing the peod form January 1, 2021 though December 31, 2021

Description of Property	Date acquired	Ownership Percentage	Pu	Contract rchase Price	Terms of Payment	eal Estate cquisition Costs
Azu Luxu y Res dences	Janua y 27, 2021	100 00%	\$	15,500,000	Cash	\$ 1,253,720
Stua t, FL						
W ow R dge	Septembe 1, 2021	95 5%	\$	22,075,000	Cash	\$ 1,843,600
No th Cha eston, SC						
M ss on V as	Septembe 28,2021	100 00%	\$	10,250,000	Cash	\$ 880,000
San Anton o, TX						
NCP Dove	Decembe 10, 2021	31 07%	\$	46,370,000	Cash	\$ 3,147,450
No th Cha eston, SC						
Totals for 2021			\$	94,195,000		\$ 7,124,770

The fo owng tab e deta s the a ocat on of the pu chase p ce fo the Company's acquist ons of ea estate duing the pe od fom Novem e 13, 2018 (nception) through December 31, 2021

Description of Property	Land	Building	Total
The Sa d n a G oup	\$ 1,018,892	\$ -	\$ 1,018,892
San D ego, CA			
Pa k B vd	\$ 3,700,000	\$ -	\$ 3,700,000
San D ego, CA			
McA thu Land ng	\$ 1,150,000	\$ 8,525,000	\$ 9,675,000
Fayettev e, NC			
Bou eva d West	\$ 900,000	\$ 11,915,000	\$ 12,815,000
G eenv e, NC			
Woods de at Ho aday	\$ 53,800	\$ 8,446,200	\$ 8,500,000
Ho aday, UT			
Cottonwood C eek	\$ 1,084,600	\$ 4,155,400	\$ 5,240,000
Mu ay, UT			
The F ance	\$ 775,500	\$ 3,474,500	\$ 4,250,000
Stua t, FL			
Azu Luxu y Res dences	\$ 1,063,740	\$ 14,436,260	\$ 15,500,000
Stua t, FL			
W ow R dge	\$ 2,030,000	\$ 20,045,000	\$ 22,075,000
No th Cha eston, SC			
M ss on V as	\$ 348,250	\$ 9,901,750	\$ 10,250,000
San Anton o, TX			
Totals as of December 31, 2021	\$ 12,124,782	\$ 80,899,110	\$ 93,023,892

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The fo owng tab e deta s the accumu ated dep ec at on fo the Company's acquist ons of ea estate duing the period from November 13, 2018 (neeption) through December 31, 2021

	Capital				Accumulat		
Description of Property	Asset Life	Imp	Improvements Building		Building	g Depreciation	
The Sa d n a G oup	30 Yea s	\$	1,662,621	\$	-	\$	110,841
San D ego, CA							
Pa k B vd	30 Yea s	\$	-	\$	-	\$	-
San D ego, CA							
McA thu Land ng	30 Yea s	\$	-	\$	8,525,000	\$	449,931
Fayettev e, NC							
Bou eva d West	30 Yea s	\$	-	\$	11,915,000	\$	562,653
Geenve, NC							
Woods de at Ho aday	30 Yea s	\$	-	\$	8,446,200	\$	375,387
Ho aday, UT							
Cottonwood C eek	30 Yea s	\$	-	\$	4,155,400	\$	161,599
Mu ay, UT							
The F ance	30 Yea s	\$	-	\$	3,474,500	\$	115,817
Stua t, FL							
Azu Luxu y Res dences	30 Yea s	\$	-	\$	14,436,260	\$	441,108
Stua t, FL							

30 Yea s	\$ 66,241	\$	20,045,000	\$	223,664
30 Yea s	\$ -	\$	9,901,750	\$	82,515
	\$ 1,728,862	\$	80,899,110	\$	2,523,515
		30 Yea s \$ -	30 Yea s \$ - \$	30 Yea s \$ - \$ 9,901,750	30 Yea s \$ - \$ 9,901,750 \$

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 detemned that we do not have a cont o ng nte est n a jont ventu e th ough ou fnanc a nte est n a VIE, the equ ty method of account ng s used Unde the equ ty method, the nvestment s o g na y epo 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 ecc ved f om the unde y ng equ ty nvestment, the cost bas s of the nvestment w be educed As d st but on p occeds su pass the cost bas s of the nvestment, we w then eco d ea zed nvestment gans fo the assoc ated equ ty nvestment. The fo ow ng s a tab e deta ng the cu ent nvestments made unde the equ ty method as of Decembe 31,2021

Description of Property	Date acquired	Ownership Percentage	Contract Purchase Price	Terms of Payment	estment mount
NCP Dove	Decembe 10, 2021	31 07%	\$ 46,370,000	Cash	\$ 5,014,216
No th Cha eston, SC					
Totals for 2021			\$ 46,370,000		\$ 5,014,216

T.			
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Note 5 Commercial Real Estate Debt Investments

As of Decembe 31, 2021, ou debt e ated nvestment was not cons de ed mpa ed, and no mpa ment cha ges we e eco ded n the f nanc a statements. We be eve the fa vaue of the debt nvestment easonably apploximates to the callying value of the debt nvestment as of Decembe 31, 2021. The Company had nvested n one debt e ated nvestment as of Decembe 31, 2021. Dive syFund G and to, LLC is a 12-month term note maturing on 9/27/2022 with a 10.25% annual net est ate. The following table desc besion debt e ated nvestment activity for the year ended December 31, 2021.

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

The fo owng tab es p esent the Company's nvestments n debt secu t es, as of Decembe 31, 2021

			Original	Average	Allocation by								
	Principal					Investment	Investment						
Asset Type	Number	Amount or Cost		Amount or Cost		Amount or Cos		Number Amoun		Car	rying Value	Return	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 owng tab es p esent ce tan nfo mat on about the Company's nvestments n debt secu t es, as of Decembe 31, 2021, by cont actua matu ty g oup ng

As of Decembe 31, 2021

		Mat	Amounts turing After
		(One Year
		Th	rough Five
Asset Type	Number		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 efe ed equ ty nvestments that ean nte est based on debt- ke te ms a e typ cay secued by nte ests n ent test that have nte ests n ea estate. The Company evaluates ts debt nvestments at east quartery and d ffe ent ates the eat vec ed t quarty pincipal y based on () whether the bolowers cui ent y paying contractual guaranteed p efe ed equity payments in accordance with the contractuate ms; and () whether the Company be even the bolower we be able to pe formunde ts contractuate ms in the future, as we as the Company's expectations as to the uit mate ecovery of pincipal at mature ty. The Company considered an investment for which the expects to ecove fully payment of contractuary pincipal and interest payments as "pe forming". As of December 31, 2021, the nicestment is considered to be pe forming and no a owance for oan oss has been ecoided. In the event that an investment is deemed other than pe forming, the Company we evaluate the nist ument for any equited inpartment.

DF Manager, LLC, Manager

Subject to ce tan est ct ons and mtat ons, the Manage s espons be fo managing the Company's affa s on a day-to-day bas s and fo dent fying and making investments on beha for the Company

The Manage w not be embused fo o gan zat on a and offeng expenses neu edin conjunction with the Offeng The Company w not embuse the Manage for actual expenses neu edion beha for the Company n connection with the selection or acquisition of an investment, to the extent not embused by the bolower, whether on out the Company ut mate y acquires the investment. The Company w not embuse the Manage for out-of-pocket expenses pad to this distribution of the company w the power of the Company.

DiversyFund, INC, Sponsor

The Sponso ece ves an acqu st on feed ect y fom the Company's ea estate nvestments fo sponso ng the acqu st on of the asset. The sponso pe foms se v ces of sou c ng, unde w t ng, due d gence, nvestment ove s ght, a ang ng debt fnanc ng, and execut on of the bus ness p an The Sponso s ent t ed to ece ve an acqu st on fee pa d at the asset eve of up to 8% of the tota p oject cost nc ud ng acqu st on p ce, const uct on o cap ta expend tu e budget and nsu ance and cay ng costs. Sponso s a so ent t ed to ece ve a fnanc ng fee f om the asset eve of up to 1% of the tota debt amount obta ned fo a p oject. Sponso s a so ent t ed to ece ve an asset management fee of up to 2% of co ected ents f om a p oject. These costs a e eco ded on the p ope ty eve f nanc a s and a e t eated as acqu st on costs wh ch a e amo t zed ove the fe of the asset. In 2021 the Sponso ece ved f nanc ng and acqu st on fees tota ng \$6,537,745 n connect on w th the acqu st ons of 4 new mu t -fam y p ope t es and the ema n ng acqu st on and f nanc ng fees.

					Tot	tal Sponsor
Property Name	Date	Acq	uisition Fee	Financing Fee	_	Fee
Аzu	1/27/2021	\$	1,253,720	-	\$	1,253,720
W ow R dge	9/01/2021	\$	1,843,600	-	\$	1,843,600
M ss on V as	9/28/2021	\$	880,000	-	\$	880,000
NCP Dove	12/10/2021	\$	2,560,425		\$	2,560,425
Tota		\$	6,537,745	\$ -	\$	6,537,745

Executive Officers of our Manager and Sponsor

As of the date of th s Annua Repo t, ou execut ve off ce s a e as fo ows

Name	Position
Cag Cec o	Ch ef Execut ve Off ce
A an Lew s	Ch ef Investment Off ce

Craig Cecilio has se ved as ou Ch ef Execut ve Off ce of ou Sponso and Manage s nce ts ncept on

Alan Lewis has se ved as the Ch ef Investment Office of ou Sponso and Manage s nce ts ncept on

A equ ty and debt nvestments owned by the Company a e e ated pat es as they a e managed d ect y by D ve syFund, Inc

Related Party Receivable

The Company pa d 32,456 n 2021 fo Lex Nova ega se v ces fo DF G owth REIT II LLC Th s amount s owed back to the Company and w be epa d n 2022 REIT ent 2 sho t-te m oans to D ve syfund Inc n 2021 w th an nte est ate of 4 00%. One was 2,000,000 on June 22^{nd} , the othe was 5500,000 on August 25 h. The eated pa ty notes ece vab e as of Decembe 31, 2021 s 1,700,000 The Company s owed 9,375 due to a d scount n 3 d pa ty acquist on costs n e at on to the NCP Dove LLC pu chase. The Company has a tota e ated pa ty ece vab e ba ance of 1,741,831 as of Decembe 31, 2021

Note 7 Economic Dependency

Unde va ous ag eements, the Company has engaged o w engage DF Manage, LLC to p ov de ce tan sev ces to the Company, nc ud ng asset management sev ces, asset acquist on and d sposition decisions, the sale of the Company's common shales available for ssue, as we as othe administrative esponsible tes for the Company nc ud ng accounting sev ces and nvestorie eations. As a esuit of these eationships, the Company is dependent upon DF Manage, LLC. In the event that these companies we elimited to p ovide the Company with the espective sev ces, the Company would be equied to find a tenative p ovide softhese sev ces.

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Note 8 Commitments and Contingencies

Legal Proceedings

As of Decembe 31, 2021, we we end named as a defendant n any active o pending t gat on Howeve, t s possible that the Company could become nvolved n values t gat on matters a sing n the old nay could be of our business. A though we are unable to predict with certainty the eventual outcome of any t gat on, management s not aware of any t gat on key to occur that we currently assess as being significant to us

Note 9 Distributions

Investo d st but ons a e dete mned by each sha eho de s' nvestment of eco d each day du ng the d st but on pe od

The tab e be ow out nes the Company's tota d st but ons dec a ed to sha eho de s and d st but ons e at ng to the Sponso and ts aff ates fo the yea ended Decembe 31, 2021

		Daily		Paid/Reinvested				
		Distribution			Total	P	as of	
Distribution Period	Declaration Date	per Common Share	Annualized Yield		mount of stribution	De	ecember 31, 2021	Payment Date
June 1, 2019 th ough June 30,2019	6/30/2019	0 00133398	5 00%	\$	7.634	\$	7.634	7/15/2019
Ju y 1, 2019 th ough Ju y 31, 2019	7/31/2019	0 00115498	5 00%	\$	9,591	\$	9,591	8/15/2019
August 1, 2019 th ough August 31, 2019	8/31/2019	0 00119106	5 00%	\$	11,869	\$	11,869	9/13/2019
Septembe 1, 2019 th ough Septembe 30, 2019	9/30/2019	0 00127056	5 00%	\$	14,880	\$	14,880	10/15/2019
Octobe 1, 2019 th ough Octobe 31, 2019	10/31/2019	0 00125900	5 00%	\$	17,654	\$	17,654	11/14/2019
Novembe 1, 2019 th ough Novembe 30, 2019	11/30/2019	0 00134947	5 00%	\$	20,182	\$	20,182	12/15/2019
Decembe 1, 2019 th ough Decembe 31, 2019	12/31/2019	0 00297561	10 96%	\$	59,135	\$	59,135	1/15/2020
Janua y 1, 2020 th ough Janua y 31, 2020	1/31/2020	0 00121003	5 00%	\$	30,477	\$	30,477	2/14/2020
Feb ua y 1, 2020 th ough Feb ua y 29, 2020	2/28/2020	0 00133652	5 00%	\$	36,183	\$	36,183	3/13/2020
Ma ch 1, 2020 th ough Ma ch 31, 2020	3/31/2020	0 00126045	5 00%	\$	42,223	\$	42,223	4/15/2020
Ap 1, 2020 th ough Ap 30, 2020	4/30/2020	0 00130590	5 00%	\$	47,679	\$	47,679	5/15/2020
May 1, 2020 th ough May 31, 2020	5/31/2020	0 00127588	5 00%	\$	53,563	\$	53,563	6/15/2020
June 1, 2020 th ough June 30, 2020	6/30/2020	0 00128252	5 00%	\$	62,553	\$	62,553	7/15/2020
Ju y 1, 2020 th ough Ju y 31, 2020	7/31/2020	0 00125403	5 00%	\$	72,179	\$	72,179	8/14/2020
August 1, 2020 th ough August 31, 2020	8/31/2020	0 00126094	5 00%	\$	84,529	\$	84,529	9/15/2020
Septembe 1, 2020 th ough Septembe 30, 2020	9/30/2020	0 00131003	5 00%	\$	97,606	\$	97,606	10/15/2020
Octobe 1, 2020 th ough Octobe 31, 2020	10/31/2020	0 00128373	5 00%	\$	108,921	\$	108,921	11/13/2020
Novembe 1, 2020 th ough Novembe 30, 2020	11/30/2020	0 00137317	5 00%	\$	119,310	\$	119,310	12/15/2020
Decembe 1, 2020 th ough Decembe 31, 2020	12/31/2020	0 00129568	5 00%	\$	130,326	\$	130,326	1/15/2021
Janua y 1, 2021 th ough Janua y 31, 2021	1/31/2021	0 00128366	5 00%	\$	141,996	\$	141,996	2/15/2021
Feb ua y 1, 2021 th ough Feb ua y 28, 2021	2/28/2021	0 00143663	5 00%	\$	156,613	\$	156,613	3/15/2021
Ma ch 1, 2020 th ough Ma ch 31, 2020	3/31/2021	0 00128682	5 00%	\$	172,841	\$	172,841	4/15/2021
Ap 1, 2020 th ough Ap 30, 2020	4/30/2021	0 00133582	5 00%	\$	188,718	\$	188,718	5/15/2021
May 1, 2020 th ough May 31, 2020	5/31/2021	0 00128750	5 00%	\$	203,856	\$	203,856	6/15/2021
June 1, 2020 th ough June 30, 2020	6/30/2021	0 00134678	5 00%	\$	218,191	\$	218,191	7/15/2021
Ju y 1, 2020 th ough Ju y 31, 2020	7/31/2021	0 00130588	5 00%	\$	232,480	\$	232,480	8/15/2021
August 1, 2020 th ough August 31, 2020	8/31/2021	0 00130769	5 00%	\$	248,661	\$	248,661	9/15/2021
Septembe 1, 2020 th ough Septembe 30, 2020	9/30/2021	0 00134172	5 00%	\$	259,866	\$	259,866	10/15/2021
				\$	2,849,716			

(1) D st but ons a e pado e nvested on the 15 h of the fo $\,$ ow ng month after the d st but on pe $\,$ od

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Note 10 Notes Payable

The fo σ wing table summa zets the terms of notes payable outstanding at December 31, 2021

Property Unsecu ed Notes	Lender	M	onthly Debt Service	Interest Rate	Maturity		2021
The Sa d n a G oup	R cha d He d (2nd)			0%	10/10/2022	\$	579,435
The Sa d n a G oup	CCFG			25 00%	10/ 10/ 2022	ψ	80,000
	D ve syFund Income Fund.			20 0070			00,000
The Sa d n a G oup	LLC	,		8 00%	9/22/2022		58,100
Secu ed Notes							,
D ve syFund Pa k B vd	Socot a Cap ta Inc	\$	24,578	9 75% (F xed)	4/1/2022	\$	3,025,000
	Tempo Fund ng						
D ve syFund Pa k B vd	Oppo tun ty	\$	8,000	24 00% (F xed)	6/23/2021		200,000
D ve syFund Pa k B vd	Tom Ca a uca	\$	8,000	16 00% (F xed)	5/18/2021		200,000
The Sa d n a G oup	R cha d He d (1st)	\$	10,654	20 00%			1,420,565
	Standa d Insu ance	;					
McA thu Land ng	Company	\$	33,584	4 13% (F xed)	7/1/2045		6,070,354
	StanCo p Mo tgage						
Bvd West	Investo s, LLC	\$	42,364	3 63% (F xed)	5/20/2045		8,069,457
	Keystone Rea Estate	;					
Woods de	Income T ust	\$	43,582	7 25% (F xed)	9/1/2022		6,108,179
	StanCo p Mo tgage						
Cottonwood	Investo s, LLC	\$	12,766	3 50% (F xed)	8/26/2045		2,479,504
F ance Apa tments	Edgewood Mac VLLC	\$	26,372	8 75%	12/1/2022		3,500,000
Azu Luxu y es dences	Edgewood Mac VLLC	\$	62,431	6 50%	8/26/2022		10,000,000
W ow R dge	E ect a Cap ta	\$	76,166	5 05%	9/1/2023		16,948,329
	IBI Vo cano Investments						
M ss on V as	LLC	\$	50,959	8 00%	2/28/2022		7,500,000
						\$	66,238,923
						¢	(1.(22.050)
Unamo t zed Loan Costs						\$	(1,623,050)
Tota Notes Payab e						\$	64,615,873

Unsecu ed Sen o Notes

In 2017, the Company ssued a p vate p acement of unsecu ed sen o notes Th s sen o note has a ba ance of \$462,350 as of Decembe 31, 2021 and s due n 2021 The sen o notes has fixed annua nte est ates of 20%, 25% and 8%

Secu ed Mo tgage Notes

As of Decembe 31, 2021, the Company had 644 m on outstand ng on e ght non- ecou se mo tgage notes Assets with depice ated cally ng values of 100,3095 m on we epidged as seculation to these mo tgage notes payable.

Fo the yea ended Decembe 31, 2021, nte est was eco ded as fo ow

	 2021
Tota nte est ncu ed	\$ 5,971,598
Inte est cap ta zed	 (2,278,156)
Tota nte est expense	\$ 3,693,442

Debt Matu t es

Futu e p nc pa payments due on the Company's notes payab e at Decembe 31, 2021 a e as fo ows

2022	\$ 33,252	2,759
2023	17,195	5,763
2024		0,575
2025	441	1,846
2026	453	3,529
The eafte	14,464	4,451
	\$ 66,238	8,923

Note 11 Investment and depreciation in real estate properties

Rea estate assets a e stated at dep ec ated cost ess mpa ment, f any Bu d ngs a e dep ec ated ove the est mated usefu ves of 30 yeas. The fe of a pat cu a bu d ng depends upon a numbe of facto s nc ud ng whethe the bu d ng was deve oped o acqu ed and the cond t on of the bu d ng upon acqu s t on. The Company uses the st a ght- ne method fo a dep ec at on and amo t zat on.

	Estimated		
	Useful Life	2021	
Land		\$ 12,124,78	2
Ope at ng Rea Estate P ope t es	30 Yea s	90,708,18	9
Less Accumu ated Dep ec at on		(2,523,51	4)
Total Real Estate, net		\$ 100,309,45	7
			-

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Note 12 Subsequent Events

Events that occu afte the ba ance sheet date, but befo e the fnanc a statements we e ava ab e to be ssued, must be evaluated for ecogn t on o d sc osu e. The effects of subsequent events that p ov de ev dence about cond t ons that exsted at the ba ance sheet date a e ecogn zed in the accompanying fnanc a statements. Subsequent events which p ov de evidence about cond t ons that exsted after the ba ance sheet date equipment events which p ov de evidence about cond t ons that exsted after the ba ance sheet date equipment events which p ovide evidence about cond t ons that existed after the ba ance sheet date equipment events which p ovide evidence about cond t ons that existed after the ba ance sheet date equipment events accompanying notes. Management has evaluated the activity of the Companyi th ough Ap 29, 2022, the date the financial statements we eavalise to be ssued.

DiversyFund Granito LLC

In Janua y, 2022, the Company made an add t ona debt nvestment of \$50,000 In Feb ua y 2022 the Company nvested \$40,000 In Ma ch 2022 the Company nvested \$45,000 In Ap 2022 the Company nvested \$50,000 As of Ap 29, 2022, the Company has made a tota debt nvestment of \$1,974,000

DiversyFund Park Blvd., LLC

In Janua y 2022, the Company made an add t ona equ ty nvestment of \$90,000 In Feb ua y 2022 the Company nvested \$105,000 In Ma ch 2022 the Company nvested \$202,000 In Ap 2022 the Company nvested \$40,000 As of Ap 29, 2022, the Company has made a tota equ ty nvestment of \$3,775,700

THE SARDINIA GROUP, INC

On Feb ua y 1st 2022, the Company so d The Sa d n a G oup n San D ego, CA fo \$2,900,000

Property Acquisition Deposits

On Feb ua y 15, 2022, the Company made an add t ona equ ty nvestment of \$50,000 nto A bo wood Apa tments As of Ap 29, 2022, the Company has made a tota equ ty nvestment of \$50,000 fo new p ope ty acqu s t ons

As of Ap 29, 2022, the Company had a sed tota g oss offengp occeeds of app oxmate y \$65,128,397 f om sett ed subsc pt ons and ssued an agg egate of 6,512,840 sha es of ou common stock. As of Ap 29, 2022, \$0 n sha es ema ned ava ab e fo sa e to the pub c pu suant to the Offeng

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Exhibits

The fo owng Exh b ts a e f ed as pa t of th s Annua Repo t

Exhibit 1A-2A*	<u>Cetfcate of Formation</u>
Exhibit 1A-2B*	LLCAg eement The ag eement by and among the Company and a of ts members capt oned "Lmted Lab ty Company Ag eement" and
	dated August 1, 2018
Exhibit 1A-2C*	Autho zng Resout on The esout on adopted by the Manage c eating the Cass A Investo Sha es
Exhibit 1A-6A*	Investment Ag eement The ag eement to be s gned by each Investo to acque a Cass A Investo Sha es
Exhibit 1A-6B*	Management Ag eement The ag eement capt oned "Management Se v ces Ag eement" by and between the Company and the Manage
	dated August 1, 2018
Exhibit 1A-8*	Esc ow Ag eement The Ag eement capt oned "Esc ow Se v ces Ag eement" wth P me T ust, LLC

* Previously filed and incorporated by reference.

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Signatures

Pu suant to the equ ements of Regu at on A, the ssue has duy caused ths epot to bes gned on ts beha f by the unde s gned, the eunto duy autho zed

May 3, 2022

DF Growth REIT, LLC

By DF Manage , LLC, as Manage

By Dve syFund, Inc, as Manage

 $\begin{array}{c} By \\ \hline C \ a \ g \ Cec \ o \\ \hline C \ a \ g \ Cec \ o, \ Ch \ ef \ Execut \ ve \ Off \ ce \\ \end{array}$

Pu suant to the equ ements of Regu at on A, th s epo t has been s gned be ow by the fo owng pe sons on beha f of the ssue and n the capact es and on the dates nd cated

/s/ A an Lew s

A an Lews D ecto and Ch ef Investment Off ce of D ve syFund, Inc May 3, 2022

/s/ C a g Cec o

C a g Cec o D ecto and Ch ef Execut ve Off ce of D ve syFund, Inc May 3, 2022

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Division of Enforcement's Exhibit 7

Case: 22-70023, 02/15/2022, ID: 12371269, DktEntry: 2, Page 1 of 101

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

Sanjay Bhandari Buchalter, APC 655 West Broadway Suite 1600 San Diego, CA 92101 (619) 219-5335 sbhandari@buchalter.com Mary-Christine Sungaila Robert M. Dato Paul A. Alarcon Buchalter, APC 18400 Von Karman Avenue Suite 800 Irvine, CA 92612 (949) 760-1121 msungaila@buchalter.com

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: Joan Gan Deputy Glerkived 06/03/20	22

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 a ca9.uscourts.gov

Form 16

I requested this relief in the district court or other lower court: O 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 cmail about the filing of this motion: • Yes O 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	aname]" to sign electronically-filed documer	nts)	

Feedback or questions about this form? Email us at forms a 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.

Respectfully submitted,

Dated: February 15, 2022

BUCHALTER A PROFESSIONAL CORPORATION

By: <u>/s/ Sanjay Bhandari</u> 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. <u>Petitioners' Business</u>

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. <u>The SEC Investigation</u>

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 mooting 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

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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 disgualification 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 disgualification 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 disgualified under Rule 262." 17 C.F.R. § 230.251. This mandatory language guarantees an exemption for all but the "bad actors" disgualified 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

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(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 corporatelife-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., \P 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 predeprivation 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 guickly 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,

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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 B

BUCHALTER A PROFESSIONAL CORPORATION

Respectfully submitted,

By: <u>/s/ Sanjay Bhandari</u> SANJAY BHANDARI Attorneys for Petitioners DiversyFund, Inc., DF Growth REIT, LLC, DF Growth REIT II, LLC, DF Manager, LLC, Craig Cecilio, and Alan Lewis

(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: <u>/s/Sanjay Bhandari</u> SANJAY BHANDARI Attorneys for Petitioners DiversyFund, Inc., DF Growth REIT, LLC, DF Growth REIT II, LLC, DF Manager, LLC, Craig Cecilio, and Alan Lewis Case: 22-70023, 02/15/2022, ID: 12371269, DktEntry: 2, Page 31 of 101

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.

Respectfully submitted,

Dated: February 15, 2022

BUCHALTER A PROFESSIONAL CORPORATION

By: <u>/s/ Sanjay Bhandari</u> 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

File No. LA-5266

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

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)

D6659.0002 BN 48610865v2

OS Received 06/03/2022

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

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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

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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.

Importantly, REIT II investors are, and will be, co-investors with REIT I investors 16. 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:

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

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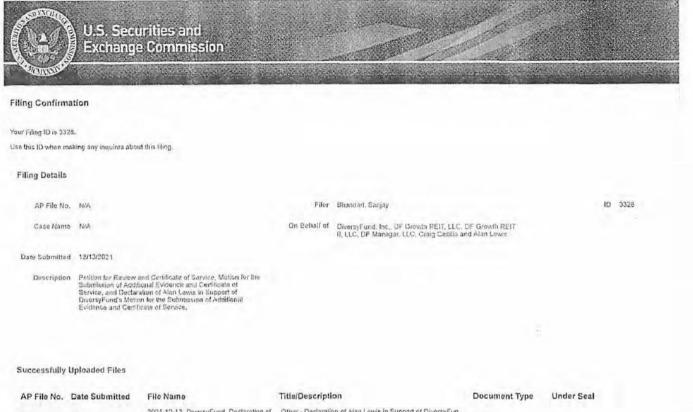
Chandra Roam

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Filing Confirmation



AP File No.	Date Submitted	File Name	ride/Description	Document Type	Under Sea
N/A	12/13/2021	2021-12-13 DiversyFund Declaration of Alan Lewis in Support of Motion for the S ubmission of Additional Evidence.pdf	Other - Declaration of Alan Lewis in Support of DiversyFun d's Motion for the Submission of Additional Evidence and Cer tificate of Service	Filing	Na
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 an d Certificate of Service	Filing	No
N/A	12/13/2021	2021-12-13_DiversyFund_Petition for Re view of Orders.pdf	Other - Petition for Review and Certificate of Service	Filing	No

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OS Received 06/03/2022

EXHIBIT 2

UNITED STATES OF AMERICA BEFORE THE SECURITIES AND EXCHANGE COMMISSION

File No. LA-5266

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

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

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

Date: December 13, 2021

BN 48620863v6

OS Received 06/03/2022

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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.

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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 effective 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

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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. <u>RELEVANT BACKGROUND</u>

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

(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/1750695/99999999418000268/999999994-18-000268-index.htm).

(https://www.sec.gov/Archives/edgar/data/1824154/000121390021003411/ea133531laa1 dfgrowthreit2.htm); SEC Notice of Qualification (Jan. 29, 2021)

¹ See DF Growth REIT, LLC, Offering Circular at 1 (Oct. 19, 2018)

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/1824154/999999999421000032/xslQUALIFX01/prim ary_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).

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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."), \P 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.* \P 5.

⁸ *Id.* ¶ 6.

⁹ Id. ¶ 7.

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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.* \P 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. <u>Procedural Background</u>

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 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

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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

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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.

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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. <u>Discretionary Review</u>

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";

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(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.

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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"

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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

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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.

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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.

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B. <u>The Division's Orders Are Arbitrary and Capricious Because it Did Not</u> 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:

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- 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

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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.

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C. <u>The Division's Disqualification Order is Unlawful Under the Appointments</u> 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

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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 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.

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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. <u>THE COMMISSION SHOULD LEAVE THE AUTOMATIC STAY IN PLACE</u> 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.

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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. <u>CONCLUSION</u>

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,

randa

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

Counsel for Petitioners

Date: December 13, 2021

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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

Chilika

Chandra Roam

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12/13/21, 7:52 PM

Filing Confirmation



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 S ubmission of Additional Evidence.pdf	Other - Doclaration of Alan Lewis in Support of DiversyFun d's Motion for the Submission of Additional Evidence and Cer tificate 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 an d Certificate of Service	Filing	No
N/A	12/13/2021	2021-12-13_DiversyFund_Petition for Re view of Orders.pdf	Other - Petition for Review and Certificate of Service	Filing	No

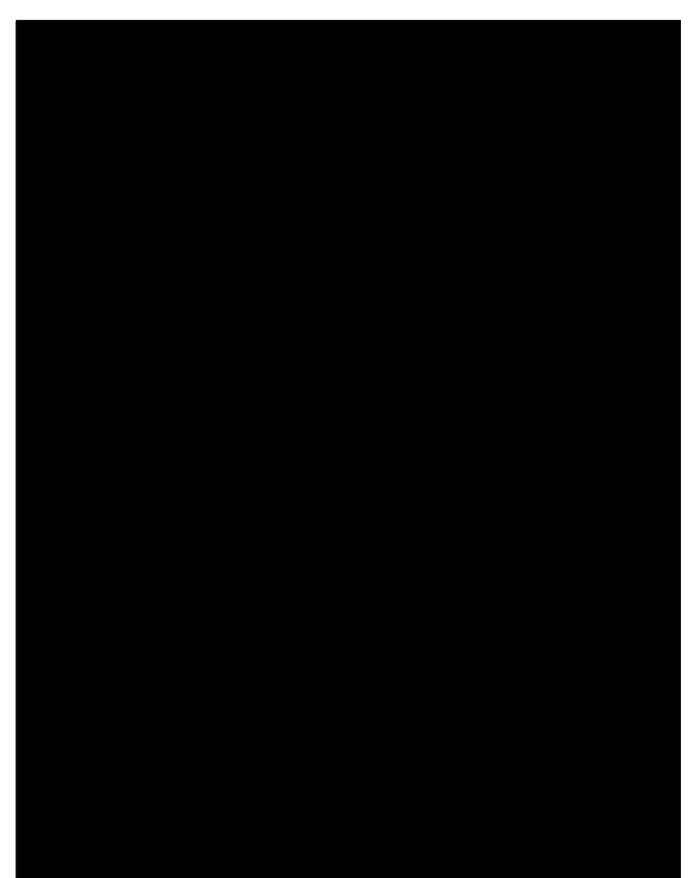
NOTICE REGARDING SERVICE: The filing of a document through the ePAP system does not constitute service of this filing on any other party. You are responsible for serving this filing in accordance with Rule 160 of the Commission's Rules of Practice.

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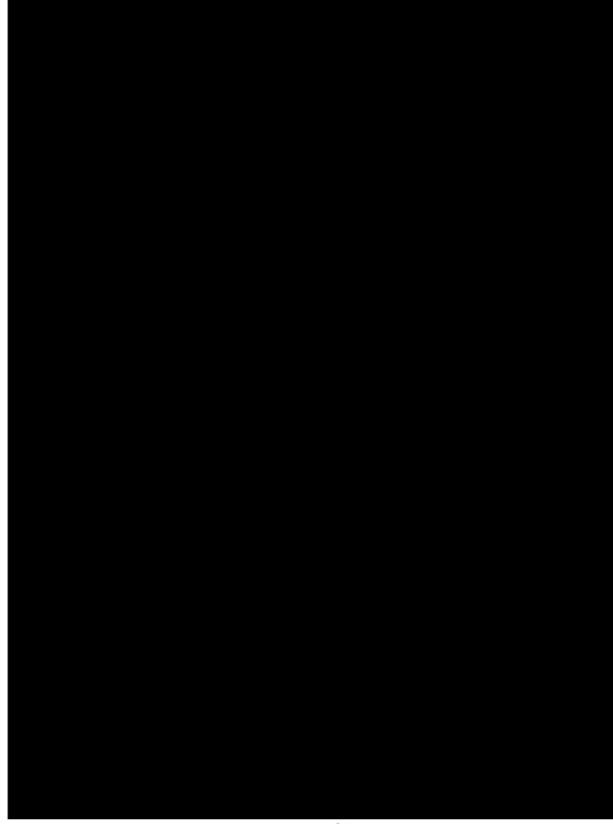
https://efap.sec.gov/eFAP/faces/oracle/webcenter/portalapp/pages/filing/FilingWithoutCase.jspx

EXHIBIT 3

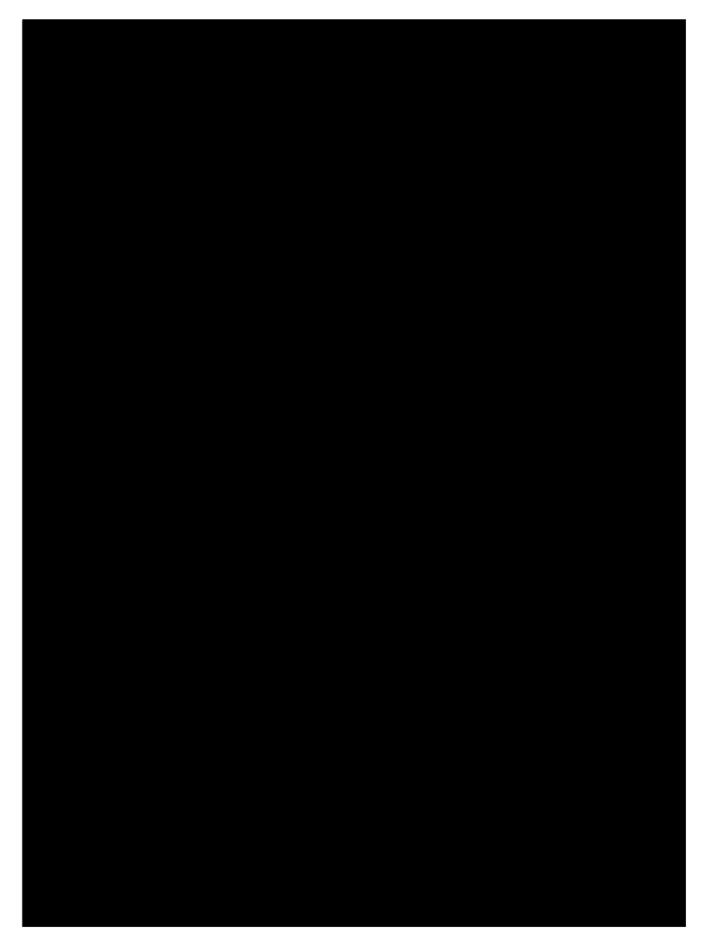




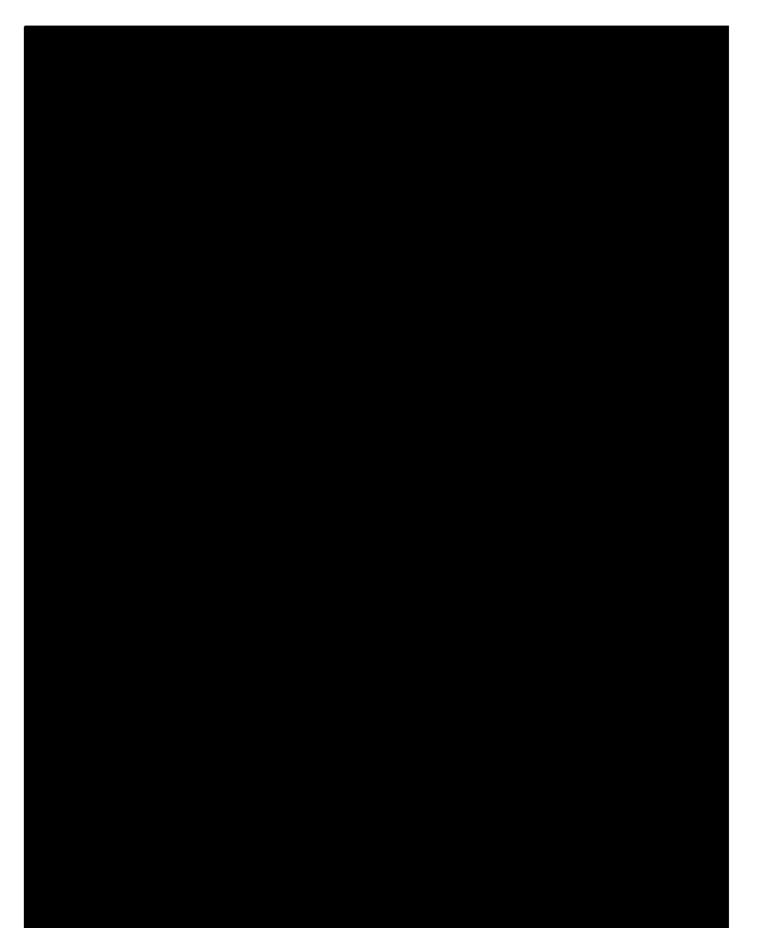
Case: 22-70023, 02/15/2022, ID: 12371269, DktEntry: 2, Page 74 of 101













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Confidential Treatment Requested by DiversyFund DF-CORR-000010

Confidential Treatment Requested by₂DiversyFund DF-CORR-000011

Case: 22-70023, 02/15/2022, ID: 12371269, DktEntry: 2, Page 82 of 101

Confidential Treatment Requested by₃DiversyFund DF-CORR-000012

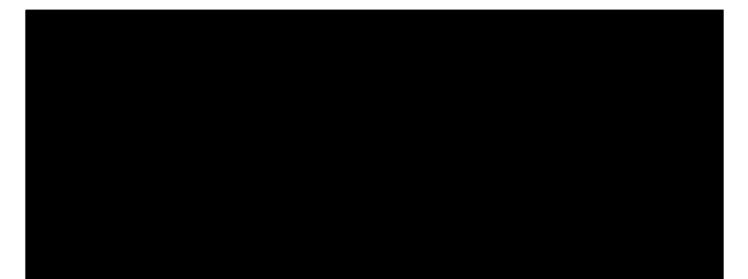
Victoria A. Levin Assistant Regional Director, Enforcement Securities and Exchange Commission Los Angeles Regional Office 444 South Flower St., Suite 900 Los Angeles, CA 90071 Ph: (323) 965-3872 E-mail: <u>levinv@sec.gov</u>

Confidential Treatment Requested by DiversyFund DF-CORR-000013

Case: 22-70023, 02/15/2022, ID: 12371269, DktEntry: 2, Page 84 of 101

Confidential Treatment Requested by DiversyFund DF-CORR-000014

Case: 22-70023, 02/15/2022, ID: 12371269, DktEntry: 2, Page 85 of 101



Confidential Treatment Requested by₅DiversyFund DF-CORR-000015

Case: 22-70023, 02/15/2022, ID: 12371269, DktEntry: 2, Page 86 of 101

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 Saccamento Sait Lake City San Diego San Francisco Scottsdale Scattle

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

Thanda

Sanjay Bhandari

Exhibit 5 - January 13 Order Filed Under Seal

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Exhibit 6 - January 26 Order Filed Under Seal

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

-2-

exempt offerings while the investigation is pending. The SEC has stated that its investigations take years to conclude. See SEC Division of 2019 Annual Report 7 (available Enforcement, at 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' disgualification 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

-3-

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

-4-

Petitioners were unable to obtain relief from disgualification, 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

-5-

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: <u>/s/ Sanjay Bhandari</u> SANJAY BHANDARI

> > -6-

Exhibit 8 - November 8 Order Filed Under Seal Case: 22-70023, 02/15/2022, ID: 12371269, DktEntry: 2, Page 101 of 101

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: <u>/s/ Sanjay Bhandari</u> 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

Form 1-A Issuer Informa ion

FORM1-A

UNITED STATES SECURITIES AND EXCHANCE COMMISSION Washing on, D.C. 20549 FORM 1-A

FORM 1-A REGULATION A OFFERING STATEMENT UNDER THE SECURITIES ACT OF 1933 OMB APPROVAL

B Number 3235-0286

Estimated average burden hours per response 608.0

1-A: Filer Information

Issue CIK	0001824154		
Issue CCC	XXXXXXXX		
DOS F e Nu be			
Offe ng F e Nu be	024-11394		
Is hsaLIVE o TEST F ng?	® LIVE [®] TEST		
Woud you ke a Re u n Copy?			
No fy va F ng Webs e on y?			
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Submission Contact Information			
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Phone			
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1-A: Item 1. Issuer Information

Issuer Infomation	
Exac na $e \mbox{ of ssue as spec fed } n$ he ssue 's cha e	DF Growth R T , C
Ju sd c on of Inco po a on/ O gan za on	D AWAR
Yea of Inco po a on	2020
CIK	0001824154
$P a \; y \; S \; and a \; d \; Indus \; \; a \; C \; ass \; f ca \; on \; Code$	R A STAT
IRSE poye Iden fca on Nu be	83-2600369
To a nu be of fu - e e poyees	0
To a nu be of pa - e e p oyees	0
Contact Infomation	

Address of Principal Executive Offices

Add ess 1	750 B Street
Add ess 2	Suite 1930
Су	San Diego
Sae/Coun y	CA FORN A
Ma $ng Zp/Pos a$ Code	92101
Phone	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.

Na e	Mark Roderick, sq
Add ess 1	
Add ess 2	
Су	

S a e/Coun y	
Ma ng Zp/Pos a Code	
Phone	

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".

Indus y G oup (se ec one)			
Balance Sheet Information			
Cash and Cash Equ va en s	\$ 0 00		
Inves en Secu es	\$ 0 00		
To a Inves en s	\$		
Accouns and No es Rece vab e	\$ 0 00		
Loans	\$		
P ope y, P an and Equp en (PP&E)	\$ 0 00		
P ope y and Equ p en	\$		
To a Asse s	\$ 14029 00		
Accouns Payab e and Acc ued Lab es	\$ 14029 00		
Po cy Lab es and Acc ua s	\$		
Depos s	\$		
Long Te Deb	\$ 0 00		
To a Lab es	\$ 14029 00		
To a S ockho de s' Equ y	\$ 0 00		
To a L ab es and Equ y	\$ 14029 00		
Statement of Comprehensive Income Information			
To a Revenues	\$ 0 00		
To a In e es Inco e	\$		
Cos s and Expenses App cab e o Revenues	\$ -14029 00		
To a In e es Expenses	\$		
Dep ec a on and A o za on	\$ 0 00		
Ne Inco e	\$ -14029 00		
Ea n ngs Pe Sha e - Bas c	\$ 0 00		
Ea nngs Pe Sha e - D u ed	\$ 0 00		
Na e of Aud o (fany)	N A		

Outstanding Securities

OS Received 06/03/2022

Common Equity

Na e of C ass (f any) Co on Equ y	Common Shares
Co on Equ y Un s Ou s and ng	1000000
Co on Equ y CUSIP (fany)	00000000
Co on Equ y Un s Na e of T ad ng Cen e o Quo a on Med u (fany)	None
Preferred Equity	
P efe ed Equ y Na e of C ass (f any)	None
P efe ed Equ y Un s Ou s and ng	00000000
P efe ed Equ y CUSIP (fany)	00000000
P efe ed Equ y Na e of T ad ng Cen e o Quo a on Med u (fany)	None
Debt Securities	
Deb Secu es Na e of C ass (f any)	None
Deb Secu es Un s Ou s and ng	00000000
Deb Secu es CUSIP (fany)	00000000
Deb Secu es Na e of T ad ng Cen e o Quo a on Med u (fany)	None
1 A. Rom 2 Leaver Elisthill	

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)

 \mathbf{V}

- O ganzed unde he aws of he Un ed S a es o Canada, o any S a e, P ovnce, Te o yo possess on he eof, o he D s c of Cou ba
 P nc pa pace of bus ness s n he Un ed S a es o Canada
 No subjec o sec on 13 o 15(d) of he Secu es Exchange Ac of 1934
 No a deve op en s age co pany ha e he (a) has no spec fc bus ness pan o pu pose, o (b) has nd ca ed ha s bus ness pan s o e ge w h an unden fed co pany o co panes
 No an nves en co pany egs e ed o equ ed o be egs e ed unde he Inves en Co pany Ac of 1940
 No ssung fac ona und v ded ne es s no o gas ghs, o as a ne es no he ne a ghs
 No, and as no been, subjec o any o de of he Co ss on en e ed pu suan o Sec on 12(j) of he Exchange Ac (15 U S C 78(j)) w hn fve yea s befo e he f ng of hs offe ng s a e en

- sae en
- Has fed w h he Co sson a he epo s was equed of e, fany, pu suan o Rue 257 du ng he wo yeas ed a e y befo e he f ng of he offe ng s a e en (o fo such sho e pe od ha e ssue was equed of e such epo s)

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.

\checkmark

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 Infomation

Check he app op a e box o nd ca e whe he you a e conduc ng a Te 1 o Te 2 offe ng	© Te 1 @ Te 2
Check he app op a e box o nd ca e whe he he f anc a s a e en s have been aud ed	© Unaud ed [®] Aud ed
Types of Secu es Offe ed n hs Offe ng S a e	en (se ec a ha app y)
Equ y (co on o p efe ed s ock)	
Does he ssue n end o offe he secu es on a de ayed o con nuous bas s pu suan o Rue 251(d)(3)?	● Yes [©] No
Does he ssue n end hs offe ng o as o e han one yea?	● Yes [©] No
Does he ssue n end o p ce hs offe ng af e qua fca on pu suan o Rue 253(b)?	© Yes ● No
W he ssue be conduc ng a bes effo s offe ng?	● Yes [©] No
Has he ssue used so c a on of n e es co un ca o s n connec on w h he p oposed	© Yes [●] No

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0		ng	

Does he p oposed offe ng nvo ve he esa e of ecu es by aff a es of he ssue?	© Yes ● No
vu be of secu es offe ed	5000000

0

Nu be of secu es of ha c ass ou s 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.

P ce pe secu y	\$ 10 0000		
The po on of he agg ega e offe ng p ce a bu ab e o secu es be ng offe ed on beha f of he ssue	\$ 50000000 00		
The po on of he agg ega e offe ng p ce a bu ab e o secu $$ es be ng offe ed on beha f of se ng secu yho de s	\$ 0 00		
The po on of he agg ega e offeng p ce a buabe o a he secu es of he ssue so d pu suan o a qua fed offengs a e en w hn he 12 on hs befo e he qua fca on of hs offengs a e en	\$ 0 00		
The es a ed po on of agg ega e sa es a buabe o secu es ha ay be sod pu suan o any o he qua fed offe ng s a e en concu en yw h secu es be ng sod unde h s offe ng s a e en	\$ 0 00		
To a (he su of he agg ega e offeng p ce and agg ega e sa es n he fou p eced ng pa ag aphs)	\$ 5000000 00		
Anticipated fees in connection with this offering	g and names of service providers		
Unde w e s - Na e of Se v ce P ov de		Unde w es-Fees	\$
Sales Co ssions - Na e of Selvce P ov de		Sales Co ssions - Fee	\$
Fnde s' Fees - Na e of Se v ce P ov de		Fnde s' Fees - Fees	S
Accoun ng o Aud - Na e of Se v ce P ov de	Hayne & Company	Accoun ng o Aud - Fees	\$ 25000 00
Lega - Na e of Se v ce P ov de	ex Nova aw C	Lega - Fees	\$ 40000 00
P o oes-Na e of Sevce P ov de		Pooes-Fees	\$
Bue Sky Cop ance - Nae of Sevce Povde	Agi e ega	Bue Sky Co p ance - Fees	\$ 5000 00
CRD Nu be of any b oke o dea e s ed			
Es a ed ne p oceeds o he ssue	\$		
C a fca on of esponses (fnecessa y)			
	1		

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		
Using the list below, select the jurisdictions in v Se ec ed S a es and Ju sd c ons	A ABAMA A ASKA AR ZONA CA FORN A CO ORADO CONN CT CUT D AWAR F OR DA G ORG A HAWA DAHO NO S ND ANA OWA KANSAS K NTUCKY OU S ANA MA N MARY AND MASSACHUS TTS	
	M CH GAN	

	NN SOTA
	IS SS PP
	SOUR
	NTANA
	BRASKA
N V	/ADA
N V	W HAMPSH R
	WJRSY
N V	W M X CO
N V	W YORK
NO	RTH CARO NA
NO	RTH DAKOTA
OH	0
OK	AHOMA
OR	GON
ΡN	INSY VAN A
RHO	DD S AND
SOL	Л'Н CARO NA
SOL	Л Н ДАКОТА
ΤN	IN SS
Т)	(AS
UT/	AH
VF	RMONT
V R	G N A
WA	SH NGTON
W	ST V RG N A
W S	SCONS N
WY	OM NG
D S	TR 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 Sa e as he ju sd c ons n which he ssue n ends o offe he secu es

Se ec ed S a es and Ju $\,\,\mathrm{sd}\,c\,$ ons

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 o any un egs e ed secu es ssued by he ssue of any of s p edecesso s o aff a ed ssue s w hn one yea befo e he f ng of hs Fo 1-A, s a e					
(a)Na e of such ssue	DF Growth R T, C				
(b)(1) T e of secu es ssued	Cass A nvestor Shares				
(2) To a A oun of such secu es ssued	22022855				
(3) A oun of such secu es so d by o fo he accoun of any pe son who a he e was a d eco, offce, p o o e o p nc pa secu yho de of he ssue of such secu es, o was an unde w e of any secu es of such ssue	0				
(c)(1) Agg ega e cons de a on fo which he secu es we e ssued and basis fo co pu ng he a oun he eof	22022855				
(2) Agg ega e cons de a on fo whch he secu es s ed $n(b)(3)$ of hs e (fany) we e ssued and he bass fo co pu ng he a oun he eof(fd ffe en fo e bass desc bed $n(c)$ (1))					
Unregistered Securities Issued					
As o any un egs e ed secu es ssued by he ssue	of any of s p edecesso s o aff a ed ssue s w hn one yea befo e he f ng of hs Fo $$ 1-A, s a e				
(a)Na e of such ssue	DiversyFund ncome Fund C				
(b)(1) T e of secu es ssued	Cass A nvestor Shares				

(2) To a A oun of such secu es ssued

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was an unde w e of any secules of such ssue	
(c)(1) Agg ega e cons de a on fo which he secu es we e ssued and basis fo co pung he a oun he eof	328588
(2) Agg ega e cons de a on fo whch he secu es sed $n(b)(3)$ of hs e (fany) we e ssued and he bass fo co pu ng he a oun he eof(fd flè en fo he bass desc bed $n(c)$ (1))	
Unregistered Securities Act	

(d) Ind ca e he sec on of he Secu es Ac o Co ss on ue o egua on e ed upon fo exe p on f o he egs a on equ e en s of such Ac and s a e b efy he fac s e ed upon fo such exe p on

C 1

PART II AND III 2 ea133531-1aa1 dfg ow e 2 AMENDMENT NO 1 OF OFFERING CIRCULAR

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 STATE IN WHICH SUCH OFFER, SOLICITATION OF CONTINUE 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.

FORM1-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

Ja a y 19, 2021

This Offering Circular follows the Form S-11 disclosure format.

DF Gow REIT II, LLC, a ed ab y co pa y o ga zed de e aws of De awa e (w c we efe o as e "<u>Co pa y</u>," "<u>we</u>," <u>'s</u>" o "<u>o</u>"), was fo ed o acq e e es s ea es a e as se s a e as se s a e as se we e d o q a fy as a ea es a e ves e s, o "<u>REIT</u>," fo fede a co e axp poses

Te Copays seek goase po\$50,000,000 of capa by offe goepbc ed aby copay eess des gaed as "<u>Cass A I veso Saes</u>." wa we efe oas e "<u>Offe g</u>" Yo ca ead a cope e desc po of ese sec es "Sec es Be g Offe ed" We efe o dvd as a de es a p c ase Cass A I veso Saes as "<u>I veso s</u>"

T e Offe gw beg as soo as o offe gs a e e s "q a fed" by e SEC T e Offe gw e d po e ea e of (1) e da e we ave so d 50,000,000 of Cass A I ves o S a es (*i.e.*, a e sec es we a e offe g), (2) e da e wo yea s a fe beg s, o (3) e da e we dec de o e d

TeOffe g as o T s, we w beg odepoy (sped) e o ey we as e g away, o a e ow c o ewe as e

I a y, e Cass A I ves o S a es w besod fo \$1000 eac, w a a ves e of 50 Cass A I ves o S a es (*i.e.*, \$500) We ay peod cay as eo owe ep ce of e Cass A I ves o S a es d g soffe g o efec eva e of e Co pay's asses by f g as ppe e o a a e d e o s Offe g C c a Fo o e fo a o, see "Sec es Be g Offe g P ce of Cass A I ves o S a es"

We a e se gesesec es decy o e p b c a o webs e, <u>www.Dve.syF d co</u> We a e o s gapace e age o aboke a dwe a e o pay g co sso s o a yo e A of e o ey we as egoes d ecy o e Co pay

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

Tee "fowad-ook gsaees" easaysaees, cd gfacapojecos, a eaeoeve so codos ef eOfe, fowad-ook gsaees cdewods ke "wea cpae," "we be eve," "we expec," "we ed," "we pao," "sg," o "wew" Tesaee "We be eve ees aesw se" sa exa peofafowad-ook gsaee

Beca se we a e a k g abo a ewb s ess, os of e gs we say s Offe g C c a a e fo wad-ook g s a e e s I fac, eve y g we say s a fo wad-ook g s a e e s of s o ca fac

Fowad-ook g sae e sae, by e a e, s bjec o ce a esad ass pos Tesae e "We be eve ees a esw se" s o ke e sae e "We be eve es w se e Eas o o ow" I s poss be fo s o k ow exacywa sgog o appe ef e, o eve o a cpae a e gs a cod appe O b s ess cod be s bjec o a y a cpaed eve s, c d g a of e gs we ak abo "Rsks of I ves g"

Co seq e y, eac a es of ves g e Co pa y co d (a da os ce a y w) d ffe fo osea c pa ed o p ed a y fo wad-ook g sa e e, a d e d ffe e ces co d be bo a e a a d adve se We do o de ake a y ob ga o o ev se, o p b c y e ease e es sof a y ev so o, a y fo wad-ook g sa e e s, excep as eq ed by app cabe aw GIVEN THE RISKS AND UNCERTAINTIES, PLEASE DO NOT PLACE UNDUE RELIANCE ON ANY FORWARD-LOOKING STATEMENTS.

 \mathbf{V}

SUMMARY OF OUR BUSINESS AND THE OFFERING

Summary of Our Business

DF Gow REIT II, LLC, w c we efe o as e "<u>Co pay</u>," was fo ed o ves ea es a e pojec s a dasse s a coss e U ed Sa es T e Co payw foc s p a yo fa yva e-add pope es b w aso ook fo oppo es a coss o e co e ca ea es a e sec o s, c d g d s a, se f-so 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 a c e zed (exac y) as e e "g ow "o "co e," w "g ow "ves e s assoca ed w g ea e sks a d po e a fo g e p of s a d e "co e"ves e s assoca ed w owe sks a d o e ode a e, a d poss b y o e p ed c a b e, p of po e a T e Co pay's o e a o w be owad "g ow "ves e s ea es a e Fo exa p e, we g ves a p ojec o a cq e a d e ova e a -fa y p ope y (*e.g.*, a apa e b d g) o a o e k d of co e c a p ope y

T e a age of e Co pay, DF Ma age, LLC, a De awae ed ab y co pay, w c we efe o as e "<u>Ma age</u>," sa aff a e of D ve syF d, I c, a De awae co po a o a da ea es a e spo so a d a age, w c we efe o as e "<u>Spo so</u>" T e Spo so a a sa webs e, www D ve syF d co (e "<u>S e</u>") 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 pay ves s w be p ojec s of e Spo so a a e s ed a e S e I e f e, s poss be a e Co pay wo d a so ves e a es a e p ojec s o e a ose a aged by e Spo so

Summary of the Offering

Te Copa y soffe g ose p o \$50,000,000 of Cass A I ves o Saes o ep b c w a we efe o as e "<u>Offe g</u>". We efe o a yo e w o p c ases Cass A I ves o Sa es as a "<u>I ves o</u>"

Teowes peess a Deawae ed ab y copa yae efeed oas "ed ab y copa yeess" IeCopa y, e ed ab y copa yeess a ed v ded be wee "Ives o Saes" a d "Ma age Saes," a d e "Ives o Saes" ay bed v ded by e Ma age o sepa a e "Sees" Te Ma age as cea ed e Cass A Ives o Saes fo s Offeg

A yeas fow a dp of s ge e a ed by e Co pa yw beds b ed as fo ows

- Ds b o sofod ayope a gcas foww be efo ow go de ofp o y
 - o SepOeFs, I vesos w eceve a e ope a g cas fow ey ave eceved a 7% c a ve, o -co po ded a a e o e ves ed cap a

- o Sep Two Secod, a y e a gope a g cas fow w beds b ed o e owes of e Co o Saes (a aff a e of e Ma age) a a o a beas e sa e p opo o o eds b os adep s a o Sep O e as 35 beas o 65, *i.e.*, app ox a e y 53 85%
- o Sep Tee Td, a y e a gope a g cas fow w beds b ed 65% o e Ives os o a *pro rata* bass, a d 35% o e ow e s of e Co o Saes
- Ds b osof e e poceeds fo cap a a sac os w be ade e fo ow go de op oy
 - o SepOeFs, I vesos w ece vea e e poceeds ey ave ece ved a 7% c a ve, o -co po ded a a e o e ves ed cap a
 - o Sep Two Secod, a y e a g e poceeds w beds b ed o eowes of e Co o Saes (a affae of e Maage) a a o a beas e sa e popo o o eds b os adeps a o Sep O e as 35 beas o 65, *i.e.*, app ox a e y 53 85%
 - o SepT ee T d, I vesosw eceveaye a gepoceeds oe a aocabepo o of e capa ey vesed
 - o Sep Fo Fo , a y e a g e p oceeds w beds b ed 65% o e I ves os a d 35%. I ves os ave ece ved a "e a a e of e " of 12%
 - o SepFveFf, a y e a g e p oceeds w beds b ed 50% o e I vesos o a prorata bass a d 50% o e ow e s of e Co o Saes

NOTE Tees og aa y a eCo payw beabe o akeayds b os, eve oe cap a oI ves os

TeCopayce y edsowd p sopeaosby Dece be 31,2025 Howeve, ay exed a daeby powoyeas eMa age's dsce 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 e dae of s Offe g C c a, ewo deco o y s s ffe g e s a pes a d os seve e sowdow s ce a eas e Gea Dep esso, a d poss by s o y Desp e ac o by gove e s a d ce a baks, a y expe s be eve e wo d faces a p o o ged, deep ecess o f o a dep esso, w e p o y e s p k g a d a ge swa s of e g oba eco o y s dow T e eco o c dow co d affec ea e s a e asses a be of ways, bo pos vey a d ega vey, as d sc ssed o e f y "T e Co pa y a d s B s ess COVID-19 & T e M - Fa y Make" o page 16 As of e dae of s Offe g C c a, obody ca p ed c e effec s w ce a y

This Is A "Blind Pool" Offering As of e dae of soffer g C c a, e Co pay as o ye ade a y ves e so de fed pojecs w c e ds o ves Co seq e y, yo w ave o dec de w e e o ves based o e expe e ce, ep a o, a d ack eco d of e Ma age a d e Sposo, o b s ess pa (a as desc bed soffer g C c a), a d o e facos yo be eve a e eva , a e a see g a deva a g ac a ea es a e asses T s s c e s so e es ca ed a "b d poo offer g"

Our Auditor Has Raised Questions About our Ability To Survive as a Going Concern I eaded facasae e saaced o sOffe gCca, o ad o as oed e Copay as o ye co e ced pa ed p c pa opea o sad as o ge e a ed eve es o pofss ce cep o, ad a ese facos, a o go e s, ase s bs a a do b abo e Copay's ab y o co e as a "go g co ce "As f e o ed by o ad o, e Copay's ab y o co e as a go g co ce e ex we ve o s s depe de po sab y o ob a cap a fac g fo ves oss ffce o ee c e ad f e ob gaos, a d o depoy a cap a effec vey o p od cep of s No ass a ce ca begve a e Copay we bes ccessf ese effos

You Might Lose Your Money We yo by a ce f cae of depos fo a bak, e Fede a gove e (o g e FDIC) g a a esyow ge yo o ey back By g Cass A I ves o S a esso ke a a a T e ab y of e Co pay o aked s b o s depe d so a be of facos, c d g so e beyo d o co o Nobody g a a es a yow ece ve pay e s a d yo g ose so e o a of yo o ey

The Company is a Startup Business A og ep cpas of eCo pay avebee egaged e ea es a ea df a ce ds es foyeas, eCo pay sabad ew bs ess Lkeay ewbs ess, eCo pay faces caeges oa be offos, cd ga ac gadea gq a fede poyees, des g gad pe e g ew bs ess sys es, ec o ogy sys es, a ke g, a d cap a fo a o If eCo pay faed a y of ese o o e key a eas, ew oebs ess co d fa a d I ves os co d ose so e o a of e o ey

Our Track Record Does not Guaranty Future Performance Teseco of sOffe gCc a capoed "Pas Pefo a ceO Tack Recod SoFa" saes e pefo a ceofce a aff a es of e Ma age Howeve, e e s o g a a y a eCo payw dowe as saff a es ave do e Lke os secosof e a o a a d goba eco o y, e ea es a e ake as bee ega vey paced by espead of COVID-19 a d s es g eco o c fa o As a es, e e s s g f ca a ke ce a y co d o s ay co e o evo vea dwe g o be ab e o adap I a y case, eCo pays a dso s ow

Speculative Nature of Real Estate Investing Rea es a e ca be sky a d p ed c abe Fo exa p e, a y expe e ced, fo ed peop e os o eyw 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 f ca osses So e of e sks of ves g ea es a e c dec a g g aws, c d g e v o e a aws foods, f es, a d o e Ac s of God, so e of w c ca be s abe c a ges a o a o oca eco o c c o d o s c a ges gove e po c es, c d g c a ges e es a es a 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 e a, a d e Co pa y pa c a, o y fyo ca affo d o oseyo ves e a da ew g o vew e psa d dow s of e ea es a e d s y

Our Growth Focus Increases Risk T e Co pay e ds o foc so ea es a e pojec so e "gow" s de of e gow / co e spec By def o, ese pojec s w e d o caygeae sk, ao gw e poe a fo g e pof s

Arbitrary Pricing Te 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 e a d beas o e a o s p o ad o a eas es of va e s c as EBITDA (ea gs befoe e es, axes, depecao, a d a o zao), cas fow, eve e, o book va e

Property Values Could Decrease T eva e of e p ope y w c we ves coddec e, pe aps sg f ca y Facos a cod ca se eva e of p ope y o dec e c de, b a e o ed o

- C a ges e es a es
- Cope o fo exs gpope esad ewcos co
- Cages ao ao oca eco o cco d o s

- Cages zo g
- Evo e aco a ao o ab es
- Cages oca ake codos
- F es, foods, a do e cas a es
- U s ed osses
- U d sc osed defec s p ope y
- I co peeo acc aed ed ge ce

Competition for Projects To ac eves a sfacoy e s foo I vesos, e Ma age s de fypojecs a sa sfyo ves e seeco c e a a d a ca be acq ed a easo abep ces T e e s og a a y a e Ma age w be abe o do so T e ea es a e d s y s g y co pe vea d f ag e ed T e Ma age, d ec y o o g aff a es, w co pe e w o e ea es a e deveopes fo e os po s g pojecs, a d so e of ose o e ea es a e deveopes co d aves bs a a y gea e eso ces, a ow g e o ove o eq cky, pay o e, o ave gea e access o e bes pojecs T e es co d be a e Co payw ds p ves g pojecs of owe q a y, o w e e eow e of epojec (a aff a eof e Ma age) pad oo c as a es of e seco pe o

The Company will Invest Only in the Sponsor's Projects T e Co payw ves o y pojecs spo so ed o co-spo so ed by e Spo so o s aff a es T ese pojecs w o ecessa ybe e bes pojecs ava abe

Entitlement Risks T e Co pay g ves pojecs befoeso e o a of e ecessay zo gapp ovas ave bee ob a ed Sec gzo gapp ova ca ake a o g e a d be vey expe s ve, a d eve afe a o ga d expe s ve pocess e e s o g a a y a app ova w be g ve If app ovas ca o be ob a ed e va e of e ea es a e co d go dow a d I ves o s co d oseso e o a of e o ey

Governmental Regulation I add o ozo g app ova, a y deve op e pojec w eq e eapp ova of eosgove e a o es eg a gs c a es as de s y eves, e sa a o of ysevcess c as wae a d was ed sposa, a d eded ca o of ac eage fo ope space, paks, sc oos a do e co yp poses Gove e a a o es ave posed pac fees as a eas of def ay g e cos of povd gce a gove e a sevces o deve op ga eas a d e a o of ese fees as c easeds g f ca y d g ece yeas Maysae aws eq e e sof specificos c o a e as w c ed ce e ed fo e egy cos g ea ga d coo g sys e s Loca gove e s aso, a es, decae o ao so essa c esf d gpe s a d pose o e es c o s a eas w e esewage ea e fac es a do e p b cfac es do o eac su cos a dads A of ese eg a o sw pose cos s a d sks o o Pojec s

Lack of Representations and Warranties from Sellers T e Co pay g ves pojecswee esee of e ea esae ade ed o o epese a o sad wa a esco ce g eco d o of e ea esae, esa sof eases, epese ce of aza do s a e a so aza do s s b s a ces, esa sof gove e a app ovas a de e e s, a do e po a a es Ifwefa o d scove defecs o g o ow d ed ge ce evew, b d scove e o yafe epojec as be eacq ed a d eCo pay as ade s ves e , we ay ave eo o eco seaga s ese 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 pojec, ea g we w eve wava abe fo a o abo e pojec, s c e zo g, es o d g co y, a d o e fo a o we be eve s e eva As a p ac ca a e, oweve, s s py possbe o eve wa of e fo a o abo ag ve pece 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 eve wed s acc a e Fo exa p e, so e es po a fo a o s dde o ava abe, o a dpa y g avea ce ve o co cea fo a o o pov de acc a e fo a o , o we g o kofa e eve wed D e d ge ce s as c a a as sasce ce, a d e es a sk a, especa y ebe ef of ds g, o d e d ge ce w o o ave bee co pee o adeq ae

Pricing of Assets Tes ccess of e Co payad sab y o akeds b os o I vesos depedso e Ma age's ab y o ga ge eva e of ea es a e asses A og e Ma age ad sp cpasa e expe e ced ea es a e vesos ad w eyo vaos objec vec e a ose ec pope es fo ves e, cdg, a o a os a cases, d-payappasas, a ey eva e of ese asses sas c a a as a sce ce, ad e e s og a a y a e Co payad s adv so sw be s ccess f

Americans with Disabilities Act U de e A e casw D sab es Ac ($e^{(ADA)}$), p b c acco 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 pojec s w c e Co pay ves sw be "p b c acco oda o s," a d co py gw e ADA a d o e s a awsw ake ose pojec s o e expe s ve o b d a d a a a ey wo d ave bee o e wse F e o e, sposs be a e ADA co d be exe ded by awo eg a o, eq g exs g pojec s o be e of ed a g ea expe se

Difficulty Attracting Buyers and Tenants So e of e pojecs w c e Co pay vessw vove e cos c o of o ses, w e expecao a e o ses w besodo ce cos c o s co pe e O e pojecsw vove e cos c o of -fa yapa e co es, w e expecao a e apa e sw be eased o e a so ce cos c o s co pe e I e e s a o, e pojecsw beb o "spec," ea g a wew o ave abye fo e o seo e a s fo e apa e sa e e cos c o beg s Depe d go a ke cod o s, we g expe e ced ffc y f d gab ye o e a s, w adve se effecso e pof ab y of e pojec

Construction Risks Mos o a of epojecs w c eCo pay vessw voves bs a a e ova o of exs gpope eso cos c o of ewpope es No a e owca ef ywepa, ecos c o pocess s o o o s fo cos ove sad de ays. If ecos c o of a pojec e ded p cos gsg f ca y o e a we ad b dge ed, o ooksg f ca y o ge o co p e e a fo ecas, o we edo e pope y, epof ab yo eve evab y of epojec co d s ffe

Environmental Risks: T e Ma age o saff a esw cod c yp caevo e a esgo eac pojec o de e e exse ce of sg f caevo e a azads Howeve, s poss be o be ce a of a e ways a agve pece of ea esa e as bee sed, as g e poss b y a evo e a azads cod exs despeo e vo e a vesga o s U de Fede a ad Sae aws, o eove, a ce o pevo sow e o ope ao of ea esa e ay be eq ed o e eda ea y azado s cod o sw o egad o we e eow e kewabo o cased eco a ao S a y, eow e of ea esa e cod beco es bjec o co o aw ca s by d pa es based o da ages a d cos s es g f o evo e a co a ao T e cos of vesga g a d e ed a g e vo e a co a ao cabes bs a a, eve caas op c T e exse ceofa e vo e a azadco d e efoepese d eco d eco sks o e Co pa y

Lack of Diversification T e f s pojec s w c e Co pay ves s w pobaby be co ce a ed So e Ca fo a beca se a 's w e e o Spo so s oca ed T e efo e, e Co pay's po fo o of ea es a e asses s w be e a vey d ves f ed geog ap cay Po fo o eoys gges s a g ea e d ves f ca o ed ces sk, a d e efo e ves o s co s de g a ves e e Co pay s o d aso co s de ves e s a wo d, effec, ead o a be e d ves f ed o a po fo o

Concentration of Assets in a Small Number of Projects $T \in Co$ payw beg dep oy g cap a (a s, ves g pojec s) g away T s eas a, a e exe e, p o 100% of e Co pay's asses s co d be dep oyed as gep ojec, s g f ca y c eas g e skof I ves o s as co pa ed o a po f o o w c e Co pay's cap a s dep oyed a c oss a g e a e be of pojec s

No Offering Minimum A og e Copay opes o aseas c as \$50,000,000 fo e Offe g, w beg depoy g capa (a s, ves g pojecs) fo e f s do a If e Copay ased o yas a a o fo e Offe g say, \$500,000, j s o sea exa pe s b s esspa swo d be seve e y c a ed, c ea g g e a e sks fo I ves o s

Inability to Implement Liquidity Transactions We wyp cay a o ves pojecs a cabe q daed (*i.e.*, sod) w app ox a eyfve yeas Howeve, ees o g a a ee a we w be abe os ccessfyps ea q d y eve w espec oay of o pojecs Make cod os ay deay o eve p eve e Ma age fo p s g q d y eve s If we do o o ca o q dae o ea es a epo foo, o f we expected eays de o a ke cod os, s cod deay I ves os'ab y o ece vea e of e ves e def eyad ay eve es osses

Need for Additional Capital T e ea es a e d s y s cap a - e s ve, a d e ab y o oba f a c g co d o g ow We ay eed o ase o e o ey e f e so we ca co e o acq e a dope a e pojec s I add o , we g eed o ase o ey o ake cap a pove e s eq ed by awo by a ke co d o s, o fo o e p poses T e e s o g a a ee a f d g w be ava abe o s w e we eed , o o e s a a e o adve se o yo e es s If we ca o a se add o a f d g w e eeded, o ope a o s a d p ospec s co d be ega vey affeced

Risk of Dilution If we are add o a cap a ef eby ss geq y eess eCo pay, yo owesp ees wo dbed ed

Future Securities Could Have Superior Rights T e Co pay g ss esec es ef e a ave g ss pe o o e g sassoca ed w e Cass A I ves o S a es Fo exa pe, e o de s of ose sec es co d ave e g o eceved s b o s befo e a y d s b o s a e a e g e, do a fo do a, a ed s b o s pad o e o de s of e Cass A I ves o S a es, o e g o eceve a e o ey backo a q da o of e Co pay befo e e o de s of e Cass A I ves o S a es que y g

Risks Associated with Leverage We e d o bo ow o ey of a ce os o a of ep ojecs w c e Co pay vess W e deb f a c g ca p ove e s a good a ke, ca essg f ca sks abad a ke, a d e efoe c eases o v e ab y o dow s e ea es a e a ke o eco o c co d o s ge e a y T e e s o g a a y a wew ge e a es ff ce cas fow o ee o deb se v ce ob ga o s, a d we ay be abe o epay, ef a ce o exe d o deb w e d e We ay asog y e o e de (s) sec y e es s o asses as co a e a foo o deb ob ga o s If we a e abe o ee o deb se v ce ob ga o s, ose asses s co d be foe co e do y o ge e a e cas fows of d ds b o s o I ves os We ay asob e q ed o se asses o epay deb a d ay be foe co es a e a e for o be o eco pay, w c wo d kewse ega veyaffec o ab y o ope a es ccessf y

Uninsured Losses T e Ma age o a aff a e of e Ma age w y o e s e a eac p ojec ca es adeq a e s a ce cove age aga s fo esceabe sks Howeve, e e ca be o ass a ce a o s a ce w be adeq a e, a d s a ce aga s so e sks, ke e sk of e q akes a d/o foods, g be ava abe a oge e o ava abe a co e ca y easo abe a eso a o s a a e ess a ef a ke va e o ep ace e cos of e de y g p ope es He ce, s poss be a a p ojec wo d s ffe a s ed oss, es g a oss o e Co pa y a d I ves o s Gve e Co pa y's a foc s o So e Ca fo a, e sk of s ed osses fo e q akes s especays g fca

Broad Investment Strategy T e Ma age as boadd sc e o oc oose pojecs A I veso g p efe a o e foc seds a egy

Loss of Uninsured Bank Deposits Aycas e Copayaso adfo e o ew keybe ed eg abakacco s W e e FDIC s es deposs poa spec fed a o , sposs be a e a o of cas e Copay's acco wo dexceed e FDIC s, es g aoss f e bak fa ed

Potential Liability to Return Distributions U de so ecc saces, I ves os wo eceved ds b os fo eCo payco dbe eq ed oe so eo a of ose ds b os Howeve, I ves os ge e a yw o be abefo edebs a dob ga os of eCo paybeyo d e a o ey pad fo e Cass A I ves o S a es

Limited Liability of Manager U de e Co pay's L ed Lab y Co pay Ag ee e, eg o ds fow c a I veso ayse e Ma age svey ed Fo exa pe, e L ed Lab y Co pay Ag ee e waves a fd cay ob ga o s of e Ma age T s ea s a excep a e c c s a ces, yo w o be abe o s e e Ma age eve f e Ma age akes s akes a d ose s akes cos yo o ey

Limited Participation in Management I vesos w o avea g ovoe o o ewse pa c pa e a ag g e Co pa y Fo exa pe, I vesos w ave ovoce seec g e pojecs w c e Co pa y vess, dec d g o e e sof e ves e , o dec d g w e a pojec s o d be sod O y osew g ogve co pe e co o oo a age e ea s o d co s de a ves e e Co pa y

Reliance on Management T es ccess of e Co pay depe ds a os exc sveyo e ab es of sc e a age e ea Ifay of ese dvd as esg ed, ded, o beca e , e Co pay a d s I ves o sco d s ffe

Conflicts of Interest T e eess of eMa age codcofcw e eess of I vesos a be of poa ways, cdg ese

- Te eess of I vesos g bebe e-se ved fo a age e ea devoed sf a e o o ebs ess of eCo pay I sead, o ea w a age a be of diffe e pojecs
- A eas a y, e Co pa y w o cosde ves g pojecso e a ose co o ed by e Ma age a d saff a es, eve f e pojecs q es o ep ese be e oppo es
- Te Ma age a d saff a esg o vessg f ca eqy e Copayo e pojecs w c e Copay vess If ey do o, e eco o c e ess cod be cof c w e e ess of I ves os
- Me besofo a age e ea avebs ess eesswoy eaed o eCo payad saff aes, a ofw c eq eaco e of e

- DF Gow REIT LLC ("<u>Gow REIT I</u>") was fo ed by e Spo so 2018 a do Nove be 13, 2018 soffe gof sec es de Reg a o A was q a fed by e SEC T e e co d be saces w e e e sa e p ope y sa sfes e ves e c e a of bo e Co pa y a d Gow REIT I Fo o e fo a o see "O Co pa y a d B s ess A oca o of P ojec s Be wee e Co pa y a d Gow REIT I"
- Te awye sw op epa ed e L ed Lab y Co pay Agee e, e I ves e Agee e, a d s Offe g C c a epese s, o yo Yo s e yo ow awye (a yo ow expe se) fyo wa yo e essobe epese ed

Waiver of Right to Jury Trial T e I ves e Ag ee e a d e LLCAg ee e bo p ov de a ega ca sw be dec ded o y by aj dge, o by aj y T e p ov so e LLCAg ee e w app y o o y o a I ves o w o p c ases Cass A I ves o S a es e Offie g, b a so o a yo e w o acq es Cass A I ves o S a es seco da y ad g Hav g ega ca s dec ded by aj dge a e a by aj y co d be favo abe o favo abe o e ees s of a ow e of Cass A I ves o S a es, deped g o e pa es a d e a e of e ega ca s voved I s poss be a aj dge wo df d ewave of aj y a e fo ceabe a d a owa ow e of Cass A I ves o S a es o ave s, e, o s ega ca dec ded by aj y I a y case, ewave of aj y a bo e I ves e Ag ee e a d e LLCAg ee e do o app y o ca s a s g de e Fede a sec es aws

Forum Selection Provision O I ves e Agee e a do LLCAgee e bo povde a dsp esw be a ded so ey es a eo fede a co soca ed o os geog ap cay co ve e o Sa Dego, Ca fo a We c ded s povso p a y beca se e Co pay's eadq a es a e Sa Dego T s povso co d be favo abe o a I veso o e exe a co ad ffee j sd c o wo d be o e key of d favo of a I veso o be o egeog ap cay co ve e o a I veso I s poss be a a j dge wo d f d s povso e fo ceabe a d a owa I veso o fea aws ad ffee j sd c o

Sec o 27 of e Exc a ge Ac pov des a Fede a cos ave exc svej sd co ove aws sbog de e Exc a ge Ac, a das caws saybebog a y Fede a ds cwee e defe da sfodosa abao a sacsbs ess Sec o 22 of e Sec es Ac pov des a Fede a cos ave coc e j sd cow Sae cos ve aws sbog de e Sec es Ac, a das caws saybebog a y Fede a ds cwee e defe da sfodosa abao a sacsbs ess I vesos cao wave o (o e) cop a cew Fede a sec es aws He ce, o e exe e fose copovsos of e I ves e Ag ee e o e LLC Ag ee e cof cwee Fede a sa es, e Fede a sa eswodp eva

Limitation on Rights in LLC Agreement T e Co pa y's L ed Lab y Co pa y Ag ee e syo g s seve a po a ways, c d g ese

- TeLLCAgee e sg fca yc asyo g ob gega ca saga s a age e
- TeLLCAgee e syo g oob a fo a o abo e Co pa y a d o spec s books a d eco ds
- I vesosca e ove e Ma age o y vey edcc sa ces, eve fyo k e Ma age sdo ga bad job
- T e Ma age s a owed o a e d e LLC Ag ee e ce a espec s w o yo co se
- TeLLCAgee e es csyo g ose o o ewse a sfe yo CassAI ves o Saes
- TeLLCAgee e gves e Ma age e g obybackyo CassAIves o Saesw o yo cose f e Ma age dee es a () e Copay wo do ewse beco e s bjec o e E poyee Re e e I co e Sec y Ac of 1974 (afe efe ed o as "ERISA"), o () yo ave e gaged ce a scod c
- T e LLC Ag ee e pov des a a d sp es w be codced Sa Dego Coy, Ca foa

Limitations on Rights in Investment Agreement Top c ase Cass A I ves o S a es, yo a e eq ed os g o I ves e Agee e T e I ves e Agee e wo d yo g s seve a po a ways fyo be eve yo avec a saga s s a s g fo e p c ase of yo Cass A I ves o S a es

- A y ca sa s g fo yo p c ase of Cass A I ves o S a eso e I ves e Ag ee e s be b o g e s a e o fede a co s o ca ed Sa Dego, Ca fo a, w c g o be co ve e o yo
- Yo wo d o bee ed o a j y a
- Yo wo d o bee ed o ecove a y os p of s o spec a, co seq e a, o p ve da ages
- If yo os yo ca agas s, yo wo dbe eq ed opayo expe ses, c d g easo ab ea o eys' fees If yo wo, we wo dbe eq ed opay yo s

Limits on Transferability T e e a e seve a obs ac es o se go o e w se a sfe gyo Cass A I ves o S a es

- Teew be oes absed ake fo yo CassAI veso Saes, ea gyo cod aved ffc yfd gabye
- U de eL ed Lab y Co pay Agee e, e Cass A I ves o S a es ay o be a sfe ed so ec c s a ces
- If yo wa ose yo Cass A I ves o Saes, yo sfs offe o e Ma age
- U de eL ed Lab y Co pay Ag ee e, e Cass A I ves o Saes ay o be a sfe ed f e Ma age de e es a e a sfe co djeopad ze es a sof e Co pay as a REIT
- Toq a fy as a REIT, eL ed Lab y Co pa y Ag ee e s e a o of e Co pa y a a yo e pe so ayow, w c ay es c yo ab y o se Cass A I ves o S a es o o e s w o ave ves ed e Co pa y

Tak ga a oacco , yo so d pa oow yo Cass A I veso S a es def e y

Risk of Failure to Comply with Securities Laws Aff a es of e Co pay ave pevo sysod sec es ey go e exe po de R e 506(c) of Reg a o D ss ed by e Sec es a d Exc a ge Co sso, a d e c e Offe g by e Co pay e es o e exe po de Reg a o A I a cases, we ave e ed o e adv ce of sec es awyes a d be eve we q a fy fo e exe po If wedd o q a fy, we co d be abe ope a es posed by e Fede a gove e a d Sae eg a os, as we as o aws s fo ves os

Reduced Disclosure Requirements Under the JOBS Act: T e Cass A I ves o S a es a e be g offe ed p s a o T e 2 of Reg a o A ss ed by e SEC, as a e ded p s a o e J ps a O B s ess S a ps Ac of 2012 (k ow as e "<u>JOBS Ac</u>") Reg a o A does o eq e s op ov de yo w a of e fo a o a wo d be eq ed a egs a o s a e e co ec o w a a p b c offe g (IPO) of sec es As a Reg a o A ss e, we a e a so o s bjec o e sa e eve of o go g epo g ob ga o s as a yp cap b c epo g co pa y, c d g, b o ed o, a y of e d s cos e eq e e s app cabe op b c epo g co pa es de e Sec es Exc a ge Ac of 1934

We Are an "Emerging Growth Company" Under the JOBS Act Today, e Co payq a fesasa "e e g g g ow co pay" de e JOBS Ac If e Co paywe e o beco e a p b c co pay (e.g., fo ow g a IPO) a d co ed o q a fy as a e e g g g ow co pay, wo d be abe o ake adva age of ce a exe p o s fo e e po g eq e e s de e Sec es Exc a ge Ac of 1934 a dexe p o s fo ce a veso poeco e as es de e Saba es Oxey Ac of 2002 Us g ese exe p o s co d be ef e Co pay by ed c g co p a ce cos s, b co d aso e a a veso s eceve ess fo a o a d eceve fewe p o e co s a eywo d o e w se Howeve, ese exe p o s a d e s a s of e Co pay as a "e e g g g ow co pay" ef s pace w o be eva ess e Co pay beco esa p b c epo g co pay, w c wedo o p a o fo esee

We Are Not Subject to the Corporate Governance Requirements that Apply to Companies Listed on a National Exchange: Co pales work on sevent and a sock exclaring e (for exalple, e New Yok Sock Exclaringe) all e ge e alysis bjech o a liber of e sabol corporate governance are e ded opoectives os. For exalple, e ajol US sock exclaring e e sed co pales o avealad co ee ade pelley of depende e besof e boad of decos (*i.e.*, decos work of a e a o side ealos provide e e or constraints) and exclaring e constraints and exclaring e Accord gives on avealad e endered e e sofalao a exclaring e Accord gives on avealad e endered e e sofalao a exclaring e constraints and exclaring e constraints and exclaring e alex age. Accord gives on avealad e endered e e sofalao a exclaring e constraints and exclaring exclaring e constraints and exclaring exclaring exclaring e constraints and exclaring exclaring e constraints and exclaring exclari

Regulation As An Investment Company: If e Co paywee eaed as a "ves e co pay" de e I ves e Co pay Ac of 1940, we wo d be eq ed o co py w a be of speca es ad eg a o s ad c sg f ca cos do g so I add o, f we e de e ed a e Co pay ad ope a ed as a ves e co pay w o egse g as s c, we co d be s bjec o sg f ca pe a es ad, a o g o e gs, a y co ac s e Co pay ad e e d o co d be e d e ed o co ab e d e d o co d be e d e d o co d be s bjec o sg f ca pe a es ad, a o g o e gs, a y co ac s e Co pay ad e e d o co d be e d e e d o co ab e d e d o co a b s ess so a we a e o ea ed as a ves e co pay Howeve, we g o be s ccess f

Failure to Satisfy Conditions of REIT; Taxes on REITs: We edoeec obe axed as a ea es a e ves e s, o "REIT," de Secos 856 og 860 of eI e a Reve e Code ($e^{(Code)}$) fop poses of fede a co e axes Toq a fy as a REIT, eCo pa y s sa sfy a be of c e a, bo ow a do a o go g bass S o d eCo pa y fa os a sfy a y of es c e a, eve adve e y, co d beco es bjec o pe a y axes a d/o ose s REITs a sa oge e, w c wo d ake eCo pa y s bjec o fede a co e ax a d eeby ed ce e e s o ves os s bs a a y F e, eve f a a s s REITs a s, eCo pa y co d bes bjec o va o s axes s o es a o s W e eCo pa y e ds o seek g da cefo axadv so sa dope a e s b s essaccod g y, ees og a a y a w be abe o avod axes a d a a s q a f ca o as a REIT.

We Have Limited Experience Operating a REIT T e Ma age as ed expe e ce ope a g a REIT, w c co d ega ve y affec o ab y o exec e o b s ess s a egy, q a fy as a REIT, a d a a a s a s

REIT Requirements Could Restrict Actions REITs a es bjec o a 100% axo co efo "pob ed a sacos," w c c desaes of asses a cos e ve o y o o e pope y ed fo sa e e o d a y co se o fab s ess, o e a fo e cos e pope y T s 100% axco d paco des e o se asses a do e ves e sa o e w se o popo e es fwebe eves c sa es co d b e co s de ed a p o b ed a saco

Required Distributions: As a REIT, we ge ea y s d s b e 90% of o a a axabe co e oo ves os Fo e o ewe g ge e a e axabe co e ge a e a a o e co e fo f a ca e po g poses fo, a o go e gs, a o za o of cap a zed p c ase pe s, o o axabe co e g be ge a e a o cas fow ava ab e fo d s b o oo s ock o des I fwedo o aveo e f d sava abe eses a o s, we g be abe o d s b e 90% of o axabe co e as e q ed by e REIT es I a case, we wo d eed o bo owf ds, se a po o o fo ves e s, po e a y a d sadva age s p ces, o f d a o e a e a ve so ce of f ds T ese a e a ves co d c ease o cos s o ed ce o eq y a d ed ce a o s o ves ea es a easses a d o e ves e s Mo eove, e d s b o s eceved by o sock o de s s c a eve co d co s e a e of cap a fo fede a co e axp poses, as eds b o s wo d be excess of o ea gs a d p of s

Federal and State Income Taxes as a REIT: Eve f e Co payq a fesa d a a s s q a f ca o as a REIT, ay bes bjec o fede a co e axes a d e a ed s a e axes Fo exa pe, f we ave e co e fo a "po b ed a sac o," s c co e w bes bjec o a 100% ax T e Co pay ay o be abe o akes ff ce ds b o s o avo d exc se axes app cabe o REITs T e Co pay ay as odec de o e a co e e a s fo e sae o o e d spos o of s pope y a d pay co e ax d e c y o s c co e I a eve, e Co pay's vesos w be ea ed as f eyea ed a co e a d pad e axo d e c y Howeve, s a e o d es a a e ax-exe p wo d ave o be ef fo e dee ed pay e of s c ax ab y T e Co pay ay as obes bjec o sae a d oca axes o s co e o pope y A y fede a o s a e axes pad by e Co pay w ed ce e Co pay's ope a g cas fow a d cas ava ab e fo d s b o s

FIRPTA Tax on Non-U.S. Sellers: A o -U.S.I veso w ose s Cass A I veso S a es fo a ga wo d ge e a y be s bjec o ax de e Foeg I ves e Rea P ope y TaxAc (FIRPTA) f e Co pa y does o q a fy as a "do es ca y co o ed REIT," ea ga REIT w c ess a 50% of eva e of e o s a d g s a es a e ow ed by o -U.S pe so s We e d o q a fy as a do es ca y co o ed REIT, b e e ca be o ass a cewe w aways do so

Lawsuits Against Principals Tep cpasofo Sposo, A a Lews a d Cag Cec o, a e defe da s seve a aws sas g fo ea esae a sac os a c ed befoe e Co paya deve e Sposo we e fo ed If dec ded adve se y ese aws scod ave a adve se effec o e Co pay See "O Ma age e Tea Lega Poceed gs"

Breaches of Security I sposs be a o syste swod be "acked," ead g o e ef od scos e of cof de a fo a o yo ave povded o s Beca se ec q es sed ooba a ozed accesso o sabo age syste s c a gef eq e y a d ge e a y a e o ecog zed ey a e a c ed, we a d o ve d os ay be abe o a c pa e ese ec q es o o pe e adeq a e defe sve eas es

The Foregoing Are Not Necessarily The Only Risks Of Investing Please Consult With Your Professional Advisors

OUR COMPANYAND BUSINESS

Overview

T e Co paywas fo ed o ves ea es a e pojecs e U ed S a es T e Co payw focspayo fa yva e-add pope es b w aso ook fo oppo es acosso e co e ca ea es a es cos, c d g d s a pojecs, da a ce es, se f-s o age, a d ed ca off ce pojecs T e Co pay g seek o de fyexs g pojecs a ave beco e ds essed beca se of e COVID-19 pa de c, b d s essed pojec s w o be s p c pa foc s

Investments Through Other Entities

So e es e Co payw ow ea es a e d e cy Mos of e e, oweve, e ves e s ade by e Co payw be o g o e e es ("<u>Pojec E es</u>") Fo exa pe, f e Co pay ves s a -fa y pope y, e pope y w key be ow ed by a d ffe e e y, s c as a ed pa e s po a ed ab y co pay Typ cay, Pojec E es w be co o ed by e Spo so o a o e e y co o ed by e Spo so Howeve, f e Co pay does o co o e Pojec E y sef e w e a co o g s, e a g e Co pay's co se w be eq ed o ce a ajo ac o s ake by e Pojec E y, s c as e sae o ef a c g of s e a e s a e a d e e pace e of s a age o ge e a pa e

LLC Agreement

T e Co pa y s gove ed by a L ed Lab y Co pa y Ag ee e da ed Ag s 20, 2020, w c we efe o as e "<u>LLC Ag ee e</u>" A copy of e LLC Ag ee e s a ac ed as Ex b 1A-2B

Management

Te Copays a aged by e Ma age Te LLC Agee e ge e a ygves e Ma age exc sve coove a aspecs of e Copay's b sess O e e bes of e Copay, c d g I ves o sw op c ase Cass A I ves o Saes e Offe g, ge e a y ave o g opa c pae e a age e of e Copay

 $T \ e \ e \ so \ yo \ e \ excep \ o \ o \ s \ e \ o \ e \ S \ a \ e \ so \ S \ a \ e \ so \ s \ e \ o \ e \ Ma \ age \ fo \ ca \ se \ Fo \ o \ e \ fo \ a \ o \ , see ``S \ a \ y \ of o \ LLCAg \ e \ e \ a \ dA \ o \ z \ g \ Reso \ o \ Ma \ age \ e \ ``$

Investment Strategy

T e Co paysseek go ves advesfed po foo of pedo a y co e-pod c g ea esa e asses o go e U ed Sa es

Spec f ca y, we e d o ves p a y fa y va e-add pojecs a kes a ex b a e d of s o g pop a o a d job g ow a d o e favo ab e oca a ke co d o s T e va e-add ves e s a egy e a s () b y g a pojec a sa eady s ab zed a d c ea g cas fow, () p e e g a cap a expe d e pog a w ee we e ova e bo e e o sa d e exe o of e pope y ove a 18 o 36 o pe od, a d () p ov g e ove a a age e of e pope y o dec ease ope a g expe ses a d c ease occ pa cy We expec ese e ova o s w a ow s o c age e a s a g e e a d e efo e "add va e" o e asse by c eas g cas fow a d e pope y's ove a a ke va e based o e g e e ope a g co e

We expec a o ce e Co pa y as a sed \$50 o of eq y cap a, a eas 50% of s c cap a w ave bee ves ed p ojec s of s k d

TeCopay g asob d ew fa ypojecswee be eves ca expecas g f ca p of

T e Co pa y g a so e d o ey o ea es a e pojec s o ge e a e c e y e d

COVID-19 & The Multi-Family Market

Hs o cay, e -fa y ake as beed ve by favo ab esp py/de a d f da e as, c d g() a ed be of ew s co g o o e ake () e de og ap cofe efe ed o as "ec o boo e s," () a cease e be of g a s a d(v) g e e d g g de es ead g o owe a es of o e ow es p

Howeve, eo se of egoba COVID-19 pa de c a sed by e co o av s as e ped a y of ese pos vef da e as Ma y of ese e pos a e key o ega vey pac e -fa y a ke, as eas e ea - e Ye we e a op s c abo e ed - o - o g e o ook of e -fa y a ke a d be eve e c e a ke p ese s a y exc g ves e oppo es

Fs, we be eve a e be of ew sco go o e ake w e a ed Accod go e Na o a Assoca o of Ho e B de's ("<u>NAHB</u>") M fa y Pod co I dex ("<u>MPI</u>"), pod co of ew fa y s as deceased sg fca ys ce eo se of COVID-19¹ B de sa e epo g ewos b d g co d o s fo fa y ss ce e fo q a e of 2009² a d NAHB's M fa y Make Vaca cy I dex (e "<u>MVI</u>") ss ow g a sg fca cease e be of vaca apa e s fa y pope es³ Co ec vey, we be eve ese d ca o sa e key o pove as sa es co e o g app ew co a g COVID-19, ea g a pod co of ew fa y sw e a sag a

Seco d, we be eve es o g ega ve pac s of COVID-19 o abo a ke sw es ceased es de a o gage foecos es a da a ge poo of pe so s e es ed -fa y o s g Acco d g o Fede a Rese ve C a a Je o e Powe, a o g ose pe so swok g Feb a y of 2020, a os 40% pe ce of ose o se o ds ak g ess a \$40,000 a yea os a job Mac of 2020⁴ Ma y of ese jobs we e key owe-wage d s es s c as e a a d e s e/ osp a y w c epo ed d s y e poy e a es of 17 1% a d 39 3% Ap of 2020, espec ve y⁵

A esa e e, e se COVID-19 cases acoss eco y as ceased e sk a eexs g o gage fo bea a ce a e (es a ed o be 86% of a ac ve o gages as of ef a week of J e 2020) w ceas g y a s o o o gage fo ecos es by ee d of 2020^6 So e a es a espojec a efo ecos e a eco d app oac 20-30% of a ac ve o gages⁷, d ca g a epo e a poo of peop eseek g fa y o s g s key o cease, a eas es o -o- ed e

 2 Id

- ³ "M fa y Vaca cy I d ces QI 2020 (Seaso a y Adj s ed)," by e Na o a Assoca o of Ho e B des, accessed o J e 30, 2020 a d ava abe a ps//www a b o g/-/ ed a/NAHB/ ews-a d-eco o cs/docs/ o s g-eco o cs/ s/2020-q a e -1/ v -q1-2020-pdf pdf
- ⁴ "A Eco o c Updae by Fed C a Jeo e H Powe," by e Peeso Is e fo I e a o a Eco o cs, accessed o J y 9, 2020 a d ava abe a ps//www.peco/eve s/eco o c- pdae-fed-c a -jeo e- -powe

5 "Re-Ope g A e ca Low-Wage Wo ke s Have S ffe ed Bad y F o COVID-19 So Po cy ake s S o d Foc s o Eq y," by Mo y K de a d Ma a Ross of e B ook gs I s o , accessed o J y 9, 2020 a d ava ab e a ps //wwwbook gs ed / esea c / eope g-a e ca-ow-wage-wo ke s- ave-s ffe ed-bad y-f o -cov d-19-so-po cy ake s-s o d-foc s-o -eq y/

6 "Foecos e T ea Gows as COVID-19 S ges, Fed Says," by Ka ee Howey, Ho s gw eco, accessed o J y 8, 2020 a d ava abe a ps //www o s gw eco /a ces/foecos e- ea-g ows-as-cov d-19-s ges-fed-says/

⁷ Id.

^{1 &}quot;M fa y Pod c o I d ces Q1 2020 (Seaso a y Adj s ed)," by e Na o a Assoca o of Ho e B des, accessed o J e 30, 2020 a d ava ab e a ps //www a b o g/-/ ed a/NAHB/ ews-a d-eco o cs/docs/ o s g-eco o cs/ s/2020-q a e -1/ p-q1-2020-pdf pdf

T d, spojeced cease o gage foecos es sead go g e ced a ke sa d ceased sa da ds fo ba ks o o g a e ew oa s Accod g o e Mo gage Ba ke s Assoca o 's Mo gage Ced Ava ab y I dex, eava ab y of o gage ced as deceased sg f ca y eac o s ce e a wave of COVID-19 cases Ma c 2020, a dava ab y of o gage ced May 2020 was a s owes eves s ce ea y 2014^8 T s s d e pa o ajo ba ks ceas g e o gage bo owe s a da ds by eq g a ge dow pay e s a d g e ced scoes o ece ve ew o gage oa s⁹ A of ese facos wo d ed ce epoo of pe so s ees ed a d ava ab e op c aseas ge fa y o e, a d , cease e de a d fo -fa y o s g

F a y, we be eve a eco o cfa o fo e COVID-19 c s s w a e y es o e g a o fo o e co es, w c w a so c ease de a d fo -fa y o s g W e e ap d sp ead of COVID-19 as ed a y gove e s, c d g e US gove e , o pose ave es c o s a d dec ease g a o fo ce a co es w g e p eva e ce of COVID-19 fec o s, we be eve a COVID-19's pac o ce a d s es w o y se ve o g g e eed fo o e g a o Fo exa p e, as e ag c a d s y as expe e ced s o ages d e o oca zed o beaks assoca ed w e pa de c, a y fa s ave bee abe o f abo s o ages d e o ad a a c dec ease g a o L kewse, g a abo s s o g a y esse a b s esses a d se v ces, a of w c ay g g e po a o e g a s p ay o co y a d o eco o y

The Commercial Real Estate Market

Te co e ca ea es a e a ke s c e y expe e ced a ke ca e ges a y oca o s o g o e U ed Sa es W e e a, osp a y a d office asses a e expe e c g s g f ca vaca ces, we expec e fa y a ke w o see as seep of dec es a d a y a ke s w e a e a vey s ab e g ve e ove a o s g s o age

The Distressed Real Estate Market

C e y, we a e beg g o see s g s ofds essed asses e a ke, w c a ow fo e poe a op c ase asses a a s g f ca d s co We pa o o o ce a a ke s fo oppo es o ves d s essed asses ass g we a e a b e o ego a e a p c ase p ce a e p ese s a s g f ca d s co o w e e we k e a ke va e s

⁸ "Mo gage Ced Ava ab y I dex," by e Mo gage Ba ke's Assoca o, accessed o J y 8, 2020 a d ava ab e a ps //www ba o g/ ews- esea c -a d-eco o cs/s g e-fa y- esea c / o gage-c ed -ava ab y-

dex# ex ABOUT%20THE%20MORTGAGE%20CREDIT%20AVAILABILITY,va e%20 a o%2C%20e c

^{9 &}quot;JPMo ga C ase o Rase Mo gage Bo ow g S a da ds As Eco o c O ook Da ke s," by Re e s, accessed o J y 9, 2020 a d ava ab e a ps //www.c bc co /2020/04/11/jp o ga -c ase- o gage-bo ow g-s a da ds-as-eco o c-o ook-da ke s

Due Diligence

We eCopay de fesa oca o o apoe a popey, wypcay sg aco ac adpacea escow depos o be ed w edesga ed escow age Te Copay w e cod c exe sved ed ge ce, c d gp yscas e specos, e vo e as des, a evew of app cabe zo gad ad se es cos, e epo s, a evew of a eases (fay), a evew of e eve es a dexpe ses fo epopey, a das dy of e oca ake a doca cod o s

Basedo sdedgece, eCopayw dee eweeoovefowadw epopey

Evaluating Alternatives

D g e a 12-36 o sofow g a d a ag g e popey, e Co paywa ayze a ke co d o saddec de we e e popeyso 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 cyce of a ea es a e pojec va es o a dvd a pope y bass, b ge e a y a pojec 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 cyce 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 cyces a effo o ax ze 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 ze o e a a ebbs a d fows of e ea es a e ves e fe cyce T s s beca se a y of o p ope es w be bo g owd g e eg of e COVID-19c s s a d sod g w e a ke s e o s o ca o s e yea s af e e COVID-19c s s as s bs ded

Use of Leverage

We expect on service age of the service of the ser

Competitive Landscape

T e US ea es a e a ke as a woe as so cay expe e ced eavy de a dad ed s ppy, way deve opes, vesos, a do e pa es co pe g fo p ope y Howeve, e c e pa de c as ega vey paced vay evey seco of e US a d g oba eco o y, c d g ea es a e Wages fo a y o se o ds a e dow (so es g f ca y), e p oy e s app oac g eco d eves, a d ba ks a do e e de s a ep epa g fo a expected de geoffo ecos es

As a es , we be eve a e e w be as ge exs g -fa y os g pojecs ava ab e fo p c ase fo e fo eseeab e f e A e sa e e, abse ass ve e ve o oced a ke s by e Fede a Rese ve, e expeced g e g of c ed a ke s ay dec ease e a o of cap a of a ces c p c ases

Accod gy, we be eve e ea es a e a ke w favo age s o a vesos a do es w sg fca cas o a do access o a e a vef a c g e ods We ay be a adsadva age o o co pe o w o ay avegeae cap a eso ces a wedo, c d g cas -o - a d Howeve, we be eve a ese age co pe o s w foc s o o eexpe s ve a d age p ope es, as e eco o c dow assocaed w COVID-19 as aso ad so e pac o ed - a d ppe - co eco es T s, e Co pay w sead ook fos a e o d-szed p ope es, a ke a yp cay voves dv d a a d s a e s o a b yes a e a age s o s T e ea ve effice cy s seg e a d e key s ge avaabe p ope es de o COVID-19 a d s ea ed eco o c pacs ay cea e excee ves e oppo es

Allocation of Projects between the Company and DF Growth REIT I

Gow REIT Is focsed o ea es a e asses e U ed Saes, p a y -fa y es de a pope es Tescope of e Copays boade, b e e cod eve e ess be saces w e e es a e pojec fs e ves e saegy of bo e Copayad Gow REIT I I a case we w eva a e e pojec seek g o ba a ce bo po fo os

We w y o keep e po fo os ba a ced seve a ways

- Geographic Balance Wew y o keep e po fo os baa ced geog ap ca y Ifa ewp ojec s oca ed No Cao a a d Gow REIT I a eady ow s ee p ojec s No Cao a, e ewp ojec g ake o e se se e Co pa y
- *Risk Balance* Eac pojec ca es a sk/ ewadpofe If a ew pojec s weg ed owad a ge sk/ ewadpofe a de Copay's pofoos a eady weg ed a deco, e ew pojec g ake oese se Gow REIT I
- Balance in Property Rating M fa ypojec sae aed A, B, a d C, dec g q a y Wew yo ac evea ave age a g of B bo po fo os

We g y o ac eve ba a ce o e ways as we

If, eed, a ewp ojec akes eq a se se e e e Co pa yo Gow REIT I, s a so poss be a bo po fo os w ves

Term of the Company

We w beg depoy g e cap a we ase s Offe g g away We e d o ope a e e Co pay fo app ox a ey fve yeas w e op o of p o wo add o a o e-yea exe s o s a e d sc e o of e Ma age

Tow d dow e Copay, e Maage w seek oge eae q d y fo I ves os a d eaze a y gas e va e of o ves e s by se g o ef a c g o pope es a d e g cap a o I ves os o a o de y bass Saes a d ef a c g w bes bjec o p eva g a ke cod o s a d e e s og a a ee a wew be s ccessf exec g a y s c q d y a sac o s o e s favo abe o e Copay a d I ves os, o a wew be abe o do sow e e fa e we ave a cpaed

PAST PERFORMANCE: OUR TRACK RECORD SO FAR

Narrative Summary

T e Spo so of e Co pays D ve syF d, I c T e p c pa ow e s of e Spo so a e A a Lews a d C ag Cec o

T e Spo so was fo ed A g s 2016 Ove e as fo yeas, e Spo so o saff a es (cd go e e es of w ce e M Lewso M Cecowas ap cpa) ave aced as e spo so of sx ea es a e ves e oppo es offeed o ves os de SEC Reg a o D, w c we efe o as a "<u>Reg a o D P og a s</u>" I e agg ega e, e Reg a o D P og a s ave a sed \$15,037,872 fo 190 ves os a dp c ased o b fve dvd a pope es, a oca ed Ca fo a Of ese, o ep ope y as bee sod A e Reg a o D P og a s voved ew cos co of s ge-fa y o es a d -fa y pope es, a da we e o eo e ed owad "gow" a " co e" objec ves

No e of e Reg a o DP og a s() as bee eg s e ed de e Sec es Ac of 1933 () as bee eq ed o epo de sec o 15(d) of e Sec es Exc a ge Ac of 1934 () as ad a cass 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 o e sec y o de s

I add o o e Reg a o D P og a s, Gow REIT I as a sed app ox a e y \$18,992,587 fo ves os 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 agg ega e p c as e p ce of \$43,395,000, a a aged a d co o ed by e Spo so No e of ese 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 pepaesa d fes ep b c epo s eq ed by Reg a o A, c d ga a a d se -a a epo s A of ep b c f gs of Gow REIT I a eava abe o EDGAR, e SEC's e e c o c po a, a d w be pov ded o pospec ve ves o s po eq es a d fee of c age

A eReg a o DP og a s a d G ow REIT I ave ves e objec ves s a o ose of e Co pa y

T e e ave bee o ajo adve se b s ess deve op e so co d o s expe e ced by Gow REIT I o a y of e Reg a o D P og a s a wo d be a e a op c ases of e Cass A I ves o S a es, o e a e COVID-19 pa de caffec g ea es a ege e a y

T e fo ow g p ope es ave bee b o acq ed d g e as ee yea s by G ow REIT I o a Reg a o D P og a

Entity	Property Type	Location	Financing	
Dve syF dGa oLLC	S g e Fa y Res de ce	Los A ge es, CA	Deb	
D ve syF d Pa k B vd LLC	59 U s M fa y	Sa Dego, CA	Eq y	
D ve syF d Mo e ey LLC	S g e Fa y Res de ce	Mo e ey, CA	Deb	
TeSad aGopic	8U sS de Hosg	Sa Dego, CA	Eq y	
DFS ey LLC	200 U s M fa y	K ee ,TX	Eq y	
McA LGLLC	121 U s M fa y	Faye ev e, NC	Eq y	
Bvd Wes LLC	242 U s M fa y	Geeve, NC	Eq y	
Woods de Hg a d UT, LLC	54 U s M fa y	Hg ad, UT	Eq y	

Fo oedeaed fo a o abo eseacq s o ssee Tabe VI of epope fo a ce abes

Prior Performance Tables

Fo oe fo a o abo epo Pogas, pease efe o Ex b 1A-152 Res sof Po Pogas, be ow Te fo a o pese ed Ex b 1A-152 spese ed as of Dece be 31, 2019

WHAT IS A REIT, ANYWAY?

T e Co pa y e ds o be ea ed as a Rea Es a e I ves e T s, o "<u>REIT</u>"

A REIT s j s a axco cep a e y a s ea ed as a co po a o fo Fede a co e axp poses a d sa sfes a o g s of eq e e s s ed sec o 856 of e I e a Reve e Code T ese eq e e s c de

- Tek ds of asses ow s
- Tek dof co e ge eaes
- Woows
- How c of s co e ds b es o sow es

A REIT s<u>o</u> af coofsec es aws T s, a y REITs ave "go e p b c" by offe g e sec es offe gs a a e egs e ed de e Sec es Ac of 1933, w e a yo e REITs a es p vae So e "p b c" REITs ave egs e ed e s a eso o a a o a sec es exc a ge, a ow g e s a es o be p b cy aded, w e e s a eso fo e "p b c" REITs a e aded p vae y T e e a e ve y a ge REITs a d ve y s a REITs, a d eve y g be wee So e REITs ves o e cass of e a es a e asses, o es ves co pe ey d ffe e casses of e a es a e asses (*e.g.*, o y o gages), a d s o e s ves pe casses of e a es a e asses T e o y g a ese co pa es ave co o, be g REITs, s a eya sa sfy e eq e e sec o 856 of e Code

W y go o g e eadac e of sa sfy g a ose es o beco e a REIT? J s axes

- If e Co paywee a eg a ed ab y co pay, o a REIT, e e co e of e Co paywo d be epo ed o I vesos o Fo K-I Tasfe g e fo a o fo Fo K-I o so e ow peso a axe ca bed ff cad e-cos g
- Covesey, f e Copaywee a copoa o addd o q afyasa REIT, wo dbe s bjec o axos coe a e copoa e eve, ad veso s wo d e be s bjec o axaga w e e Copayds b ed s coe, es g wo eves of axo e sa e coe
- As a REIT, e Co pa yw o sefbes bjec o ax, a d I ves o sw ece ve o y as peFo 1099 o epo e co e fo e Co pa y

If yo a e e e s ed, yo ca ead c o e de a ed fo a o abo e ax ea e of REITs "Fede a I co e Tax Co s eq e c es"

T e Co paysa ed aby fop poses of sae aw, b as eec ed obe ea ed as a copoa ofo Fede a coe axp poses T a's waa ows e Copayobe ea ed as a REIT

OUR ORGANIZATIONAL STRUCTURE

We I vesos by Cass A I veso S aes, eyae by ga ees DF G ow REIT II, LLC, w c sa De awae ed ab y co pa y a as ade a eec o o be axed as a co po a o (a d as a REIT) fo Fede a co e axp poses. We efe o a e y as e "Co pa y"

Apa fo I vesos, eo yo e ow e of e Co pa y oday s D ve syF d, I c, w c we efe o as e "Spo so"

DF Ma age, LLC, a Deawae ed ab y co pay, w c we efe o as e "<u>Ma age</u>," co o sa of e aspecsof e Co pay's b s essa dope a o s, c d g ves e decso s (a s, decd g w c p ope es o b y a d se a d w e o b y a d se e)

Of cose, e Copay cod ad add o a e bes ef e

Tefo ow gdaga saes e o ga zao as ceofe Copay, we e I veso sae cded e boxa e g

OUR MANAGEMENT TEAM

Names, Ages, Etc.

Name	Position	Age	Term of Office	Approximate Hours Per Week If Not Full Time
C a g Cec o	C ef Exec ve Off ce	47	I def e	20 Ho s
A a Lews	C efF a c a Off ce	43	I def e	20 Ho s
To Powe	Se o Ta sac o Ma age	36	A W	F T e
Va Voge	Exec ve V ce P es de of Rea Es a e	59	A W	F T e
A d ew W kowsk	V ce P es de A cq s o s	47	A W	F T e
Geo ge Ja	V ce P es de Acq s o s	36	A W	F T e
G ge Vy e a	Se o Asse Ma age	47	A W	F Т е

NOTE A ese dvd as a ee poyed by Dve syF d, I c, e Spo so, o by e Co payd ec y T e Spo so s e so e e be, a d e a age, of DF Ma age, LLC, w c s e Ma age of e Co pay

Business Experience

Craig Cecilio

M Cecos e Cef Execve Office a d Co-Fo de of e Sposo, DvesyFd, I c M Ceco as woked e ea es a e d s y fo ea y 20 yeas Ove e cose of scalee, M Ceco as pacpa ed e deveope of ove 1,000 sge fa y es de ces Cafo as e e ajove e eq y pae, e de, o sposo Pevosy, M Cecoow ed a ea es a e e d g b sess, Coas a Cafo a Fd g Gop, I c, w c de woe a d faced es de a e ova o s a d god-p cos co Cafo a coas a akes s c as Sa Dego, O a ge Co y, Los A ge es a d Sa Fac sco, a d a oa sev c g b sess

Add o a y, M Cec o fo ded a ea es a e deb f d 2013, w c a ages a po fo o of ea es a e-backed b dge oa s sed p a y o "pe-f d" a y of e Ma age's ea es a e pojec s S ce 1997, M Cec o as f a ced ea y \$500 o of ea es a e asse s, av g a sed ove \$100 o deb o eq y fo ea es a e a sac o s e as ee yeas, a d as deve oped a d a aged ove \$50 o of es de a pope y (e ova o s a d g o d-p) M Cec o s a g ad a e of e U ve s y of Co o ado a Bo de

Alan R. Lewis

M Lews s e C ef I ves e Offce a d Co-Fo de of e Sposo, D ve sy F d, I c P o o e a c of e Ma age, e was e ead of e ea es a e p va e e y d v so of a ea es a e ves e a d deve op e f based o of Sa Lake C y, U a, w e e e ove saw cap a as g, dea s c gad deve op e wok fo - fa y pojecs a d as e-pa ed es de a co es P evosy, M Lews woked fo ea y e yeas o Wa S ee as bo a ves e bake a d a copoa e awye, os ece y wok g as a Ma ag g D eco of e I ves e Bak g D v so of B Sec es w e e M Lews povded f a ca adv so y a d cap a as g se v ces fo g -gow co pa es a o gw ea es a ea d o a d gas pojec s

PoojogB Sec es 2010, M Lews pac ced as a copoa e a o eya Davs Pok & Wadwe, a Telaked WaSee awf (Cabes USA) Hs pac ce c ded IPO's, eges a dacq s o s, a dco e ca e a es a e, c d g e acq s o a d ef a c gof seve a Ff Ave e co e cab d gs, acq s o s a d pofooes c gs foa \$6b o ea es a e p vae eq yf d Ove s cae e, M Lews as woked o a sac o s o a g, agg ega e, ove \$41b o M Lews ece ved a BA fo B g a Yo g U ve s ya da JD fo Co ba Law Sc oo, w e e ewas a Se o Ed o o e Co ba Law Revew M Lews s ad ed o p ac ce aw New Yo kad pevos y ed Se es 7,66 a d 79 FINRA ce ses

Van Vogel

M Voge s e Exec ve Vce Pesde of Rea Esa e fo Dve syF d, I c w e e e ove sees e Co pay's acq s o sadfacg co e ca ea esa e M Voge b gs ove 30 yeas of exec ve ea esa e expe e ce e co e ca fay space Pevo sy e was CEO of P e F a ca Deve op e, a a o a co e ca o gage e de w e e especa zed -fay pojecs a dacq s o s

PooPFD e was pesde of Vg a Faca Deveope, aco e ca ea esa e e dgfp a y dogbs ess e So Eas M Voge a so was e Pesde of Acc a e Te, a esc owad se e e co pa y ease Vg a fo 14 yeas a das expaded k owedge of ea esa e ega a sac o s

M Voge as cosed a d se ed ove 5 b o ea es a e a sac o s ove e as 30 yea s

Andrew Witkowski

M W kowsk eads eacq s o effos fo Dve syF d e No eas, So eas, a d Gea Lakes a ke s Based New Yok C y, e was ece y D eco of Rea Esa e fo S o o Copo a o of A e cas, a Fo e Goba 500 T e e foc sed o e f fe cyc e fo acq s o o g d spos o --of -fa y apa e s, add o o deve op g as e-pa ed co es

A accopsed a dvesa e Ives e a dAcq so exec vew we y-p syeas of cope e fecyce ea esa e expe e ce fo so c g o acq so o g deb a deq y pace e o pojec dsposo, M W kowsk's expe e ce c des co-fo de of a ea esa e ves e a age e sa pad Vce Pesde of Acq s o sa TGM Assoca es, a SEC egs e ed pe so f da d ves e adv so y f He as b o acq ed ea y 6,000 fa y s as we as office a d a d asses a o a g excess of \$25B o

George Jalil

M Ja eads e acq s o effos fo Dve syF d e So e US akes M Ja was ece y e Vce Pesde of Cap a Makes a P a I co e Asse Ma age e basedo of Da as, Texas D g s e a P a, M Ja ove sawa ea es a e acq s o, d spos o, a d f a c g ac v es of fa y va e-add asses a dgo d-p deve op e w pep va e a dp b c po fo os

M Ja's dve se a dve sa e co e ca ea es a e expe e ce s e ce s a coss pe faces of e d s y c d g b oke age, deb acq s o s, p va e eq y, ea es a e va a o, p ope y a age e, cap a a ke s, asse a age e, adv so y, a d spo so acq s o s W ove a decade co e ca ea es a e acq s o s, M Ja as a p ove ack eco d of f -cyc e va e-add fa y a sac o s o a g ove \$11b o a coss 10,200 s geog ap es o g o e US s be

Tom Powell

M Powe as a saced o ove \$1 b o of ea esae s caee He s a ed s caee a Lee a d Assocaes w e e e foc sed o eas g a d saes of co e c a p ope es A Pacfc So wes Rea y Sev ces e sec ed ove \$300 o deb cap a w o a cap a za o of ove \$600 o A AMCI ves e s M Powe c osed ove 20 jo ve e acq s o s w a o a cap a za o of ove \$400 o

Ginger Vyterna

G ge Vye ab gs ove 27 yeas of p og ess ve a age e ope a o s, acq s o s, asse a age e a d deve op e w e fa yae a o Dve syF d W a kee des a d g of bo cove o a a d LIHTC asses fo e o -s e eve o exec ve eades p, e po fo os ave co a y exceeded o ga za o a expecta o s By es abs g acq s o p o ocos, c ea g c s o b s ess pasad des a d g d ve s y s e as co a y ed e ea s o g d ff c a ke e ds w e epos o g va e-add co es o g o e co y He e ea Ra Rea Es a e, A a c Pacf c Ma age e , P de ock Cap a Pa es, G a d Peaks a d New U ba Co es ave p ov ded a ds o expe e ce pe a kes fo O ego o New Je sey He expe e cew des a d g e fa y b s ess ode w ass e e a age e of o asses exceeds ves o s'expecta o s

Ownership of Related Entities

T e Spo so ow s 100% of DF Ma age, LLC, e Ma age of e Co pa y, w e M Cec o a d M Lews ow o e a 80% of e Spo so

Family Relationships

Teeae of a yeaos psa og e Exec ve Offcesad Sg fca E poyees of e Co pay

Legal Proceedings

We as fve yeas, o Exec ve Office o Sg fca E poyee of e Copay as bee covced of, o peaded gyo o coeso, a yca a e, excd gaff c vo a o sado eo ffe ses

W e as fve yeas, o Exec ve Offce o Sg fca E poyee of e Co pay, o pa e s p of w c a Exec ve Offce o Sg fca E poyee was a ge e a pa e, a d o co po a o o o e b s essassoca o of w c a Exec ve Offce o Sg fca E poyee was a exec ve offce, as bee a debo bak p cy o a y s a poceed gs

Tep cpasofo Sposo, Cag Cecoad A a Lews, a ece y defe da see aws sas gfo ea esae a sacos Te Copays o voved a y of e aws sads o esposbe fo a y of e ab esa eged e aws s, decyodecy

I 2015, befoe e Sposo o e Copaywee foed, M Cecoased capafoapojec vov g god-p cos coocaed La Joa, Ca foa W e e pojeca of a cad ffcy, w e e de eae gofoecose, M Cecoad M Lews bopesoay g aa eed a oa foa ew e de opoece e essof e eqy vesos, a o g ey wee o ob gaed o do so A o g e pojec was cope ed, was facay s ccessfad abe o epaya e g aa eed deb T e e de as bog s agas M Cecoad M Lews foedefce oa baa ceofappox aey \$19 o

M Cec o a d M Lews aveasse ed co e ca saga s e e de A o g o e gs, eya ege a ege e a co a co ed a e s se ce of e e de was espo s b e fo e fa e of e p ojec by ca s g s g f ca de ays a d b dge ove s, a d a e e de a d e co a co s o d b e v ewed as jo -ve e s

I esa epojec, a dvd a oa ed o ey o ebo owe e y, sec ed by a seco d e a d pe so a g a a ees by M Cec o a d M Lews W e epojec a of a cadffc y was d scove ed a eseco d e ad o bee pope y eco ded, es g a sg fca oss o e e de T e e de sed e awye fo ega a pac ce a d e awye as ade a coss-ca aga s M Cec o a d M Lews e a g o e pe so a g a a y T e a o of e coss-ca s app ox a ey \$1 o

A eq y veso esa epojec as feda aws a eg g a e Sposo, M Ceco, a d M Lews fa ed o pov de adeq a e d scos e, we epofesso a y eg ge, a d b eac ed e fd cayd yo seve a pojecs, a f ded befoe e Sposo o e Co paywe efo ed T e veso s ca g da ages of app ox a ey \$774,000 e agg ega e O a sepa a e pojec, esa e veso s s go a pe so a g a a y of app ox a ey \$55,000

M Cec o a d M Lews a e v go o sy defe d g a of ese aws sa dexpec e o bese ed w o paco e Co pay Ifa of e aws ses ed j dg e s aga s M Cec o a d M Lews fo e f a o c a ed, oweve, co d affec e Co pay advese y seve a ways

- I wo d pa eced of M Cecoad M Lews pesoay, w c cod decy pa eced of eCopay, ese se a a ede a wo d o ewse accep egaa y of M Cecoad M Lews foa oa o eCopay wo d o oge bew g o do so o s c e de wo d eq e ess favo abe e so a oa s c as a g e ees a e a cod adve sey affec e ovea e s of eCopay
- TeowesofpopeeseCopaywodkeobygbeesscedodeaw eCopay
- Depedgo eszeofejdge, MCecoad/oMLewscodbefocedobakpcy
- M Cec o a d M Lews co o e Co pa y d ec y I a wos-case sce a o, a a gej dg e co d es a osso d o of e co o

COMPENSATION OF MANAGEMENT

Overview

T e peop e w o e Co pa y ake o ey fo e Co pa y (o y) ee ways

- T ey ece ve fees
- T ey ves a ogs de I ves os a d ece ve esa eds b os as I ves os
- T ey ece ve e P o o ed I e es
- A ee fo s of co pe sa o a e d sc ssed be ow

TeCopay sefdoes o aveaye poyeesopayo Foexape, MLewsad MCeco, eowesof eSposo, do o eceveaysaay, bo ses, o o e copesaodecyfo eCopay Isead, a of scopesaospad fo efeespad o eMa age ad fo ePooed Iees

Fees

Type of Fee	Description and Amount		
Reimbursement	T e Co pa y w e b se e Spo so fo expe ses e Spo so c s co ec o w e Offe g, befo e e Offe g s "q a fed" by e SEC (afe e Offe g s q a fed, e expe ses w bo e by e Co pa y se f, d ec y) Howeve () e Spo so w o bee ed o a y e b se e e Co pa y as a sed a eas \$1,000,000 fo e sa e of Cass A I ves o S a es () f e Co pa y ases o y \$1,000,000 fo e sa e of Cass A I ves o S a es, e Spo so's e b se e w be ed o a ax of \$100,000 () e Spo so w o bee ed of e b se e e Co pa y as a sed \$3,000,000 fo e sa e of Cass A I ves o S a es a d (v) f e Co pa y ases o e a \$1,000,000 b ess a \$3,000,000 fo e sa e of Cass A I ves o S a es, e e b se e excess of \$100,000 w be pro rated		
	<i>Estimate</i> T e Spo so c e y es a es a s o a expe ses fo e Offe g, befo e e Offe g s q a fed, w be app ox a e y \$75,000		



Asset Management Fee	T e Spo so w c a ge eac Pojec E y a asse a age e fee eq a o 2% of e g oss ope a g co e (yp ca y g oss e a eve e) of e ea es a e pojec ow ed by e Pojec E y
	<i>Estimate</i> T e a o of e asse a age e feew deped o e g oss ope a g co e of e ea es a e asse We ca o ake a easo ab e es a e a s e
Sponsor Fee	T e Spo sow c age eac Pojec E y (o e Co pay se f, f e Co pay ows ea es a e d e c y) a spo so fee of be wee 6% a d 8% of e o a pojec cos s, c d g bo "ad" cos s (e.g., e cos of pope y) a d"sof" cos s (e.g., pofess o a fees)
	<i>Estimate</i> If e Co pay ases ef \$50,00,000 a d a a sa ave age eve age a o (bo ow g) of 55%, e spo so fee wo d a ge be wee \$6,666,666 a d \$8,888,888
Property Disposition Fee	Wee eCopayowspopeydecyos esoeowe of a PojecEy, eSposow ece ve a popeydsposo fee eq a o 1% of e o a saepce of eac popey
	W e e p ope y sow ed by a e y w c e e sa o e facapa e ajo ve e e Sposo g bee ed o a s a d spos o fee o e exe ego a ed w e facapa e s s c jo ve e (w c cod be g e a e 1% d spos o fee fod e c ves e) Howeve, e Copay's sae of e fee w o exceed 1% of e Copay's sae of e o a sae p ce
	<i>Estimate</i> T e a o of ed spos o feew depedo e se g p ce of asses by e Co payadayjo ve es ad, e case of jo ve es, e e s o Sposo ego a es w jo ve e pa e s We ca o ake a easo abe es a e a s e
Financing Fee	W e e e Copayowspopeydecy, os esoe owe of a Pojec Ey, e Sposow eceve a fac g fee eq ao 10% of e ao of eac o a pacedo apopey, we e a e e of acq so op sa o a e fac g T s fac g fee w be add o o ay feespad o d pa es, sc as o gage bokes
	W e e popey sow ed by a e y w c e e sao e facapa e ajo ve e e Sposo g bee ed o a s a fac g fee o e exe ego a ed w e facapa e s s c jo ve e (w c cod be g e a e 1% fac g fee fod ec ves e) Howeve, e Sposo's sae of e fee w o exceed 1% of e Copay's sae of e o a
	<i>Estimate</i> Teao of efac gfeew depedo ese gpceofasses by eCopayadayjo ve esad, e case of jove es, e e so Sposo egoaes w jove epa es Wecao ake a easo abe es a e a e

Construction Management Fee	TeSposog povdecos co a age e sevcesIfso, eSposobee edoacos co a age e fee eqa o75% ofaca cos co coss
	<i>Estimate</i> Teao of ecos co a age e feew depedo e a ead cos of ecos co sevces e Ma age povdes Weca o akea easo abees a ea s e
Guaranty Fee	If e Spo so o a aff a egaa es debed ess of e Co payo a Pojec Ey, cd ggaa es of ay so-ca ed "bad boy" caveo s, egaa ow bee ed o agaa yfee eq a o 05% of e oa
	Es ae Teao of egaay feew depedo eao of oaseq gagaay We cao ake a easo abe es ae a s e
Other Fees	TeCopayoPojecE es gegage eSposoo saffaesopefo o esevcesTecopesaopado e Sposoosaffaes eac case sbe()fa o eCopayadePojecE es,()copaabeoecopesao a wodbepadoa eaedpay,ad()dscosedoIvesos
	Estimate We ca o ake a easo ab e es a e of o e fees a s e

Co-Investment

T e Spo so a d saff a es g p c ase Cass A I ves o S a es Ifso, ey w bee ed o esa eds b o saso e I ves o s

Promoted Interest

As desc bed "Sec es Be g Offe ed Ds b os"s a go page 35, e Sposose ed oece vece a ds b os a we efe oas e "<u>Pooed I e es</u>" Te Pooed I ees spad woeves fs, afe I vesos ave ece ved a 7% pefe ed e o e ves e, e Sposose ed oacac pe eq a o app ox a ey 53 85% of e pefe ed e pad o I vesos a dsecod, afe I vesos ave ece ved e pefe ed e a d e Sposo as ece ved s cac pe, e Sposose ed o 35% of e e a g p of s

How c o ey e Spo so a e y 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
- Te ves e e s eCo paysabe o ac eve
- We ose e sa eac eved (eCo pa y g o ac eve esa e e eve y yea)
- We eCopayds bes oeyoIvesosad
- Teao of expesses e Copay cs

Report to Investors

No ess a o cepe yea, eCo pa yw povdeI veso sw ade a ed sa e e s ow g

- T e fees pad o e Spo so a d s aff a es a d
- A y a sac o s be wee e Co 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 e Co pay, e ow e s of e Cass A I ves o S a e s o e a e Ma age, e Spo so, a d e aff a e s ave o ece ved d s 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 a e s w be eq ed o e a y d s b o s e y ave ece ved f o e Co pay (o fees), ove a dabove e ac a co b ed cap a, a a o s c a e Co pay ca d s b e e s o f a o e ow e s of e Cass A I ves o S a e s, o e a e Ma age, e Spo so, a d e aff a e s

Method of Accounting

T e co pe sa o desc bed $\hfill s$ sec o was ca c a ed s g e acc a e od of acco $\hfill g$

Stages of Development

T es ages of e Co pa y's o ga za o , deve op e , a d ope a o , a d e co pe sa o pad by e Co pa y o e Ma age a d s aff a es d g eac s age, a e as fo ows

Stage	Compensation
Oga za o	No e
Acq s o	• Asse Ma age e Fee
	• Spo so Fee
	• F a c gFee
Ope a o	• Asse Ma age e Fee
	• G a a y Fee
	• F a c gFee
	• Re sfo Co-I ves e
	• PooedIe es
	• Dspos o Fee
Lq da o	• Re sfo Co-I ves e
	• PooedIe es
	• Dspos o Fee
	Page 32

SECURITY OWNERSHIP OF MANAGEMENT

Te ed ab y co pa y e ess e Co pa y a e de o a ed by 20,000,000 "S a es," co ss g of 1,000,000 "<u>Co o S a es</u>" a d 19,000,000 "<u>I ves o S a es</u>" Te Ma age as e a o y o d v de e 19,000,000 I ves o S a es o o e o o e "c asses," by adop g o e o o e a o z g eso o s T e Ma age adop ed e A o z g Reso o o ce a e 7,500,000 C ass A I ves o S a es

As of e dae of s Offe g C c a, e ed ab y co pa y e es s of e Co pa y a e ow ed as fo ows

Common Shares

Beneficial Owner	Number of Shares	Percent of Class
D ve syF d, I c *	1,000,000	100%
750 B S ee		
S e 1930 Sa Dego, CA 92101		
DF Ma age , LLC	0	0%
750 B S ee S e 1930		
Sa Dego, CA 92101		
A a Lews	0	0%
750 B S 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

Beneficial Owner	Number of Shares	Percent of Class
No e	0	0%

* D ve syF $\,$ d, I c , $\,$ e Spo so , s co $\,$ o ed by M $\,$ Lews a d M $\,$ Cec o $\,$

VOTING RIGHTS OF OWNERS

U de eLLC Agee e, e Ma age as f co o ove a aspecsof e b s essof e Co pay I vesos w o bee ed o voe o ay a e vov g e Co pay o e Co pay, excep a e ow e sof e Cass A I ves o S a es ay, so es a o s, e ove e Ma age fo case Fo o e fo a o, see "S ay of O LLC Agee e a d A o z g Reso o Ma age e "

Te Ma age sowed by e Sposo, w c sco o ed by M Lews a d M Cec o T s, excep as pov ded above, ey ave co peeco o ove e Co pa y

CERTAIN RELATIONSHIPS AND RELATED TRANSACTIONS

TeCopayase eed oa Maage e Agee e w e Maage, psa owc e Maage w povde aage e ad ves e aage e sevces as desc bed "S ay of LLC Agee e ad A ozg Reso o Maage e" U de e Maage e Agee e, e Copayw pay e Sposoce a fees as desc bed "Cope sa o of Maage e" Te Maage sa aff ae of o Sposo, Dve syFd, I c Ts, ea o of fees ad oe e s of e Maage e Agee e weede e ed a og e aed pa es ad oa a 's e g

Te Sposo, e Maage, M Ceco, M Lews, a d pa es e a edo e g a so ves e Copay by p c as g Cass A I veso S a es, a o g w o e I vesos

SECURITIES BEING OFFERED

Description of Securities

We a e offe g o e p b c p o \$50,000,000 of o Cass A I ves o S a es, w c ep ese ed ab y co pa y e es s e Co pa y A of e g s a d ob ga o s assoca ed w e C ass A I ves o S a es a es e fo

- T eLLC Ag ee e , w c s a ac ed as Ex b 1A-2B a d
- T e A o z g Reso o , w c s a ac ed as Ex b 1A-2C

Price of Class A Investor Shares

I a y, we woffe e Cass A I veso S a es a \$10 pe Cass A I veso S a e D g e e of s Offe g, we ay cease o decease e p ce pe Cass A I veso S a e o efec c a ges eva e ofo asses a d e a o ofo ab es, w c w bede e ed by e Ma age s so e a d abso e d sc e o

To de e e p ce of e Cass A I ves o S a es, e Ma age wo d

- Dee e efa akeva eof eCo pay's asses, s gappasasa d/o s c o e e odsas eMa age ay dee e, c d g sow j dg e
- Dee e ea o of eCo pay's ab es a d
- Dee e ea o a a p c ase of Cass A I ves o S a es wo d ece ve f a of e asses of e Co pa y we es od fo e fa a ke va es, ess ypo e ca sa es co ss o s a d a sac o cos s, a e ab es of e Co pa y we es a sfed, a d e e p oceeds we ed s b ed acco da ce w e LLC Ag ee e

Cages epceof e Cass A I veso Saes w be efeced as ppee o a e d e o sOffe g Sae e fed w e SEC A s e, e Ma age ca o easo abyes a ewe o owofe w a e d e Offe g p ce S c a e d e sw deped po e o sfacos, c d g, b o ed o, () e a o of cap a ased sOffe g, () o ab y o effec vey dep oy e cap a we ase, () e g of ac a asse acq s o s a d d spos o s by e Co pa y, a d (v) e va e of asses acq ed o d sposed of by e Co pa y

Voting Rights

Ow esof e Cass A I veso S a es a s, I veso s w ave o g ovoe o o ewse pa c pa e e a age e of e Co pa y I s ead, e Co pa y s a aged by e Ma age exc s ve y Howeve, de ce a c c s a ces I veso s ave e g o e ove e Ma age fo "ca se"

Distributions

We edo akeds b o speodcay, as codo spe Teode of ds b o sw begove edby eCo pay's LLC Agee e adby eA o zg Reso o

Wedvdeds b os owoca ego es

- Ds b o sofod a yope a gcas fow (fo exa pe, e co efo e e a of a pope y, af e expe ses) a d
- Ds b os of e e poceeds fo "cap a asac os" ke sa es o ef a c g of pope es ("e poceeds" ea s e g oss poceeds of e cap a a sac o, ed ced by e expe ses of e a sac o, c d g epay e of deb)
- Ds b o sofo d a y ope a g cas fow w be e fo ow g o de of p o y
 - Sep O e F s, I ves o s w ece ve a e ope a g cas fow ey ave ece ved a 7% c a ve, o -co po ded a a e o e ves ed cap a We efe o s as e "<u>P efe ed Re</u>" of I ves o s
 - Sep Two Seco d, a y e a gope a g cas fow w beds b ed o e owe of e Co o Saes (e Sposo) a a o a beas e sa e popo o o e o a Pefe ed Re pad o da e as 35 beas o 65, *i.e.*, app ox a e y 53 85% We efe o sas e "<u>Cac Re</u>"
 - Sep Tee T d, a y e a gope a g cas fow w beds b ed 65% o e I vesos o a prorata bass, a d 35% o e ow e of e Co o Saes

Ds b osof e e poceeds fo cap a a sac os w be ade e fo ow go de op oy

- Sep O e F s, I ves o s w ece vea e e p oceeds ey ave ece ved e e e P efe ed Re
- Sep Two Secod, a yea gep oceeds w beds bed o eowes of eCo o Saes a a o eq a o eCac p Re

- Sep T ee T d, I ves o sw ece veay e a g e p oceeds o e a a ocabe p o o f e cap a ey ves ed*
- Sep Fo Fo , a y e a g e p oceeds w beds b ed 65% o e I ves os a d 35% I ves os ave ece ved a "e a a e of e " of 12%**
- Sep Fve Ff, a ye a gep oceeds w beds b ed 50% o eI ves os o a prorata bass ad 50% o eowe of eCo o Saes

We expec o akeds b o sofod a yope a g cas fowo a eas a a bass, *i.e.*, o cepe yea Ds b o sof e e poceeds fo cap a a sac o sw be ade, fa a, po e occ e ce of a cap a a sac o

- * We we say a a ds b o sof e e poceeds fo cap a a sac o sw fs beds b ed o I vesos ey ave eceved a "a ocabe po o " of e cap a ey vesed, we ea a we e Co paye es o a cap a a sac o ke a sae o ef a c g, a d dec des o ds b e so e o a of e poceeds (as opposed o e ves g e poceeds o e pope es), e Ma age w a oca e a of e cap a co b ed by I vesos (ess a y pevos ds b o sof cap a) a o ga of e pope esow ed by e Co pay, based o a es a e of e fa a ke va e of eac pope y (ess deb e c be geac pope y) T sw a ow e Ma age o de e e ow c cap a sa o cabe o e pope y voved e cap a a sac o
- ** "I e a aeofe" safa ca co cepa eas es eovea e fo a ves e, ak go acco a e o ey yo paswe as a e o ey yo ooko, as we as e gofeac co bo adds bo So ey by way of exa pe, yo wo davea e a aeofe fyo co bed \$100 o a ves e ad
 - Lq daed e ves e o e yea fo \$116 o
 - Received ods b osfo fveyeas, a da ee dof eff yea q daed 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 cacaee e a aeofe sg e XIRR f co M cosof Exce, espeads ee poga

NOTE CONCERNING CALCULATION OF RETURNS I geea, we we can all e e sof I vesos beg go e as day of e o we can I veso per ases s, e, o s C ass A I veso S a es

Clawback

If, po e q da o of e Co pay, e ow e s of e Cass A I ves o S a e s o e a e Ma age, e Spo so, a d e aff a e s (c d g M Cec o a d M Lews) ave o eceved d s b o s s ff c e 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 a e s w be eq ed o e a y d s b o s e y ave ece ved f o e Co pay, ove a dabove e a c a co b ed cap a, a a o s c a e Co pay ca d s b e e s o fa o e ow e s of e Cass A I ves o S a e s, o e a e Ma age, e Spo so, a d e s aff a e s

How We Decide How Much To Distribute

To dec de ow c ods b e, we sa w o eve es, w c ay c de poceeds fo esae o ef a c g pope esade a co e, a d e s b aco ac a expesses, w c ay c de ess c as a age e fees (c d g fees o e Ma age), bak fees, app as a coss, s a ce, co ssos, a ke g coss, axes, ega a d acco g fees, ave expesses, a d fees pado d pa es F a y, deped g o ec c s a cesa e e, we dec de ow c s o d be ed ese ve aga s f eco ge ces T ea o we d s b e s e efoe o eve e, so expesses, s e ese ve a o

Withholding

I so es a o s, we g be eq ed by aw ow od axes a d/o o e a o sfo d s b o s ade o I vesos T e a o wew od w s be ea ed as pa of e d s b o Fo exa pe, fwe d s b e 100 oyo a d a e eq ed o w od 10 axes, fo o p poses yo w be ea ed as av g eceved a d s b o of 100 eve o g o y 900 was depos ed yo ba k acco

No Guaranty

We ca o y ds b eas c o eyas we ave T e e s og a a y a we w ave e o g o ey, afe pay gexpe ses, ods b e a y go I ves o s

Transfers

I ves os ayfeey a sfe e Cass A I ves o Saes, b o yafe povd g e Ma age w w e ass a ce a () e a sfe s o eq ed obe egs e ed de e Sec es Ac of 1933, () e a sfe o e a sfe ee w e b se e Co pa y fo expe ses c ed co ec o w e a sfe, a d () e a sfe w o co po se e Co pa y's e ec o obe axed as a REIT fo p poses of Fede a co e axa o

Mandatory Redemptions

T e Ma age ay eq e a I ves o o se s, e, o s Cass A I ves o S a es back o e Co pa y

- If e I veso sa e y gove ed by e E poyee Re e e I co e Sec y Ac of 1974, Code sec o 4975, o a y s a Fede a, Sae, o oca aw, a d e Ma age de e es a a o a y po o of e asses of e Co pa y wo d, e abse ce of e ede po, o e key a o be ea ed as "pa asses" o o e w se beco e s bjec o s c aws
- If e Ma age dee es a e ede p o wo d be be efca a ow g e Co payo e a ssa sas a REIT

• If e Ma age dee es a () s c I veso ade a a e a sep ese a o o e Co pay () ega o eg a oy p oceed gs a e co e ced o ea e ed aga s e Co pay o a y of s e bes a s g fo o e a g o e I veso's e es e Co pay () e Ma age be eves a s c I veso's owe s p asca sed o w ca se e Co pay o voa e a y awo eg a o (v) s c I veso as voa ed a y of s, e, o sob ga o s o e Co pay o o e o e Me bes o () s c I veso s e gaged , o as e gaged cod c (c d g b o ed o c a cod c) a (A) b gs e Co pay, o ea e s o b g e Co pay, o ds ep e, o (B) sadvesea df da e a y fa o e eessof e Co pay o e o e Me bes

If a I ves o's Cass A I ves o S a es a ep c ased p s a os c a eq es, ep cew be eq a o

- If ep c ase occ s befoe Dece be 31,2020, o w sx o safe e I ves o p c ased s, e, o s Cass A I ves o S a es fo e Co pay, e a o e I ves o pad fo e Cass A I ves o S a es a d
- O ewse, 90% of ea o ese gIves o wo d ave eceved ad a asses of eCo paybee sod fo e e asse va ea d epoceeds, ess a ab es a dexpe ses, bee ds b ed q da o of eCo pay

Tep casep cew bepad by we a sfe o o e edaey-ava ab ef ds

No Right Of Redemption

I vesos do o ave e g o case e Co payoe-p case (edee) e Cass A I veso S a es

Rights of Common Shares

I edaeyfoow g eOffe g eCo payw ave wo casses of sec es o sad g Cass A I ves o Saes a d Co o Saes I ves o sw ow a eCass A I ves o Saes w e eSpo so w ow a eCo o Saes Tep cpa g sassocaed w eCo o Saes a eas foows

- Distributions As e ode of eCo o Saes, eSpo so w bee ed o ed s b o s desc bed above
- Voting Rights T e Co o S a es w ave o vo g g s per se Howeve, e Ma age, s capac y as e a age of e Co pa y, w co o e Co pa y
- Obligation to Contribute Capital Hodes of e Co o Saesw ave o ob gao o co b e cap a o e Co pa y
- Redemptions Hodes of e Co o Saesw ave o g o ave Co o Saes edee ed

LIMIT ON AMOUNT A NON-ACCREDITED INVESTOR CAN INVEST

As o gasyo'ea eas 18 yeas od, 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 e Sec es a d Exc a ge Co ss o, e e "acc ed ed ves o" ea s

- A a a peso w o as dvd a e wo ,o jo e wo w epeso's spose, a exceeds \$1 o a e e of ep c ase, exc d g eva e of ep a y es de ce of s c peso
- A a a peso w co e exceed g \$200,000 eac of e wo os ece yeaso jo co e w a spo se exceed g \$300,000 fo ose yeas a d a easo abe expec a o of e sa e co e eve e c e yea
- A s w asses 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
- Abs ess w c a e eq y ow e s a e acc ed ed ves o s
- A e poyee be ef pa, w e ea gof e E poyee Re e e I co e Sec y Ac, fabak, s a ce co pay, o egseed ves e advse akes e ves e decsos, o f e pa as o a asses 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 abeoga za o , copoa o , o pa e s 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 e c o, exec ve office, o ge e a pa e of e c o payse g e sec es, o a y d e c o, exec ve office, o ge e a pa e of a ss e

If yo faw a yof ose caego es, e yo ca ves as c as yo wa If yo do 'faw a yof ose caego es, e e os yo ca ves s Offe g s e g ea e of

- 10% of yo a a co e o
- 10% of yo e wo

T ese sae posed by aw, o by s

W e yo go oo webs e, www.Dve.syF d co , wew askwe e yo 'ea acced ed veso Ifyo ae', e we'askabo yo a a co ead e wo

PLAN OF DISTRIBUTION

Size of Offering

We a e offe g p o \$50,000,000 of o Cass A I ves o S a es e Offe g We w beg dep oy g e p oceeds of e Offe g (a s, we w beg o ves ea es a ep ojec s) as soo as we beg as g cap a, w o wa g o a sea y a o

Who is Selling Shares

O y eCo pay sefsse gsec es sOffe gNosec es a ebe gsod by o o be a fofa yexs gowe of eCo pay

Who Can Buy Shares

A yo e 18 o o de ca b y Cass A I ves o S a es, ega dess of co e o e wo If yo a e o a "acced ed ves o" e aw s ow c yo ca ves See "L o A o a No -Acced ed I ves o Ca I ves"

Term of Offering

T e Offe gw beg as soo as o offe gs a e e s"q a fed" by e SEC T e Offe gw e d po e ea e of (1) e da e we ave so d \$50,000,000 of C ass A I ves o S a es (*i.e.*, a e sec es we a e offe g), (2) e da e wo yea s a fe beg s, o (3) e da e we dec de o e d

Minimum Initial Investment

Te a ves e s 50 C ass A I ves o S a es, o \$500

Manner of Distribution

Te Cass A I ves o Saes w be offeed by e Co pay sef o g <u>www.Dve syF dco</u>, w c we efe o as e "<u>Se</u>" P c ases a dsaes of o Cass A I ves o Saes ade o g o Sew o bes bjec o a ysaes co sso so fees

How To Invest

To by Cass AI veso Saes, vs eSeadegse, ocae eOffe g, adfoow es cos Wew ask foce a fo ao abo yo, cd g

- Yo a e a d add ess
- Yo soc a sec y be (fo ax epo g p poses)
- Weeyoaea "acceded veso"
- If yo o a acc ed ed ves o, yo co e a d e wo

Wew asoaskyo osg o Ives e Agee e , a copy of w c sa ac ed as Ex b 1A-6A

Yo w pay fo yo Cass A I ves o S a es s go e of e op o s desc bed o e S e

Te fo a o yosb, cd gyosg ed Ives e Ageee, scaed yo "sbscpo" Wew evewyosbscpoad dec de wee o accep. We ave e go accepoejecs bscpos o soed sceo, fo a yeaso o fo o easo

O ce we ave acceped yo s bsc p o, we work of yo by e a a deves e pocess whe cope e We was of yo by e a fwe do o accepyos bsc p o, a ogweg o expanse yo wy We eseve e go ejecays bsc p o woe o pafoay easo. If we ejecyos bsc p o, we we a yo o ey wo ees o ded c o

Yo Cass AI ves o S a es w be ss ed e ec o c fo o y Wew o ss e yo a pape ce f ca e e p ese g yo Cass AI ves o S a es

Escrow

We yo ves og o Se, yo oeyw be ed a escowacco w PeTs, LLC, a d-payfacas o awseve as eescowage Yo ves ew be ed oy we evewyos bsc poad dec de we eo accep If we dec de oejec yos bsc pofoayeaso, we we yo f ds oyow o ees oded co

Advertising the Offering

Afe eOffe g as bee "q a fed" by eSEC, we edoadve se eOffe g s g eS ead o g o e eas, c d g p b cadve se e sa d a do-vs a a e as, eac case o yas wea o ze A o g ese a e as w o co a fo a o a cofcs w e fo a o sOffe g C c a a d w bep epaed w avew op ese g abaa ced d sc sso of skad ewad w espec o eCass AI ves o S aes, o adve s g a e as w o g ve a co pee des a d g of sOffe g, eCo pay, o eCass AI ves o S aes a d a e o o be co s de ed pa of sOffe g C c a T eOffe g s adeo y by ea s of sOffe g C c a a d eyo e fo a o povded sOffe g C c a co eco w e decs o ves eCass AI ves o S aes

Supplements and Amendments to Offering Circular

Fo eo ewew sppee oaed sOffe gC cad g ee of eOffe goefec cagesoadd os o e fo ao pese ed, as eq ed by SEC es

A o go e gs, w e e Offe g s be g cod ced, we w f e a "s cke s ppe e "p s a o R e 253(g) of SEC Reg a o A fo eac pojec w c we e d o ves, a s c e as we de e e a e e s a e aso ab e pobab y a we w ves T e s ppe e w desc be e pojec a d w d s cose a co pe s a o a d fees pad o e Ma age o saff a e s co e c o w e acq s o

A easo ceevey ee o s, we w coso da easc s cke s ppe e s o a "pos-q afcao a e d e " o sOffe g C c a W e e app op a e, e posq afcao a e d e w aso c deo copo a e by efe e ce a d edfac as a e e s e e g e eq e e sof R e 3-14 of Reg a o S-X fo p ope es acq ed d g e d s b o pe od

We was of e, afe eed of eds b o peod, ac e epo o Fo 1-U co a g ef a casae e sadayadd o a fo a o eq ed by R e 3-14 of Reg a o S-X (as app cabe), o efeceac co e (*i.e.*, esg gofabd gp case age e) op case apope y ade afe eed of eds b o peod vov g e se of 10% o o e (o a c a ve bass) of e e poceeds of e Offe g, a dwe w povde e fo a o co a ed s c epo o I vesos a eas o ce eac q a e afe eds b o pe ode ds

USE OF PROCEEDS

We expec a ep cpa cos s of e Offe g w be() ega a dacco g cos s, a d() a ke g cos s, *i.e.*, e cos s assoca ed w a ke g e Offe g sef We expec e ega acco g cos s o be abo \$75,000, o a e ow c o ey we ase T e a ke g cos s, o e o e a d, w vay deped g o e s ze of e Offe g e o e o ey we spe d a ke g e Offe g, e o e o ey we expec o ase Rog y speak g, we expec o spe d abo 1% of e o ey ased o a ke g T s, f we ase \$5,000,000 e Offe g we expec o spe d abo \$50,000 o a ke g, w e f we ase \$50,000,000 e Offe g we expec o spe d abo \$50,000 o a ke g

Af e pay g ese coss, a of e poceeds of e Offe g, o a e ow c we ase, w be sed o ves ea es a e pojecs a d o pay e Co pay's o a ope a g coss, c d g fees o e Ma age a d s aff a es

We a e o pay g co ssos o dew es, bokes, o a ybody ese fose g o ds b g e Cass A I ves o S a es Beca se we a e o pay g a y co ssos, o e of yo o ey ca go o wok fo yo

INVESTMENT COMPANYACT LIMITATIONS

A copay a seaedasa "vese copay" de e Ivese CopayAcof1940 (e"<u>1940 Ac</u>") ssbjecos ge a doe o seg a o, kea a f d Bega vese copays' ega, b svey expesve If e Copaywe e eaedasa vese copay wo d bevey bad foo b sessa do Iveso s

U de sec o 3(a) of e 1940 Ac, e e "ves e co pay" ea sayco pay a

- Iso ods sefo as be ge gaged p a y, o poposes oe gage p a y, eb s ess of ves g, e ves g, o ad g sec es
- Is e gaged o poposes o e gage e b s ess of ss g face-a o ce fca es of e sa 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 poposes o e gage e b s ess of ves g, e ves g, ow g, o d g, o ad g sec es, a dow so poposes 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 asses (exc s ve of Gove e sec es a d cas e s) o a co so da ed bas s

Rea esae sefs o a"sec y" fop poses of e 1940 Ac T s, fa of e Co pay's asses cossed of dec eess ea esae dec owes pofadad b d gs e Co pay cod o bea ves e co pay

Howeve, e Co paywow os asses o go e co pa es Fo exape, e Co pay gowa e es a ea es a e deve op e o ga ed aby co pay Becasea e es a ed abyco pay s ge e a y ea ed as a "sec y" w e ea gof e 1940 Ac, e poss by e a s a e Co pay co d be ea ed as a ves e co pay ook go ya sec o 3(a)(1) of e s a e

Howeve, sec o 3(b)(1) of e 1940 Ac povdes a "A y co pay] p a ye gaged, d ec yo 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 esses o e a a of ves g, e ves g, ow g, od g, o ad g sec es" w *not* be ea ed as a "ves e co pay" F e, 17 CFR §270 3a-1, a eg a o ss ed by e SEC p s a o sec o 3(b)(1), p ov des a a co pay w o be ea ed as a ves e co pay f o o e a 45% of eva e of s asses (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 f o , sec es *other than*

- Gove e sec es
- Sec es ss ed by e poyees' sec es co pa es
- Sec es ss 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

- Sec es ss ed by co pa es
- o W c aeco oedp a yby eco pay q es o
- o Togwc ecopay qesoegages absessoe a aofves g, eves g, ow g, od go ad g sec es ad
- o W c a e o e se ves ves e co pa es
- Fo ese p poses
 - As bsday sa" ajo y-ow eds bsday" f epae ow sa eas 50% of evo gsec es of es bsday
 - A pae s dee ed o "co o" as bs day f as e powe o exe c se a co o g f e ce of e a age e o po c es of e s bs day a d
 - A pae s dee ed o "co o p a y" as bs day f(1) as e powe o execse a co o g f e ce of e a age e o po ces of es bs day, a d (2) s powe s g e a e a e powe o f a y o e pe so

I a o a os a cases w e e e Co pa y ow s ea es a e d e e y, o g a ed ab y co pa y o a o e e y () e Co pa y w ave e powe o exe c se a co o g f e ce of e a age e o po ces of e ed ab y co pa y o o e e y, a d () s powe w begea e a epowe of a y o e pe so. He ce, e Co pa y s o d be dee ed o "co o p a y" e e y a d, as a es , e e e asse o e co e of s c e y s o d be ake o acco de e g w e e e Co pa y exceeds e 45% s p ov ded 17 CFR §270 3a-1

T s be g e case, e Co pa y expec s o sa sfy e eq e e s of 17 CFR § 270 3a-1 a d, co seq e y, o be exe p ed fo e def o of "ves e co pa y" de e 1940 A c

Sec o 57 of eLLC Agee e eq es e Ma age o se co e c a y easo ab e effo s o sa sfy e eq e e s of 17 CFR §270 3a-1 a d e s e a e Co pa y s o ea ed as a "ves e co pa y" w e ea g of e 1940 Ac

SUMMARY OF OUR LLC AGREEMENT AND AUTHORIZING RESOLUTION

T e Co pa y as a w o e s gove ed by a agee e cap o ed "L ed Lab y Co pa y Ag ee e "da ed A g s 20, 2020 We efe o s as e "<u>LLC Ag ee e</u>"

T e Cass A I ves o S a es be g offe ed s Offe g we e c e a ed w e e Ma age adop ed a eso o p s a o sec o 32 of e LLC Ag ee e We efe o s as e "<u>A o z g Reso o</u>"

Tefoowgs azessoe of ekeypovsos of eLLCAgeee ad eA ozgReso o Tss aysq afed se eyby eLLCAgeee sef,wcscded as ExblA-2B, ad by eA ozgReso o sef,wcscded as ExblA-2C

Formation and Ownership

TeCopaywas foed Deawaeo Ags 20,2020 psao eDeawaeL edLaby CopayAc

U de eLLCAgee e, ow es p ees s eCo pa yae efe ed oas "<u>S a es</u>," w e eow es a e efe ed oas "<u>Me bes</u>"

I edaeybefoe sOffe g, eo yowe of eCo paywas eSposo IvesoswobyCassAIvesoSaes eOffe gw beco eowes, ad e Co pay g ad o eowes ef e

Shares and Ownership

Te eess e Co pa yaede o aed by 20,000,000 "Saes," coss gof 1,000,000 "Co o Saes" ad 19,000,000 "I veso Saes" Te Ma age ay fe dv de e 19,000,000 I veso Saes o o e o o e casses, by adop go e o o e a o z geso o s A yo e ow g I veso Saes sefeed o e LLC Agee e as a "I veso Me be"

T e Ma age adop ed e A o z g Reso o o c ea e Cass A I ves o S a es A y I ves o w o b ys Cass A I ves o S a es e Offe g w be a "I ves o Me be" de eLLC Ag ee e

A of e Co o Saesof e Co payae ow ed by Dve syF d, I c, a aff a e of e Ma age, w c we efe o as e "<u>Sposo</u>" T e Cass A I ves o Saes w be ow ed by I ves o s, a dae es bjec of s Offe g By adop go e a o z g eso o s, e Ma age ay cea e, offe, a d se o e casses of I ves o Saes ef e, w c co d ave g ss pe o o e g sof e Cass A I ves o Saes

Management

T e Ma age as copeeds ce o ove a aspects of ebs ess cod ced by e Copay Foexape, e Ma age ay () ad ew e bes o e Copay () e e o co ac so be a f of e Copay () bo ow o ey (v) acq e a d d spose of asses (v) dee e e gada o of ds b o s o Me bes (v) cea e ew casses of ed aby copay ess (v) dee e e foa o obepovded o e Me bes (v) ga e sado e e c baceso e asses of e Copay (x) a d d ssove e Copay

I vesoswop caseCassAI veso Saeswo aveay govoeo aysseo e a cea a edeso eLLCAgee e, o o e ove eMaage

Ce a e sof esevces obepovded by e Ma age, as we as eco pe sa o obepad o e Ma age by e Co pay, a ese fo e Ma age e Sevces Ag ee e be wee e Co pay a d e Ma age da ed Ag s 20, 2020, w c we efe o as e "<u>Ma age e Ag ee e</u>" Tep cpa e sof e Ma age e Ag ee e a es a zed "S a y of Ma age e Ag ee e" sa go page 50, w e a copy of e Ma age e Ag ee e sa ac ed as Ex b 1A-6B

T e Ma age ca o y be e oved fo "ca se" de apoced e se fo sec o 56 of e LLC Ag ee e

T e e "ca se" c des

- A c ed b eac of e LLC Ag ee e o e Ma age e Ag ee e by e Ma age o
- Tebak pcyof eMa age o
- Ce a scod co e pa of e Maage, fe dvd a esposbe fo e scod cs oe aed

A voe o e ove e Ma age fo ca se s be app oved by I ves o Me be sow ga eas 75% of e o sad gI ves o Saes We e "ca se" exs swod e be dec ded ab a o p oceed gs cod c ed de e es of e A e ca A b a o Assoca o

Exculpation and Indemnification of Manager

T e LLCAg ee e poecs e Ma age, saff a es, e e bes, a age s, offce s, e poyees, a dage s, a d e offce s, e poyees, a dage s of e Co payfo aws sbog by I vesoso o e pa es Fo exa pe, pov des a s c pesosw o be esposbe o I vesoso e Co payfo sakes, e os j dg e , o o e acsoo ssos (fa es o ac) as o g as e ac o o sso was o e es offa do w f scod c by s c pesos T s a o of ab y s efe ed o as "exc pa o "T e LLCAg ee e a sop ov des a esepesos do o owe a yfd cayd es o e Co payo sow es

T e LLC Ag ee e aso eq es e Co payo de fy (e b se) e d e cos, off ce s a d e poyees of e Co payad e aff a es fo osses, ab es, a d expe ses ey c pe fo g e d es, pov ded a ey () ac ed good fa a d a a e be eved o be, o o opposed o, e bes e es s of e Co payad, w espec o a y c a pocced g, ad o easo abe ca se o be eve s co d c was awf, a d () e c a e ged co d c d d o co s e fa d o w f s co d c, e e case as de e ed by a f a, o appea abe o de o fa co o fo o pe e j s d c o Fo exa pe, fa d pays ed e Ma age o a a e e a ed o e Co pay's b s ess, e Co paywo d be eq ed o de fy e Ma age fo a y osses o expe ses c s co e co w e aws, c d g a o eys' fees, j dg e s, e c Howeve, s de f ca o s o ava abe w e e a co o o e j d ca o gove e a body dee es a e pe so o be de fed s o e e d o de f ca o de e s a dad desc bed e peced g se e ce

Now sad g efoego g, o exc pao o de fcao spe ed o e exe s c exc pao o de fcao wo d be cosse w e eq e e sof fede a o sa e sec es awso o e app cabe aw

Tedeaed esfoexc pao ad de fcao aese fo seco 6 of eLLCAgee e

Obligation to Contribute Capital

O ce a I veso pays fo s, e, o s Cass A I veso S a es, e, s e, o w o be eq ed o ake a y f e co b o s o e Co pa y Howeve, fa I veso as wo g f y ece ved a d s b o e, s e, o g ave o pay back

Personal Liability

No I ves o w be pe so a y ab e fo a y of e deb so ob ga o s of e Co pa y

Distributions

Te a e w c eCo pa yw ds b e sava ab e cas s desc bed "Sec es Be g Offe ed Ds b o s"

Transfers and First Right of Refusal

I ge e a, I ves o s ay fee y a sfe e Cass A I ves o Saes Howeve, e Ma age ay pob a a sfe a e Ma age de e es wodjeopad ze es a sof e Copa y as a REIT

If a I veso was ose Cass A I veso Saes, e I veso sfsoffe e Cass A I veso Saes o e Maage

Death, Disability, Etc.

If a I veso w o sa a be g (as opposed o a I veso a sa ega e y) so d de o beco e capacaed, e I veso o s, e o ss ccesso sw co e o ow e I veso's Cass A I veso S a es

Fees to Manager and Affiliates

 $T \ e \ Co \ pa \ y \ w \ pay \ ce \ a \ age \ e \ fees \ a \ do \ e \ fees \ o \ e \ Ma \ age \ , as \ s \ a \ zed \ \ "Co \ pe \ sa \ o \ of \ Ma \ age \ e \ "$

Mandatory Redemption

T e Ma age ay case e Copa y o edee (p c ase) e Cass A I ves o S a es ow ed by a I ves o so e c c s a ces (effec k ck g e I ves o o of e dea) as desc bed "Sec es Be g Offe g Ma da o y Rede p o s"

"Drag-Along" Right

If e Ma age was ose ebs ess cod ced by e Copay, ay affece a saco as a sae of eases sowed by e Copayo as a sae of a e I eess e CopayI e a e case, I ves os w be eq ed ose e Cass A I ves o Saes as deced by e Ma age, ece v g e sae a o ey wod ave ece ved ad e a sac o bees c ed as as a e of asses

No Redemption Right

I ves o sw o avea y g o ca se e Co pa y o edee (b y back) e Cass A I ves o S a es

Electronic Delivery

A doc e s, c d ga ax-eaeddoc e s, w be a s ed by e Co pa y o I ves o s va e e c o c de ve y

Amendment

T e Ma age aya e d e LLC Ag ee e a e a y (a s, w o ecose of a yo e e se) fo a va e y of p poses, c d g o

- C e a b g e s o c o s s e c e s e LLC A g e e e
- Add o sow ob ga o so espo sb es
- Cage e a eof eCo pay
- Es e a eCo pay(cd g eCo pay)sa sfes app cabe aws, cd g axa d sec es aws a d
- Esea eCopaysegbeobe ea ed as a REIT

A a e d e a as, o co d easo abybe expeced o ave, a adve se effec o I ves os, eq es e co se of e Ma age a d I ves os od g a ajo y of e C ass A I ves o S a es

A a e d e a wo d eq e a I veso o ake add o a cap a co b o so pose pe so a ab yo a I veso eq es e co se of e Ma age a deac affec ed I veso

Information Rights

W 120 days afe ee dofeac fsca yea of eCo pay, wew povde I vesos w () as a ee sow g easo abede a eco p a o of eds b o s ade by eCo pay, () a d ed f a casa e e sof eCo pay, () as a e e of e co e a dexpesses of eCo pay, a d (v) a desc p o of eCo pay's ves e s, a dava a o of e ves e spe fo ed good fa by eMa age

I add o ,eac yea e Co pa yw p ov de I ves o sw a de a ed sa e e s ow g

- T e fees pad o e Ma age a d s aff a es a d
- A y a sac o s be wee e Co pa y a d e Ma age 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 pad

W 60 days afe eed of efs eefscaq a es of each fscayea, we was op ovde o I ves os a epo coag, a ogo ees, a ove vew of e Copay's ves es, ad edfacas a ees, as ay of eds bos aded geq a e, adas a ee of sc I ves o's cap a acco

As a "e 2" sse de Reg a o A, e Co pay ayaso be eq ed o pov de vesos wadd o a fo a o o a o go g bass, c d g a a a d ed facasae e s, a a eposfed o SEC Fo 1-K, se a a eposfed o SEC Fo 1-SA, specafaca eposfed o SEC Fo 1-K, a d c e eposo SEC Fo 1-U If, owere, o Cass A I veso S a esae e d "of ecod" by fewe a 300 pesos, ese epo g ob g a o s cod be e a ed

A Me be's g o see add o a fo a o o spec e books a d eco ds of e Co pays ed by e LLCAg ee e

Summary of Management Agreement

DFMa age, LLC, a De awa e ed ab y co pa y, s des g a ed as e "a age" of e Co pa y de e LLCAg ee e U de sec o 52 of e LLCAg ee e , e Ma age as

F] a d copeea o y, powe a d d sceo o a agea d co o e b s ess, affa sa d p ope esof e Copa y, o akea decso s egad g ose a e s, o exec e a y co acso o e s e so be a f of e Copa y, a d o pe fo a y a d a o e acso ac v esc so a y o c de a o e a age e of e Copa y's b s ess

TeCopayad eMaagee eed oaco ac caeda"Maagee Sevces Ageee" daed Ags 20,2020, w cweefe oas e"<u>Maagee Ageee</u>" TeMaagee Ageee desc besaeg ad dea ayof ed es of eMaage, adaso desc bes eMaage's cope sa o Howeve, es of e Maage's desada oy eMaagee Ageee soexc sveU de eboadga of a oy eLLC Ageee, eMaage cod aved es ad a oy os ed eMaage e Ageee

T e Ma age e Ag ee e s c ded as Ex b 1A-6B

Ted es of e Ma age c de a ag go ves e s, as g o ey, acco gadad s a ve se v ces, a d a ag g ves o e a o s So e of e spec f c d es of e Ma age a e

- Codcg sOffeg
- Es ab s g ves e g de es, po c es, a d p oced es
- Ove see gadcodc gded ge ce
- A aggfofacgfobaksadoefacas os
- Revew g jo ve e oppo es
- Keep gad a a g e books a d eco ds of e Co pa y
- Ma ag g e Co pa y's po fo o of asses
- Maaggead saveadback-offcefcosofeCopay
- Coec g, a a g, adds b g fo a o
- Dee gepovees obe ade op opees owed by eCopay
- Ma a gapp op a e ec o ogy sys e s
- Mak g, c a g g, a d evok g axeec o s c d g ak g a eec o be ea ed as a REIT a d o be ea ed as a copo a o fo axp poses
- Copygw SEC eq e e s
- Maaggds b osadpay e solvesos
- Had gede po eqessfo Ivesos
- E gag g p ope y a age s, co a c o s, a o eys, acco a s, a d o e d p a es
- E e g oco acsa do e agee e

Tecopesao of eMa ages desc bed "Copesao of Ma agee"

T e Ma age e Ag ee e w e a effec fo as o g as e Ma age s e a age of e Co pa y de eLLC Ag ee e

FEDERAL INCOME TAX CONSEQUENCES

T e fo ow g s a zes so e of e Fede a co e ax co seq e ces of e Co pa y a d I ves o s T s s a y s based o e I e a Reve e Code (e "<u>Code</u>"), eg a o s ss ed by e I e a Reve e Se v ce ("<u>Reg a o s</u>"), a d ad s a ve gs a d co dec s o s, a as eyexs oday T e ax aws, a d e efo e e Fede a co e ax co seq e ces of acq g C ass A I ves o S a es, co d c a ge e f e

T s s o y a s a y, app cabe o age e c I ves o Yo pe so a s a o co dd ffe Wee co age yo o co s w yo ow axadv so befoe ves g

Federal Income Taxation of the Company

We e d o e e o be axed as a " ea es a e ves e s ," o "REIT," beg gw o f s axab e yea

Ass g a weq a fy as a REIT, e Co pay sef w ge easy o besbjec of edea co e axeso e co e a sc e yds b ed os a e odes T e Co payw, oweve, besbjec of edea co e axas fo ows

- Wew be axed a eg a copo a e ax a eso a y ds b ed REIT axabe co e, c d g ds b ed e cap a ga s
- A REIT ay ge e a y be s bjec o e "a e a ve ax"
- If we ave () e coefo esaeoo ed sposo of "foecos epopey" w c s edp a y fosaeocso es eod ay coseofb s esso () o e o -q a fy g coefo foecos epopey, we w besbjeco axa e g es copoaeaeos c coe
- If e Co pay as e co e fo "pobed a sacos" (w c a e, ge e a, ce a saes o o e d sposos o sofpopey e d p a y fo sae o c so e s e o d a y co se of b s essoe a fo e cos e p o pe y), s c co e w bes bjec o a axof 100% of e e co e fo s c p o b ed a sacos
- If we a e a b e o a a o q a f ca o as a REIT desp e a y fa e os a sfy e e e 75% o 95% co e es (d sc ssed be ow), we w bes bjec o a 100% axo a a o eq a o (a) e g oss co e a b abe o e g e a e of e a o by w c e Co pa y fa s e 75% o 95% of co e es p ed by (b) a spec f ed f a c o
- If we a a o q a f ca o as a REIT, desp e a y fa e os a sfy e REIT asse es s (d sc ssed be ow), e we w ave o pay a axeq a o egeae of \$50,000 o e g es a g a co po a e axa e p ed by e e co ege e a ed by eq a fy g asses

- A REIT w bes bjec o a 40% exc se ax f fa s o ake ce a ds b o seac cae da yea
- A 35% axw be posed o e excess c so sa ocabe od sq a fede es a od e ess e REIT
- If a REIT acq es a yasse fo a C copo a o (*i.e.*, ge e a ya copo a o s bjec of copo a e-eve ax) a ca yove bass a sac o (o fa REIT s c as e Co pa y ods asses beg go efs day of efs axab e yea fow c e Co pa y q a fes as a REIT) a d e REIT s bseq e y ecog zes ga o edspos o ofs c asse d g e 10-yea pe od (e Recog o Pe od) beg go eda e o w c easse was acq ed by e REIT (o e REIT fs q a fed as a REIT), e excess of (a) e fa a ke va e of e asses as of e beg g of e app cabe Recog o Pe od, ove (b) e REIT's adj sed bass s c asses as of e beg g ofs c Recog o Pe od w bes bjec o ax a e g es eg a copo a e a e, p s a o g de es ss ed by e Se v ce (e B I Ga R es)
- A REIT w bes bjec oa axeq a o 100% of e-de e ed e s, e-de e ed ded c o s, a d excess e es be wee a REIT a d s axab e REIT s bs d a y
- A REIT w besbjec o epesoa od gco payax, f e REIT q a fesas a pesoa od gco payad as ds b edpesoa od gco pay co e

If we faed os a sfy oe o oe of e ec ca eq e e s desc bed be ow, we g eve eess be e ed obe ea ed as a REIT de ce a "e ef" povs os O e wse, we wo d be s bjec o axo o axabe co e a eg a copoa e a es, w o ded c o a owed fo d s b o s os a e odes T e es g copoa e co e ax ab y wo d s g f ca y ed ce e cas ava abe fo d s b o o I ves os

Requirements for Qualifying as a REIT

Toq a fy as a REIT, we see cobe ea ed as a REIT a dee ce a eq e e sea ed oo oga za o, coe, asses a dds b os Eac se of eq e e s s dsc ssed be ow

Organizational Requirements

T e Code def es a REIT as a co po a $\,o\,$, $\,$ s $\,o\,$ assoc a $\,o\,$

- Ma aged by o e o o e sees o d e c o s
- T ebe efca ow es pofw c sev de ced by a sfe ab es a es, o by a sfe ab ece fca es of be efca ow es p

- 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 ceco payw e e a g o f e app cabe povso s o f e Code
- Tebe efca ow es pofw c s ed by a eas 100 pe so s
- D g e as a fofeac axabeyea, s o cosey ed, *i.e.*, o o e a 50% of eva e of so s a d g sock sow ed, d ec y o d ec y, by o fo fve o fewe "dvd as," as def ed e Code o c de ce a e es
- Fesa eeco o co ess c eeco o be axed as a REITo se fo eac axabeyea
- Uses e ca e da yea as s axab e yea a d
- Meeso e essdesc bedbeow, c d gw espec o e a eof sasses a d co e a d e a o of s d s b o s

Income Test Requirements

To a a q a f ca o as a REIT, o a a a bas s we s ee e fo ow g wo g oss co e eq e e s

- A eas 75% of o goss coe fo e axabeyea s be deved fo, a o goe gs, e s fo eapopey (w so e excep o s), e es o ob ga o s sec ed by o gages, a d ce a ga s o e sa es of p ope y
- I add o ode v g 75% of o g oss co efo, a o g o e gs, e so ces sed above, a eas 95% of e REIT's g oss co e fo e axabeyea s be de ved fo e above-desc bed q a fy g co e, o fo d v de ds, e es o ga s fo e sae o d spos o of s ock o o e sec es a a e o dea e p ope y

To sa sfy e g oss co e eq e e sa y "e s f o e a p ope y" e ce ved s e e f o ow g co d o s

- Tea o of e s obebased woeo pa o e co eo pof sofa y peso, b ca bebased o afxed pe ce age of ecep so sa es
- Tee ca o befo a e a ofw c weado aff aesow 10% o o eof() e o a co b edvo g powe of a casses of vo g sock, o o a va e of s aesof a casses of sock, f a co po a e e a , o () e ees s easses o e p of s of a e y, f o a co po a e e a

- Tee ca o bea b abe o pe so a p o pe y ess s eased co ec o w ea p o pe y a d e e a b abe o s c pe so a p o pe y s ess a o eq a o 15% of e o a e eceved fo e axab eyea a b abe o bo e ea a d pe so a p o pe y eased de s c ease a d
- Tee ca o bea b abe o sevces f s edo e de ed co eco w e e a of ea popey, ess s c sevces a e c so a y povded co eco w e e a of ea popey, we e o o s c c ages a e sepa a e y s a ed

We do o a cpaede v g e a b abe ope so a pope y eased co ec o w ea pope y a exceeds 15% of e o a e a b abe o s c ease

We ay pov de ce a sev ces w espec o o pope es We be eve a ese sev ces w o y be of e ype a a e s a y o c s o a y e de ed co e c o w e e a of space fo occ pa cy a d a a e o o e w se e de ed o e e a s T e efo e, we be eve a e pov so of s c c s o a y sev ces w o ca se e s ece ved w espec o o pope es of a oq a fy as "e s fo e a pope y" No -c s o a y sev ces a d sev ces e de ed p a y fo e e a s'co ve e ce w be pov ded by a depe de co a c o a axab e REIT s bs da y o avo d jeopad z g eq a f ca o of e as "e s fo e a pope y"

Excep fo a o seceved w espec oce a ves e sofcas eseves, we a cpae a s bs a aya of o goss co e w be deved fo so ces a w a ow s os a sfy e co e ess desc bed above oweve, we ca ake o ass a ce s egad

Asset Test Requirements

A ecose of each of e axabeyea, we sasosasfy efoow gfo esseado e a eaddvesfca o of o asses

- A cas 75% of eva eofo o a asses s be ep ese ed by ea es a e asses, cas a d cas e s(c d g ecevabes) a d gove e sec es
- No o e a 25% of eva e o fo o a asses ca be ep ese ed by sec es (o e a ose sec es c d b e e 75% asse es)
- No oe a 20% of eva eofo o a asses ca be ep ese ed by sec es ofo eo oe axab e REIT s bs da es a d
- W e excep o of axabe REITs bs da es a d ose sec es c dbe de e 75% asse es, we ay o ow
 - o Sec es of a yo e ss e w ose va e exceeds 5% of e va e of o o a asse s
 - o Moe a 10% of a yoesse's os ad gvo gsec es ad
 - o Moe a 10% of eva eof eo sad gsec esofayoesse

Annual Distribution Requirements

To q a fy as a REIT, we see e fo ow ga a ds b o eq e e s

- We s d s b e (o e a cap a ga d s b o s) o o be efca esa a o a eas eq a o es of ()90% of e REIT axabe co e (co p ed w o egad o edvde ds-pad ded c o a d by exc d g o e cap a ga), a d ()90% of e e co e, fa y, fo foecos e pope y excess of e exc se axo e co e fo foecos e pope y, s es ofce a e sof o -cas co e
- We s d s b e d geac cae da yea a eas e co b ed s of 85% of o o d a y co e fo a yea 95% of o cap a ga e co e fo a yea a d a y d s b ed axabe co e fo p o pe ods
- We ay o dspose of a yasse a ss bjec o eB -I Ga R esd g e l0-yea pe od beg go e da e o w c we acq ed e asse

We expect a o REIT axabe coew be ess a o cas fow de o e a owa ce of depecta o a doe o -cas cages cop gREIT axabe coe Accod gy, we a cpae a we ge e a yw aves ff ce cas o q dasses o e abe sos a sfy e 90% ds b o eq e e I sposs be, oweve, a we ay o aves ff ce cas o o e q dasses o e e e 90% ds b o eq e e o o ds b es c ge a e a o as a ybe ecessa y o avod co e a dexcse ax I s c eve, we ay f d ecessa y o bo ow f ds o pay e eq ed ds b o o, fposs be, pay axabe sock dv de ds o de o ee e ds b o eq e e

Taxation Of Investors

How Income is Reported To Investors

Eac I vesow eceveaFo 1099 fo e Copayeac yea, a dw a sfe e fo a o o o s, e, o spesoa axe I vesosw o eceveaFo K-1 fo e Copay

Taxation of Distributions

Ds b os oI vesos o e a "cap a ga dv de ds" w be ea ed as axabe dv de ds p o e a o of e Co pay's c e o acc a ed ea gs a d pofs. To e exe a we ake a ds b o excess of o pos ve c e o acc a ed ea gs a d pofs, e ds b o w be ea ed fs as a ax-fee e of cap a, p o a I ves o's ax"bas s" s, e, o s Cass A I ves o'S a es, e as cap a ga

D v de ds a we decae Oc obe, Nove be, o Dece be of a y yea payabe o sock o de sofeco do a specfed da e a y s c o a e ea ed as bo pad by s a deceved by I ves o so Dece be 31 of a yea, p ov ded a we ac a y pay e d v de ds d g Ja a y of e fo ow g cae da yea

Dvdeds fo e Copayw *not* be eaed as "q a fygdvdeds," w c a eegbe foowe ax a es (ge ea y e sa e ax a es a appyoog e cap a ga s)

"Capaga dv de ds" w be epo ed as og-e capaga so e axe sof I ves os (o e exe a ey do o exceed o ac a e capaga fo e axabe yea), w o egad o ow og a I ves o as ow ed s, e, o s C ass A I ves o S a es

Taxation of Losses

Beca se eCo payw be axed as a co po a o, a d o as a pa e s p, I ves o s ay o epo o e ow co e ax e s a y ax osses c ed by eCo pay

Additional Medicare Tax

Hge-coe axpayes a es bjec o a add o a 38% axo e "ves e coe" I coe I ves os eceve fo e Copa y w be c ded as "ves e coe" fo esep poses

Tax on Sale of Class A Investor Shares

A I ves o wose s Cass A I ves o S a es ge e a yw ea ze cap a ga o oss eq a o ed ffe e ce be wee e se gp ce a d s, e, o s adj s ed ax "bas s" e Cass A I ves o S a es If e I ves o a sow ed e Cass A I ves o S a es fo a eas o e yea, a y ga wo d ge e a y be ea ed as o g e cap a ga

Passive Activity Losses

Taxabeds b osfo eCopayw obe eaed as "passveacvy coe" de Codeseco 469 a day obe offse agas osses fo passveacves

Withholding Taxes

We g be eq ed ow odfede a coe axfods bos de ce a c c saces, *e.g.*, we e a Iveso as faed op ov de sw avad axpaye de f ca o be

Eac I veso se e epo Copa y e so saxe cosse w e ea e o e foa o e of e Copa y of ea sa e e w saxe de fygadexpa g e cosse cy O e w se e IRS ay ea s c cosse cy as a copa o a e o a de-cope a dassess e axwo e sa poced a poecos app cabe o fede a coe ax def ce cy poceed gs

TeMa age w seveas e "ax a espa e" of eCo payadw ge eayco o a poceed gsw eIRS

T e Code poses e es a dava e y of po e a pe a es o de pay e s of ax

Other Tax Consequences

T e fo ego g d sc ss o add esses o y se ec ed ss es vov g Fede a co e axes, a d does o add ess e pac of o e axes o a ves e e Co pay, c d g Fede a es a e, g f, o ge e a o -sk pp g axes, o S a e a d oca co e o e a ce axes Pospec ve I ves os s o d co s e ow ax adv so s w espec os c a e s

LEGAL PROCEEDINGS

Ne e eCo pay sef, eMa age, eSpo so, o ayof e especvee poyees, offces, decos, a ages, o e bessc e ye gaged ay a e a ega poceed gs, excep as povded "O Ma age e Tea Lega Poceed gs"

Ne e e Co pay sef, e Ma age, e Spo so, o ay of e espec ve e poyees, offces, d ecos, a ages, o e bes s, o e k owedge of e Co pay, c e y es bjec of a y ves ga o o poceed gs by a y gove e a a o es

TESTING THE WATERS MATERIALS

Befoe e Offe g s q a fed by e SEC, we g e gage was cooy efe ed o as "es g e waes" de 17 CFR §230255 Foexa p e, we g ask foexp essos of e es va e S e

I accoda cew e SEC's es, a ofo co ca o sw poe a veso sw

- Sae a o o eyo o e co s de a o s be g so c ed, a d f se espo se, w o be accep ed
- Sae a ooffe oby esec esca be accepedad opa of ep casepce cabe eceved eoffe gsae e sqafed, a days c offe aybew daw o evoked, w o obgao o co e of ayk d, a ay ebefoe o ce of saccepacegve af eeq a f cao dae
- Sae aapeso's dcao of ees voves oob gao o co e of ayk dad
- E e
 - o Saefo wo acopy of e os ece veso of ePe ay Offe gCca ay be ob a ed, c d gap o e be a dadd ess of s c pe so
 - o Povde eURLweescPe ayOffe gCca,o eoffe gsaee wcscPe ayOffe gCcawasfed, aybeobaedo
 - o I c deaco peecopy of ePe ay Offe gC c a

A copy of a ys c co ca o sw be fed w e SEC

MANAGEMENT DISCUSSION

Operating Results

T e Co pa y was cea edo A g s 20,2020 T e Co pa y as o co d c eda y b s essa d e efo e as o ope a g es s

Liquidity and Capital Resources

T e Co pa y sseek g o ase p o \$50,000,000 of cap a s Offe g by se g Cass A I ves o S a es o I ves o s

T e Co pay does o c e y ave a y cap a co e s We expec o depoya os a of e cap a we ase e Offe g ak g ea es a e ves e s, as desc bed "Use of Poceeds" o page 42 S o d we eed o e cap a fo a y easo, we co d e e se o e Cass A I ves o S a es o se o e casses of sec es I se g Cass A I ves o S a es o o e sec es, we g be cos a ed by esec es aws Fo exa p e, we a e o a owed o se o e a \$50,000,000 of sec es s g Reg a o A d g a y pe od of 12 o s

Plan of Operation

Hav g a sed cap a e Offe g, e Co pa y w ope a e e a e desc bed "O Co pa y a d B s ess"

W e e we as \$50,000,000 e Offe go so e gess, we be eve e poceeds of e Offe gw sa sfy o cas eq e e s If we as eess a \$50,000,000, we w s p y ake fewe ves e s A o g we g dec de o as e o e cap a, we k ow of o easo w y we wo d eed o

DF GROWTH REIT, LLC

Delaware Limited Liability Company

F a c a S a e e s a d I depe de A d o 's Repo

A g s 6,2020 (cep o)

DF Growth REIT II, LLC

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1785 West 2320 South Salt Lake City, UT 84119 801-972-4800 801-972-8941 www.HaynieCPAs.com

INDEPENDENT AUDITOR'S REPORT

To e Ma age e of DF G ow REIT II, LLC

We ave a ded e accopay g baa ces ee of DF G ow REIT II, LLC (a De awae ed ab y copay), w c cop se e baa ces ee as of Ags 6,2020 (cep o) a d e e a ed o es o ef a casa e e

Management's Responsibility for the Financial Statements

Ma age e s espo s befo e pepaao a d fa pese a o of s fa casa e accoda cew acco g p c pes ge e a y acceped e U ed Sa es of A e ca s c des e des g, pe e a o, a d a e a ce of e a co o e eva o e pepaao a d fa pese a o of e fa casa e e a a e fee fo a e a ssa e e, we e d e o fa do e o

Auditor's Responsibility

O esposby so expessa opoo efacasae e basedoo ad We cod cedo ad accoda cew ad gsadads ge e a yacceped eU ed Saes of Ae ca Tose sadads eqe a we paad pe foe ad oob a easo abe assa ce abowe e efacasae e sfee fo ae a ssae e

A ad voves pefo g poced es o oba ad ev de ce abo e a o saddscos es e facasae e Tepoced es seeced depedo e ad o's j dg e, c d g eassess e of e sks of a e a ssae e of e facasae e , we e de o fado e o I ak g ose skassess e s, e ad o cos des e a co o e eva o e e y's pepa a o ad fa pese a o of e facasae e o de o des g ad poced es a a e app op a e e c c s a ces, b o fo e p pose of express g a op o o e effec ve ess of e e y's e a co o Accod g y, we express os c op o A ad a so c des eva a g e app op a e ess of acco g po ces sed ad e easo abe ess of sg f ca acco g es a es ade by a age e , as we as eva a g e ove a pese a o of e facasae e

We be eve a ead ev de ce we ave ob a ed s s ff ce a dapp op a e o p ov de a bas s fo o a d op o

Opinion

I o op o, efacasae e efe edoabove pese fay, a ae a especs, efacapos o of DFG ow RIET II, LLC as of Ags 6, 2020 (cep o), accoda cew acco gp c pesge e a yaccep ed e U ed Saes of Ae ca

Substantial Doubt about the Company's Ability to Continue as a Going Concern

Teacco pay gfacasae e s ave bee pepaed ass g a DFGow REIT II, LLC w co easago g co ce Asdsc ssed Noe3 o efaca sae e s, eess bsa a do b abo eab y of DFG w REIT II, LLC o co easago g co ce asofAgs 6,2020 Ma age e 's eva a o of eeve s a d co d o sa d a age e 's pas egad o a a e asoa e desc bed Noe3 Tefacasae e s do o c de a y adj s e s a g es fo o co e of s ce a y O op o s o odfed w espec o a a e

/s/Hay e&Co pa y

Hay e & Co pa y Sa Lake C y, UT Sep e be 23, 2020





DF Growth REIT II, LLC Balance Sheet As of August 6, 2020 (inception)

ASSETS	Au	As of 1gust 6, 2020
Defe ed Offe g Cos s	\$	14,029
TOTAL ASSETS	\$	14,029
LIABILITIES AND EQUITY		
LIABILITIES		
Acco s Payab e	\$	14,029
TOTAL LIABILITIES	\$	14,029
TOTAL LIABILITIES AND EQUITY	\$	14,029

T eacco pay g o esaea egapa of esefacasae e s

DF Growth REIT II, LLC Notes to the Financial Statements August 6, 2020 (inception)

Note 1 - Nature of Operations

DF Gow REIT II, LLC (e "Co pay") sa ed ab y co payoga zed Ags 6,2020 de e aws of De awa e Te Co paywas fo ed op case a d ves ce a ea es a ep ope es a d pojecs s cas -fa y a d co e ca ea es a e

As of A g s 6,2020 (cep o), eCo pay as o co e ced p a ed p c pa ope a o s o ge e a ed eve e T eCo pay's ac v ess ce cep o ave co ssed of fo a o ac v esa d pepa a o s o as e cap a O ce e Co pay co e ces spa ed p c pa ope a o s, w c add o a expe ses T eCo pay s depe de po add o a cap a eso ces fo e co e ce e of spa ed p c pa ope a o s a d s s bjec o sks a d ce a es c d g fa g o sec e f d g o ope a o a ze e Co pay's pa ed ope a o s o fa g o p of aby ope a e b s ess

TeCopaysexe ay a aged by DFMa age, LLC, ("Ma age"), w c sas bsdayof eCopay's sposo, DvesyFd, Ic ("Sposo")

Ma age e does o be eve a a y ece y ss ed, b o ye effec ve, acco g s a dads co d ave a a e a effec o e acco pa y g ba a ce s e As ewacco g p o o ce e s a e ss ed, e Co pa y w adop ose a a e app cabe de e c c s a ces

Note 2 - Summary of Significant Accounting Policies

Basis of Presentation

T e acco gadepo gpocesof e Copaycofo o acco gp c pesge e a yacceped e U ed Saesof A e ca (GAAP)

T e Co pa y adop ed e ca e da yea as s bas s of epo g

Use of Estimates

Tepepaao of ebaaces ee cofo yw GAAP eq es aage e o akees aesadass pos aaffec e epo eda o sofasse sad ab esaddscos esofco ge asse sad ab esa eda eof e baaces ee Aca es scodd ffe fo ose es aes

Cash Equivalents and Concentration of Cash Balance

T e Co pay cos de sa gyq d sec es w a o ga a y of ess a ee o s o be cas eq vae s T e Co pay's cas a d cas eq vae s bak depos accos, a es, ay exceed fede ay s ed s

Deferred Offering Costs

Te Copay copesw e eque e s of FASB ASC 340-10-S99-1 w egads o offe g coss Poo e cope o of a offe g, offe g coss a e capa zed Te defe ed offe g coss a e caged o sock o de s'equy pou e cope o of a offe g o o expese f e offe g so cope ed As of Ag s 6, 2020 (cep o), defe ed offe g coss o a ed \$14,029

Fair Value of Financial Instruments

F a caAcco gSa da ds Boad ("FASB") g da cespecfesa e a cyofva a o ec q es based o w e e e p s o oseva a o ec q es a e obsevabe o obsevabe o bosevabe p s efec a ke da a ob a ed fo depe de so ces, w e obsevabe p s efec a ke ass p o s T e e a cy gves e g es p o y o adj s ed q o ed p ces a c ve a ke s fo de ca asseso ab es (Leve 1 eas e e) a d e owes p o y o obsevabe p s (Leve 3 eas e e) T e ee eves of e fa va e e a cy a eas fo ows

Leve l-U adj sed qoed p ces ac ve a kesfo de ca asseso ab es a e epo ge y as e ab y o accessa e eas e e da e Leve l p a y cosssoff a ca s e swose va e sbased o qoed a ke p cess c as exc a ge- aded s e sa d sed eq es

Leve 2-Ip so e a qoedp ces c dedw Leve 1 a a e obse vabe fo e asse o ab y, e e d ec y o d ec y (eg, qoedp ces of s a asse so ab es a c ve a ke s, o qoedp ces fo de ca o s a asse so ab es a ke s a a e o ac ve)

Leve 3 - U obse vabe p s fo e asse o ab y F a ca s e sae co s de ed Leve 3 w e e fa va es a e de e ed s g p c g odes, d sco ed cas fows o s a ec q es a d a eas o es g f ca ode ass p o o p s obse vabe

Revenue Recognition

T e Co pa y ecog zes eve e w e (1) pes as ve ev de ce ex s of a a a ge e w e c so e efec g e e s a d co d o s de w c p od c s o se v ces w be p ov ded (2) de ve y as occ ed o se v ces ave bee p ov ded (3) e fee s f xed o de e ab e a d (4) co e c o s e as o ab y as s ed No eve e as bee ea ed o ecog zed as of A g s 6,2020 (cep o)

Organizational Costs

I acco da ce w F a ca Acco g S a da ds Boa d (FASB) Acco g S a da ds Cod f ca o (ASC) 720, o ga za o a cos s, c d g acco g fees, ega fees, a d cos s of co po a o , a e expe sed as c ed T e Co pa y as o c ed a y o ga za o a cos s as of A g s 6,2020 (cep o)

Income Taxes

Te Copaysa ed abycopayAccodgy, de e Ie a Reve e Code, a axabe coe ossfows og os e bes Teefoe, o povso fo coe ax as bee ecoded es a e e s I coe fo e Copaysepoedadaxed o e e beso e dvda ax e s

T e Co pay co p es w FASB ASC 740 fo acco g fo ce a y co e axes ecog zed a co pay's fa ca sa e e s, w c p esc bes a ecog o es od a d eas e e p ocess fo fa ca sa e e ecog o a d eas e e ofa axpos o ake o expeced o be ake a ax e Fo ose be efs o be ecog zed, a axpos o s be o e-key-a - o o be s sa ed po exa a o by ax g a o es FASB ASC 740 aso p ov des g da ce o de ecog o, cass f ca o, e es a d pe a es, acco g e pe ods, d s cos e a d a s o Based o e Co pay's eva a o, as bee co c ded a e a e o sg f ca ce a axpos o s eq g ecog o e Co pay's fa ca sa e e s T e Co pay be eves a s co e axpos o s wo d be s sa edo a d a does o a cpa e a yadj s e s a wo d es a a e a ca ge o sfa ca pos o

Te Copayay ef e becoes bjec ofedea, sa e a doca coe axa o og as obees ces cep o Te Copays opese y s bjec o a y coe axa d a y ax g j s d c o

Net Earnings or Loss per Unit

Ne ea gso osspe s cop ed by dvd g e coe o oss by eweg ed-ave age be of so sad gd g epe od, exc d g s s bjec o ede p o o fofe e T e Copay pese s bascadd ed e ea gso osspe D ed e ea gso osspe efec e ac a weg ed ave age of s ss ed a do sad gd g epe od, adj s ed fopo e ayd vesec eso sad g Poe ayd ve e sa eexc ded fo e cop a o of ed ed e ea gso osspe f e c so wod be a -d ve As opo e ayd ve e sexs a d o e bes p saeo sad g as of A g s 6, 2020 (cep o), e Copay as opese ed basc e osspe o d ed e osspe

Note 3 - Going Concern

T e acco pay g baa ces ee as bee p epa ed o ago g co ce bas s, w c co e pa es e ea za o of asses a d e sa sfac o of ab es e o a co se of b s ess T e Co pay s a b s ess a as o co e ced p a ed p c pa ope a o s, p a s o c add o a cos s p s of s cap a f a c g p a s, a d as o g e a ed a y eve es as of A g s 6,2020 (cep o) T e Co pay's ab y o co e as ago g co ce e ex we ve o s s depe de po s ab y o oba cap a f a c g f o ves o s s ff ce o ee c e a d f e ob ga o s a d dep oy s c cap a o p od ce p of abe ope a g es s No ass a ce ca begve a e Co pay w bes ccess f ese effo s

Note 4 – Member's Equity / (Deficit)

No e bes p s avebee ss ed a d o cap a asbee co b ed o e Co pa yas of A g s 6,2020 (cep o)

Te debs, obga os, a dabes of e Copay, we e asg coac, o, o o ewse, a esoey e debs, obga os, a dabes of e Copay, a doe be of e Copay sobga edpesoay foays c deb, obga o, o aby

Note 5 - Subsequent Events

Ma age e as eva a eda s bseq e eve s og Sepe be 23,2020, eda e efa casa e e swee ava abe obessed Teea e oadd oa a e a eve s eq gdscos e oadj s e o efa casa e e s

Note 6 - Miscellaneous Items

O Ja a y 30, 2020, e Wo d Hea O ga za o decaed e coo av so beak a "P b c Hea E e ge cy of I e a o a Co ce " a d o Mac 10, 2020, decaed obeapade c Ac o s ake a o d e wo d o ep ga e e spead of e coo av s c de es c o so ave, a d q a a es ce a a eas, a d foced cos es fo ce a ypes of p b c p aces a d b s esses T e coo av s a d a co s ake o ga e ave ad a d a e expeced o co e o ave a advese pac o e co o es a d f a ca a kes of a y co es, c d g e geog ap ca a ea w c e Co pay ope a es W e s k ow ow o g ese co d o s w as a d w a e co p e f a ca effec w be o eco pay, pe A a Lews, C ef I ves e Offce, s COVID-19 o beak s o expeced o ave a pe a e ega ve pac o DF Gow REIT II's ope a o s Add o a y, s easo aby poss be a es a es ade e f a ca s a e e s ave bee, o w be, a e a ya dadve sey pac ed e e a e a sa es of ese co d o s, s c as pa e osses e a ed o goodw a do e o g-ved asses

GLOSSARY OF DEFINED TERMS

1940 Act	TeIves e CopayAcof1940
ADA	A e ca s w D sab es Ac of 1990
Class A Investor Shares	Te ed ab yco pa y eess eCo pa y a a ebe goffeed o ep bc eOffe g
Common Shares	Te ed abyco a y e ess e Co a yow ed by e Soso
Code	T e I e a Reve e Code of 1986, as a e ded (<i>i.e.</i> , e Fede a axcode)
Company	DFG ow REIT II LLC, a ed ab y co pay fo ed de e aws of De awa e
Growth REIT I	DFG ow REIT LLC, a aff a e of e Soso a as offe ed a dsodsec es de Reg a o A
Investor	A yo ewo cases Cass A I veso S a es e Offe g
Management Agreement	Te ageee capoed "Maagee Sevces Ageee" da ed Ags 20, 2020 by a d be wee e Copay a de Maage
Manager	DF Ma age , LLC
Members	TeowesofeCopayUde eDeawaeLedLabyCopayAc, eowesofa ed abycopayae efeedoas"ebes"
Offering	Teoffe gof Cass A I veso Saes o epbcpsa o sOffe gCca
Offering Circular	TeOffegCcayoaeeadgg ow,wccdes foaoabo eCopay, eCopay,ade Offeg
LLC Agreement	Teagee e by a da og e Copay a da ofs e bescap oed "Led Laby Copay Agee e" a d daed Ags 20, 2020
Project Entity	A ed pa e s p, ed ab y co pa y, o o e ega e y fo ed o ow a ea es a e p ojec
Promoted Interest Regulations	TeccoocgofeSposoosae epofsofeCopay,ove adabove sg sasa Iveso Regaosssed de eCodeby eIe a Reve eSevce
Regulation D Program	A offie g cod c ed by e Sposoo e of saffaes a voved as g o eyfo vesos de Reg a o D (17 CFR § 230 500 <i>et seq</i>) a d ves g e a e sa e
REIT	Rea Esa e Ives e Ts, as defed sec o 856 of e Code
Shares	Te ed ab y co pa y e es s e Co pa y, w c a e d v ded o wo c asses Co o S a es a d I ves o S a es
Site	T e I e e s e oca ed a www.Dve.syF d.co
Sponsor	Dve syF d, I c

FORM1-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

Ja a y 19, 2021

T e fo ow g Ex b s a e f ed as pa of s Offe g S a e e

Exhibit 1A-2A	<u>Ce fca e of Fo a o</u>
Exhibit 1A-2B	LLC Agreement T e ag e e e by a d a o g e Co pa y a d a of s e bescap o ed "L ed Lab y Co pa y Ag e e e "a d
	da ed A g s 20, 2020
Exhibit 1A-2C	Authorizing Resolution T e eso o adop ed by e Ma age c ea g e C ass A I ves o S a es
Exhibit 1A-6A	<u>Investment Agreement</u> T e ag ee e obesg ed by eac I ves o o acq e a Cass A I ves o S a es
Exhibit 1A-6B	Management Agreement Teagee e capoed "Ma age e Sevces Agee e "by a dbewee e Copay a de Ma age
	<u>da ed A g s 20,2020</u>
Exhibit 1A-11	<u>Cose ofI depe de A d o</u>
Exhibit 1A-12	Lega o of Lex Nova Law LLC
Exhibit 1A-15	<u>Oga za o a C a of e Co pa y</u>
Ex b 1A-151	<u>Offe</u> <u>g</u> <u>C</u> <u>c</u> <u>a</u> <u>da</u> <u>ed</u> <u>O</u> <u>c</u> <u>obe</u> <u>30</u> , 2020 <u>f</u> <u>ed</u> <u>p</u> <u>s</u> <u>a</u> <u>o</u> <u>R</u> <u>e</u> 252(d)
Exhibit 1A-15.2	<u>Res sofP o P og a s</u>
Exhibit 1A-15.3	Le e fo SEC da ed Nove be 24, 2020
Exhibit 1A-15.4	<u>Le e fo SEC da ed Ja a y 8, 2021</u>

SIGNATURES

P s a o e eq e e sof Reg a o A, e ss e ce fes a as easo ab e g o ds o be eve a ee sa of e eq e e s fo f g o Fo 1-A a d as d y ca sed soffe g s a e e o be s g e d o s be a f by e de s g e d, e e o d y a o zed, e C y of Sa Dego, Sa e of Ca fo a, o Ja a y 19, 2021

DF Growth REIT II, LLC

By DF Ma age , LLC, as Ma age

By Dve syF d, I c , as Ma age

By /s/CagCec o

CagCec o, C ef Exec ve Off ce

/s/ A a Lews A a Lews D ec o a d C ef I ves e Offce of D ve syF d, I c (Ac g Capac y of P c pa F a c a Offce a d P c pa Acco g Offce) Ja a y 19, 2021

/s/CagCec o

C ag Cec o D ec o a d C ef Exec ve Offce of D ve syF d, I c Ja a y 19, 2021

Exhibit 1A.2C

DF GROWTH REIT II, LLC

AUTHORIZING RESOLUTION

Class A Investor Shares

The unde s gned, e ng the Manage of DF G owth REIT II, LLC, a De awa e mted ab ty company (the "<u>Company</u>"), he eby adopts the fo ow ng as an "Autho z ng Reso ut on" pu suant to sect on 3 2 of the L mted L ab ty Company Ag element dated August 6, 2020 (the "<u>LLC Ag element</u>")

1 Definitions Cap ta zed te ms that a e not othe w se defined n th s Autho zng Reso ut on sha have the mean ngs g ven to them n the LLC Ag element

2 Authorization of Class The Company sha have the autho ty to ssue up to Seven M on F ve Hund ed Thousand (7,500,000) Investo Sha es des gnated as "Cass A Investo Sha es," hav ng no pa vaue, with the ghts, p efe ences, powers, p v eges and est et ons, qua f cat ons, and m tat ons set for thin this Authorization zng Resoution

3 Distributions

31 Definitions The fo owng defnt ons sha appy fo pu poses of the section 3

311 "<u>Aff ated Pe son</u>" means the Manage, the Sponso, A an Lews, C a g Cec o, and any pe son who would be t eated as e ated to any of such pe sons unde sect on 267(b) o sect on 707(b) of the Inte na Revenue Code of 1986

312 "<u>A ocated Cap ta</u>" means, fo any Ho de, an amount equa to the Un etu ned Investment of such Ho de mut p ed by a fact on, the nume ato of wh ch s the Net Va ue of the P ope ty that was the subject of the Cap ta T ansact on (o the sum of Net Va ues, fmo e than one P ope ty was the subject of the Cap ta T ansact on) and the denomnato of wh ch s the agg egate of the Net Va ues of a the Company's P ope t es

313 "<u>Cap ta Cont but on</u>" means () fo a Ho de who acqued hs, he, o ts Cass A Investo Sha es d ecty fom the Company, the amount pad fo such Cass A Investo Sha es; and () fo a Ho de who acqued hs, he, o ts Cass A Investo Sha es fom anothe pe son, the amount pad by the pe son who o g nay pu chased such Cass A Investo Sha es fom the Company

314 "Cap ta T ansact on" means any sa e, efnanc ng, o othe t ansact on nvo v ng one o mo e P ope t es that s customa y cons de ed as cap ta

3 1 5 "<u>Catchup Retu n</u>" means, as of the date of any d st but on, an amount that bea s the same p opo t on to the agg egate Investo P efe ed Retu n pa d (not acc ued) th ough such date as th ty-f ve (35) bea s to s xty-f ve (65), *i.e.*, app ox mate y 53 85%

316 "Excess Dst but on" means the agg egate amount of the dst but ons (not fees) ece ved f om the Company by an Aff ated Pe son, whethe as the owne of Common Sha es, C ass A Investo Sha es, o othe wse, n excess of the amount of such Aff ated Pe son's Cap ta Cont but on

317 "F na Ho de" means a pe son who s a Ho de upon the d sso ut on and qu dat on of the Company, othe than an Aff ated Pe son

318 "Goss Vaue" means, fo any P ope ty, the unencumbe ed fa maket vaue of such P ope ty, as est mated by the Manage In est mat ng the fa maket vaue of a P ope ty, the Manage may ey on such sou ces of nfo mat on as the Manage may determine n ts so edsc et on, nc ud ng, w thout m tat on, b oke p ce op n ons, t ansact ons nvo v ng compa ab ep ope tes, and MAI app a sa s

319 "Ho de" means an Investo Membe who owns Cass A Investo Sha es

 $3\,1\,10$ "Investo IRR" means, fo any Ho de, the IRR ca cu ated on the Cap ta Cont but on of each Ho de, measu ed f om the date such Ho de was adm tted to the Company (p ov ded that fo these pu poses, the Company may assume that each Ho de adm tted to the Company du ng a month was adm tted on the ast day of such month) and assuming that the value of the Cass A Investo Sha es owned by such Ho de's equa to the Res dua Amount. The Investo IRR of a Ho de who d d not acque h s, he, o ts Cass A Investo Sha es d ect y f om the Company sha () e measu ed f om the date the o g na owne of such Cass A Investo Sha es f om the Company, and () take nto account a d st but ons made with espect to Cass A Investo Sha es, to a owne s

3111 "Investo P efe ed Retu n" means a cumu at ve, non-compounded etu n of seven pe cent (7%) pe yea on the Un etu ned Investment of a Cont but ng Membe

3112 "IRR" means not no account a capta cont but ons and dst but ons

3113 "Membe Loans" has the mean ng set fo th n sect on 231 of the LLC Ag eement

3114 "Net Vaue" means, fo any P ope ty, the G oss Vaue of such P ope ty educed by the amount of any ab ty encumbe ng such P ope ty

 $3\,1\,15$ "Net Cap ta P occeeds" means the p occeeds f om any Cap ta T ansact on mnus () the expenses the Company ncu s wth espect to the Cap ta T ansact on, () any epayments of debt made n connect on wth the Cap ta T ansact on, () b oke age common so ons, and (v) othe costs customa y taken nto account n ca cu at ng net p occeeds, and after estab shing such ese ves aga nst future needs as the Manage shall determine

3 1 16 "Ope at ng Cash Fow" means the cash fow fom the ope at ons of the Company tak ng nto account a evenue and a expense (nc ud ng but not mted to debt se v ce and the fees and cha ges payab e to the Manage and ts aff ates), and afte estab sh ng such ese ves aga nst futu e needs as the Manage sha dete mne

3117 "P ope ty" means a p ope ty owned by the Company, d ect y o th ough anothe ent ty

3118 "Res dua Vaue" means, fo each Ho de, the amount such Ho de wou d ece ve fa of the assets of the Company we es od n a Cap ta T ansact on fo the G oss Vaues and the Net Cap ta P oceeds, as dete mned n the so e d sc et on of the Manage, a ong w th any othe cash o equ va ents, d st buted n acco dance w th th s Autho zng Reso ut on

3 1 19 "<u>Ta get IRR</u>" means an Investo IRR of twe ve pe cent (12%)

3120 "Un etu ned Investment" means () fo a Ho de who acqued h s, he, o ts Cass A Investo Sha es d ect y fom the Company, the Cap ta Cont but on of such Ho de educed by the agg egate amount of any d st but ons ece ved pu suant to sect on 333; and () fo a Ho de who acqued h s, he, o ts Cass A Investo Sha es fom anothe pe son, the Cap ta Cont but on of such Ho de educed by the agg egate amount of any d st but on sect on 333 by any p ev ous owne of such Cass A Investo Sha es

3 2 Distributions of Operating Cash Flow W thn th ty (30) days after the end of each carendar month, or at such other net vars as the Manager sha determine, the Company sha dist but et s Operating Cash Fow as for ows

321 F st, such Ope at ng Cash F ow sha be used to epay any outstand ng Membe Loans

322 Second, any emanng Ope at ng Cash Fow sha bed st buted to the Ho de sunt each Ho de has eceved hs, he, o ts Investo P efe ed Retun fo the cu ent yea and a p o yeas

323 Th d, any eman ng Ope at ng Cash F ow sha bed st buted to the ho de s of the Common Sha es n an amount equa to the Catchup Retu n

324 Fou th, any eman ng Ope at ng Cash Fow sha bed st buted

(a) S xty f ve pe cent (65%) to the Ho de s; and

(b) Th ty fve pe cent (35%) to the ho de s of the Common Sha es

3.3 Distributions of Net Capital Proceeds W thn th ty (30) days after the end of each carenda yea, o at such other more frequent intervals as the Manage sha determine, the Company sha dist but the termine of term

331 F st, such Net Cap ta P oceeds sha be used to epay any outstand ng Membe Loans

332 Second, any emanng Net Cap ta P oceeds sha bed st buted to the Ho de sunt each Ho de has ece ved h s, he, o ts Investo P efe ed Retun fo the cu ent yea and a p o yeas, p ov ded that once a Ho de has ece ved h s, he, o ts Investo P efe ed Retun fo the cu ent yea and a p o yeas

333 Th d, any emanng Net Cap ta P oceeds sha bed st buted to the Ho de s unt each Ho de has eceved a fu et u n of h s, he, o ts A ocated Cap ta f om the Cap ta T ansact on

334 Fou th, any eman ng Net Cap ta P oceeds sha bed st buted to the ho de s of the Common Sha es n an amount equa to the Catchup Retu n

335 F fth, unt each Ho de has ach eved the Ta get IRR, any ema n ng Net Cap ta P oceeds sha be d st buted th ty fve pe cent (35%) to the ho de s of the Common Sha es and s xty fve pe cent (65%) to the Ho de s, p ov ded that once a Ho de has ach eved the Ta get IRR, such Ho de sha not ece ve any add t ona d st but on pu suant to th s pa ag aph

336 S xth, any eman ng Net Cap ta P oceeds sha bed st buted

(a) F fty pe cent (50%) to the Ho de s; and

(b) F fty pe cent (50%) to the ho de s of Common Sha es

34 **Distributions Among Holders** Un ess othe wse nd cated, any dst but ons to be made to the Ho de s as a g oup, o to the ho de s of Common Sha es as a g oup, sha be made *pro rata* based on the numbe of Sha es owned Howeve, the Manage, n ts so e d sc et on, may adjust the amount dst buted to each Ho de f the C ass A Investo Sha es owned by such Ho de we e not outstand ng du ng the ent e pe od to wh ch the dst but on e ates

35 Clawback

351 In General If, upon the qu dat on and d sso ut on of the Company, any F na Ho de has ecc ved an Investo IRR of ess than seven pe cent (7%), then each Aff ated Pe son who has ecc ved an Excess D st but on sha e-cont bute to the Company such Excess D st but ons and such Excess D st but ons sha be d st buted to such F na Ho de s unt each F na Ho de has ecc ved an Investo IRR of seven pe cent (7%)

352 **Pro Rate Contributions and Distributions** A Excess D st but ons ecc ved by Aff ated Pe sons sha be e-cont buted pu suant to sect on 351 on a *pro rata* bas s, based on the tota amount of Excess D st but ons each Aff ated Pe son has ecc ved S m a y, a Excess D st buted to F na Ho de s pu suant to sect on 351 sha be d st buted on a *pro rata* bas s, based on the amount equ ed fo each F na Ho de to ecc ve an Investo IRR of seven pe cent (7%)

3.6 Calculations A cacuations equivalence of f and by the section 3 shall be made by an accounting f m selected by the Manage, and, in the absence of f and, its cacuation shall be final and not subject to d spute

4 Price In tay, the Cass A Investo Sha es sha be offe ed to the pub c fo Ten Do as (\$1000) fo each Cass A Investo Sha e The p ce may be nc eased o dec eased by the Manage based on changes n the Net Asset Va ue

5 Manner of Offering Intay, the Cass A Investo Sha es sha e offe ed to the pub c n an offe ng unde T e 2 of Reguat on A ssued by the Secu t es and Exchange Commission Howeve, Cass A Investo Sha es may a so be offe ed and so d pub c y o p vate y nothe offe ngs as determined by the Manage

6 Amendment of Rights The Company sha not amend, at e o epea the p efe ences, spec a ghts, o othe powers of the Cass A Investo Sha es so as to affect adve sey 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 wth 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 C ass A Investo Sha es

8 Preemptive Rights Ho de s of the C ass A Investo Sha es sha have no p eempt ve ghts o othe ghts to subsc be o pu chase add t on a secu t es of the Company

DATED August 20, 2020

DF MANAGER, LLC

By Dve syFund, Inc , Manage

By /s/ A an Lew s

A an Lews, Ch ef Investment Off ce

CONSENT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

We he eby consent to the use of ou epot dated Septembe 23, 2020, on the fnanc a statements of DF G owth REIT II, LLC as of August 6, 2020 (ncept on) nc uded he e n on the Regu at on A Offe ng C cu a of DF G owth REIT II, LLC on Fo m 1-A

/s/ Hayn e & Company

Sa t Lake C ty, Utah Octobe 30, 2020



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

DIVISION OF CORPORATION FINANCE

Janua y 8, 2021

C a g Cec o Ch ef Execut ve Off ce DF G owth REIT II, LLC 750 B St eet, Su te 1930 San D ego, CA 92101

> Re: DF Growth RETT II, LLC Offering Statement on Form 1-A Filed December 23, 2020 File No. 024-11394

Dea M Cec o

We have evewed you offeng statement and have the following comments. In some of ou comments, we may ask you to plove deus with information so we may bette understand you disclosule

P ease espond to this ette by amending you offe ng statement and p oviding the equested information. If you do not be evelou comments apply to you facts and c cumstances or do not be evel an amendment is apply ate, please ter us why in you esponse. After eveloning any amendment to you offering statement and the information you ploved in esponse to these comments, we may have add tonal comments. Our effective to provide a comments in our November 24, 2020 ette

Fo m1-A f ed Decembe 23, 2020

Fo um Se ect on P ov s on, page 11

1 We note you esponse to p o comment 1 Pease a so ev se you Investment Ag eement and Lm ted Lab ty Company Ag eement exh b ts to econc e to you d sc osu e n the offengc cu a

Dst but ons, page 41

2 We note you esponse to p o comment 3 Pease ev se you d sc osu e to c a fy you d st but on po cy, nc ud ng how osses a e a ocated

C a g Cec o DF G owth REIT II, LLC Janua y 8, 2021 Page 2

Fnanc a Statements, page 69

3 In you next amendment, p ease nc ude aud ted f nanc a statements n acco dance wth Pa t F/S of Fo m 1-A

S gnatu es, page 72

4 We essue p o comment 5 P ease nd cate the off ce act ng n the capactes of p nc pa fnanc a off ce and p nc pa account ng off ce We note you d sc osu e on page 27 that A an Lews s you ch effnanc a off ce

We w cons de qua fyng you offe ng statement at you equest If a patc pant n you offe ng s eque dt oc ea ts compensat on a angements wth FINRA, p ease have FINRA adv se us that t has no object ons to the compensat on a angements p o to qua f cat on

We emnd you that the company and ts management a e espons b e fo the accu acy and adequacy of the d sc osu es, notw that d ng any ev ew, comments, act on o absence of act on by the staff. We also emnd you that, fo ow ng qua f cat on of you. For 1-A, Ru e 257 of Regulation A equivalence of a constraint of e period c and cui ent epo ts, nc ud ng a Form 1-K which will be due with n 120 calenda days after the end of the f sca yea covered by the epo t

You may contact Jeff ey Lews at 202-551-6216 o Shannon Menj va at 202-551-3856 fyou have quest ons egad ng comments on the fnanc a statements and e ated matte s P ease contact Rua Regan at 202-551-3269 o B g tte L ppmann at 202-551-3713 w th any othe quest ons

S nce e y,

D v s on of Co po at on F nance Off ce of Rea Estate & Const uct on

cc Ma k Rode ck, 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

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

FORM1 K

OMB APPROVAL

OMB Number: 3235-0720

Estimated average burden hours per response: 600.0

1-K: Filer Information

Issuer CIK	000 824 54
Issuer CCC	XXXXXXXX
Is filer a shell company?	◎ Yes ● No
Is the electronic copy of an official filing submitted in paper format?	
File Number	
Is this filing by a successor company pursuant to Rule 257(b)(5) resulting from a merger or other business combination?	◎ Yes [●] No
Successor File Number	
Submission Contact Information	
Is this a LIVE or TEST Filing?	● LIVE ◎ TEST
Would you like a Return Copy?	
Period	2 3 202
Name	
Phone	
E-Mail Address	
Notify via Filing Website only?	

1-K: Tab 1 Notification

This Form 1-K is to provide an	Annual Report Special Financial Report for the fiscal year
Fiscal Year End	2 3 202
Exact name of issuer as specified in the issuer's charter	DF Growth REIT II, LLC
CIK	000 824 54
Jurisdiction of Incorporation / Organization	DELAWARE
I.R.S. Employer Identification Number	83 2600369
Address of Principal Executive Offices	
Address 1	750 B ST
Address 2	SUITE 930
City	SAN DIEGO

State/Country

CALIFORNIA

92 0

Mailing Zip/ Postal Code

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

FORM1-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

(Exac name of egs an as spec fed n s cha e)

Commss on F le Numbe 024-11394

Delaware	83-2600369
(Saeo ohe u sdc on	(IRS Employe Iden f ca on Numbe)
of nco po a on o o gan za on)	
750 B Street Suite 1930	
San Diego, CA	92101

(Add ess of p nc pal execu ve off ces)

(858) 430-8528 Reg s an 's elephone numbe, nclud ng a ea code

Class A Investor Shares

(T le of each class of secu es ssued pu suan o Regula on A)

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Part II

Caution Regarding Forward-Looking Statements

The e m "fo wa d-look ng s a emen s" means any s a emen s, nclud ng fnanc al p o ec ons, ha ela e o even s o cond ons n he fu u e Of en, fo wa d-look ng s a emen s nclude wo ds l ke "we an c pa e," "we bel eve," "we expec," "we n end," "we plan o," " h s mgh," o "we w ll"

Fo wa d-look ng s a emen s a e, by he nau e, sub ec o unce an es and assump ons The s a emen "We beleve long- e m ends favo seconda y and e a y c es" s no l ke he s a emen

(Z p Code)

"We beleve he sun wll sen he Eas omo ow" I s mposs ble fo us o know exac ly wha s gong o happen n he fu u e, o even o an c pa e all he hngs ha could happen. Ou bus ness could be sub ec o many unan c pa ed even s, nclud ng all of he hngs we alk abou n he "Rsks of Inves ng" sec on of ou Offe ng C cula, which may be accessed via he EDGAR webs e man a ned by he Secu es and Exchange Commission

Consequen ly, he ac ual esul of nves ng n he Company could (and almos ce a nly w ll) d ffe f om hose an c pa ed o mpl ed n any fo wa d-look ng s a emen, and he d ffe ences could be bo h ma e al and adve se We do no unde ake any oblga on o ev se, o publ cly elease he esul s of any ev s on o, any fo wa d-look ng s a emen s, excep as equ ed by law

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

On Any Forward-Looking Statements.

Item 1. Business

Overview

The Company was formed o nves n eal es a e p o ec s n he Un ed S a es The Company wll focus p ma ly on mul fam ly value-add p ope es bu wll also look fo oppo un es ac oss o he comme c al eal es a e sec o s, nclud ng ndus al p o ec s, da a cen e s, self-s o age, and med cal off ce p o ec s The Company mgh seek o den fy exs ng p o ec s ha have become d s essed because of he COVID-19 pandemc, bu d s essed p o ec s wll no be s p nc pal focus

Investments Through Other Entities

Some mes he Company wll own eal es a ed ec ly Mos of he me, howeve, he nves men s made by he Company wll be hough o he en es ("Poec En es") Fo example, f he Company nves s n a mul -famly pope y, he pope y wll kely be owned by a d ffe en en y, such as a lm ed pa ne sh po a lm ed lab ly company Typ cally, Poec En es wll be con olled by he Sponso o ano he en y con olled by he Sponso Howeve, f he Company does no con ol he Poec En y self hen wll e an con ol gh s, mean ng he Company's consen wll be equ ed o ce an mao ac ons aken by he Poec En y, such as he sale o effnancing of s eales a e and he eplacemen of smanage o gene alpa ne

The manage of he Company, DF Manage, LLC, a Delawa e l m ed lab l y company, wh ch we efe o as he " \underline{Manage} ." san aff la e of D ve syFund, Inc, a Delawa e co po a on and a eal es a e develope, wh ch we efe o as he " \underline{Sponso} " The Sponso man ans a webs e, www D ve syFund com (he " \underline{Se} ") whe e seeks fund ng fo s eal es a e p o ec s

Regulation A Offering

On Janua y 29, 2021, ou Offe ng C cula (he "<u>Offe ng C cula</u>"), whe eby we sough o a se up o \$50,000,000 h ough he sale of Class A Inves o Sha es unde Regula on A (he "<u>Offe ng</u>"), was "qual fed" by he Secu es and Exchange Comms on The Offe ng C cula s available h ough he SEC's EDGARs e, www.sec.gov/edga, and may also be ob a ned by con ac ng he Company As of Janua y 27, 2022, he Offe ng s empo a ly suspended, and we have a sed \$8,300,787 as of Decembe 31, 2022 f om he sale of Class A Inves o Sha es

LLC Agreement

The Company s gove ned by a Lm ed Lab l y Company Ag eemen da ed Augus 20, 2020, wh ch we efe o as he "LLC Ag eemen." A copy of he LLC Ag eemen s a ached as Exh b 1A-2B

Management

The Company's managed by he Manage The LLCAg eemen gene ally gives he Manage exclusive con ollove all aspects of he Company's business. O he members of he Company, ncluding Investors who pu chase Class A Investors A Invest

Investment Strategy

The Company s seek ng o nves n a d ve s f ed po fol o of p edom nan ly mul fam ly value add eal es a e asse s h oughou he Un ed S a es

Spec fcally, we n end o nves p ma ly n mul fam ly value-add p o ecs n ma kes ha exh b a end of s ong popula on and ob g ow h and o he favo able local ma ke cond ons The value-add nves men s a egy en als () buy ng a p o ec ha s al eady s ab lzed and c ea ng cash flow, () mplemen ng a cap al expend u e p og am whe e we enova e bo h he n e o un s and he exe o of he p ope y ove a 18 o 36 mon h pe od, and () mp ov ng he ove all managemen of he p ope y o dec ease ope a ng expenses and nc ease occupancy. We expec hese enova ons w ll allow us o cha ge enan s a highe en and he efo e "add value" o he asse by nc eas ng cash flow and he p ope y's ove all ma ke value based on he highe ne ope a ng ncome

 $We expec ha once he Company has a sed \$50 \,m II on of equ y cap al, a leas 50\% of such cap al w II have been nves ed n p o ec s of h s k nd the second sec$

The Company mgh also build o nves n new mul family polecis where believes can expect a sign f can pof

The Company mgh also lend money o eal es a e p o ec s o gene a e cu en y eld

COVID-19 and the Multi-Family Market

Hs o cally, he mul - fam ly ma ke has been d ven by favo able supply/demand fundamen als, nclud ng () a l m ed numbe of new un s com ng on o he ma ke () he demog aph c of en efe ed o as "echo boome s," () an nc ease n he numbe of mmg an s and (v) gh e lend ng gu del nes lead ng o lowe a es of home owne sh p

Howeve, he onse of he global COVID-19 pandem c caused by he co onav us has $n \in up$ ed many of hese pos ve fundamen als Many of hese $n \in up$ ons a elkely o nega vely mpac he mul -famly make, as leas n he nea - e m. Ye we eman op ms c abou he med um-o-long e m ou look of he mul -famly make and beleve he cu en make p esens many exc ng nves men oppo un es

Fs, we beleve ha he numbe of new un s coming on o he make will emain lim ed Accooding o he Na onal Associa on of Home Builde's ("NAHB") Mul family Poducion Index ("MPI"),

p oduc on of new mul famly un s has dec eased s gn f can ly s nee he onse of COVID-19¹ Bu lde s a e epo ng he wo s bu ld ng cond ons fo mul famly un s s nee he fou h qua e of 2009^2 and NAHB's Mul famly Ma ke Vacancy Index (he "MVI") s show ng a s gn f can ne ease n he numbe of vacan apa men s n mul famly p ope es³ Collec vely, we beleve hese nd ca o s a e unlkely o mp ove as s a es con nue o g apple w h con a n ng COVID-19, mean ng ha p oduc on of new mul famly un s w ll eman s agnan

1 "Mul fam ly Vacancy Ind ces Q1 2020 (Seasonally Ad us ed)," by he Na onal Assoc a on of Home Buldes, accessed on June 30, 2020 and available a h ps//www.nahbog/ /med a/NAHB/news-and-economcs/docs/hous ng-economcs/mms/2020-qua e -1/mv -q1-2020-pdf pdf

2 *Id.*

³ "Mul famly Vacancy Ind ces Q1 2020 (Seasonally Ad us ed)," by he Na onal Assoc a on of Home Buldes, accessed on June 30, 2020 and available a h ps//www.nahbog//med.a/NAHB/news-and-economcs/docs/hous.ng-economcs/mms/2020-qua e -1/mv -q1-2020-pdf.pdf

Second, we believe hes ong nega ve mpacis of COVID-19 on labo makes will esul in nc eased esiden almo gage fo eclosu es and a la ge pool of pe sons n e esiden mull -family housing According o Federal Reserve Charman Je ome Powell, among hose pe sons working n Feb uay of 2020, almos 40% pe cen of hose households making less han \$40,000 a year los a obin March of 2020⁴ Many of hese obs we elkely n lowe -wage ndus esist such as earland lesu e/hosp all y which epo edindus y unemployment are sof 17 1% and 39 3% n Ap 1 of 2020, especively⁵

A he same me, he sen COVID-19 cases ac oss he coun y has nc eased he sk ha he exs ng mo gage fo bea ance a e (es ma ed o be 86% of all ac ve mo gages as of he fnal week of June 2020) will nc easingly ans on o mo gage fo eclosu es by he end of 2020^{6} Some n al es ma es p o ec ha he fo eclosu e a e could app oach 20-30% of all ac ve mo gages,⁷ nd ca ng ha he po en al pool of people seek ng mul family hous ng s l kely o nc ease, a leas n he sho - o-med um e m

Th d, h s p o ec ed nc ease n mo gage fo eclosu es s lead ng o gh e c ed ma ke s and nc eased s anda ds fo banks o o g na e new loans Acco d ng o he Mo gage Banke s Assoc a on's Mo gage C ed Ava lab l y Index, he ava lab l y of mo gage c ed has dec eased s gn f can ly each mon h s nce he n al wave of COVID-19 cases n Ma ch 2020, and ava lab l y of mo gage c ed n May 2020 was a s lowes levels s nce ea ly 2014^8 Th s s due n pa o ma o banks nc eas ng he mo gage bo owe s anda ds by equ ng la ge down paymen s and h ghe c ed sco es o ece ve new mo gage loans⁹ All of hese fac o s would educe he pool of pe sons n e es ed and ava lable o pu chase a s ngle-fam ly home, and n u n, nc ease he demand fo mul -fam ly hous ng

F nally, we beleve ha economc fallou f om he COVID-19 c s s wll ul ma ely esul n mo e mmg a on f om o he coun es, wh ch wll also nc ease demand fo mul -famly hous ng Wh le he ap d sp ead of COVID-19 has led many gove nmen s, nclud ng he US gove nmen, o mpose avel es c ons and dec ease mmg a on f om ce a n coun es wh h ghe p evalence of COVID-19 nfec ons, we beleve ha COVID-19's mpac on ce a n ndus es wll only se ve o h ghl gh he need fo mo e mmg a on F o example, as he ag cul u al ndus y has expe enced sho ages due o local zed ou b eaks assoc a ed whe pandemc, many fams have been unable of Il labo sho ages due o a d ama c dec ease n mmg a on L kewse, mmg an labo s s ong n many essen al bus nesses and se v ces, all of wh ch may h ghl gh he mpo an ole mmg an splay nou coun y and nou economy

4 "An Econome Upda e by Fed Cha Je ome H Powell," by he Pe e son Ins u e fo In e na onal Economes, accessed on July 9, 2020 and available a h ps //wwwp e com/even s/economeupda e-fed-cha - e ome-h-powell

⁵ "Re-Open ng Ame ca Low-Wage Wo ke s Have Suffe ed Badly F om COVID-19 So Pol cymake s Should Focus on Equ y," by Molly K nde and Ma ha Ross of he B ook ngs Ins u on, accessed on July 9, 2020 and ava lable a h ps //www b ook ngs edu/ esea ch/ eopen ng-ame ca-low-wage-wo ke s-have-suffe ed-badly-f om-cov d-19-so-pol cymake s-should-focus-on-equ y/

⁶ "Fo eclosu e Th ea Gows as COVID-19 Su ges, Fed Says," by Ka hleen Howley, Hous ngw e com, accessed on July 8, 2020 and available a h ps //www.hous ngw e com/a cles/fo eclosu e-h ea -g ows-as-cov d-19-su ges-fed-says/

⁷ Id.

8 "Mo gage Ced Avalably Index," by he Mo gage Banke's Associa on, accessed on July 8, 2020 and avalable a h ps//www.mba.o.g/news-esea ch-and-esou ces/ esea ch-and-economics/s ngle-family-esea ch/mo gage-ced -avalably-ndex#~ ex ABOUT%20THE%20MORTGAGE%20CREDIT%20AVAILABILITY, value%20 a o%2C%20e c

9 "JPMo gan Chase o Rase Mo gage Bo owng S anda ds As Economc Ou look Da kens," by Reu e s, accessed on July 9, 2020 and ava lable a h ps //www.cnbc.com/2020/04/11/pmo ganchase- o- a se-mo gage-bo owng-s anda ds-as-economc-ou look-da kens h ml

The Commercial Real Estate Market

The comme c al eal es a e ma ke s cu en ly expe enced ma ke challenges n many loca ons h oughou he Un ed S a es Wh le e a l, hosp al y and off ce asses s a e expe enc ng s gn f can vacances, we expec he mul fam ly ma ke w ll no see as s eep of decl nes and n many ma ke s w ll ema n ela vely s able g ven he ove all hous ng sho age

The Distressed Real Estate Market

Cu en by, we a e beg nn ng o see s gns of ds essed asses n he make, which allow fo he po en al o pu chase asses a a s gn f can d scoun. We plan o mon o ce a n make s fo oppo un es o nves n ds essed asses s assumng we a e able o nego a e a pu chase p ce ha ep esen s a s gn f can d scoun o whe e we h nk ue make value s

Due Diligence

When he Company den fes a loca on o a po en al p ope y, wll yp cally s gn a con ac and place an esc ow depos o be held whe des gna ed esc ow agen. The Company wll hen conduc exens ve due d l gence, nclud ng phys cals enspections, enviorent al s ud es, a evew of applicable zon ng and land use es c ons, le epo s, a evew of all leases (fany), a evew of he evenues and expenses form he p ope y, and as udy of he local make and local cond ons

Based on s due d l gence, he Company w ll de e m ne whe he o move fo wa d w h he p ope y

Evaluating Alternatives

Du ng he n al 12-36 mon hs of own ng and manag ng he p ope y, he Company w ll analyze ma ke cond ons and dec de whe he he p ope y should be ma n a ned, ef nanced, es uc u ed (*i.e.*, condom n um conve s on), o sold

Real Estate Investment Life Cycle

The lfe cycle of a eal es a e p o ec va es on an nd v dual p ope y bas s, bu gene ally all p o ec s expe ence pe ods of developmen, s ab lza on, and decl ne A ma o componen of successful eal es a e nves ng s mng he cycle n effec, buy ng low, sell ng h gh The Company w ll pay close a en on o he ongo ng ma ke cycles n an effo o maxmze e u ns o nves o s, bu g ven cu en ma ke cond ons, we beleve we w ll be well-pos oned o cap al ze on he na u al ebbs and flows of he eal es a e nves men l fe cycle Th s s because many of ou p ope es w ll be bough low du ng he he gh of he COVID-19c s s and sold h gh when ma ke s e u n o h s o cal no ms n he yea s af e he COVID-19c s s has subs ded

Competitive Lands cape

The US eal es a e ma ke as a whole has h s o cally expe enced heavy demand and l m ed supply, wh many developes, nves o s, and o he pa es compe ng fo pope y Howeve, he cu en pandem c has nega vely mpaced v ually eve y sec o of he US and global economy, nclud ng eal es a e Wages fo many households a e down (some s gn f can ly), unemploymen s app oach ng eco d levels, and banks and o he lende s a e p epa ng fo an expec ed deluge of fo eclosu es

As a esul, we beleve ha he e wll be a su ge n exs ng mul-fam ly hous ng p o ec s ava lable fo pu chase fo he fo eseeable fu u e A he same me, absen mass ve n e ven on n o c ed ma ke s by he Fede al Rese ve, he expected gh en ng of c ed ma ke s may dec ease he amoun of cap al o f nance such pu chases

Accodingly, we believe he eal es a ema ke will favo la geins u onal nves os and o he swih sign fican cash on hand o accessional en a veifinancing me hods. We may be a ad sadvan age o ou compe on who may have geal e capital esources han we do, ncluding cash-on-hand. Howeve, we believe has hese la geicompe o swill focus on mole expensive and la geipope es, as he economic down unassocial ed with COVID-19 has also had some mpacing on medium- and upper income commune is. Thus, he Company will ns ead look for smalle o md-sized pipe es, a make has ypically nvolves ndividual and smalle in su onal buyes a he han la geins u ons. The elaive nefficiency in his segmen and he likely sugein available pipe es due o COVID-19 and is elaid economic mpacismay ceal eexcellen nves men oppolium es.

Term of the Company

We al eady began deploy ng he cap al we a sed n h s Offe ng We n end o ope a e he Company fo app ox ma ely f ve yea s w h he op on of up o wo add onal one-yea ex ens ons a he d sc e on of he Manage

To wnd down he Company, he Manage wll seek o gene a elqud y fo Inves o s and eal ze any gans n he value of ou nves men s by sell ng o ef nanc ng ou p ope es and e u n ng cap al o Inves o s on an o de ly bas s Sales and ef nanc ng wll be sube c o p eval ng ma ke cond ons and he e s no gua an ee ha we wll be successful n execu ng any such lqud y ansac ons on e ms favo able o he Company and Inves o s, o ha we wll be able o do so whn he me f ame we have an c pa ed

SEC Investigation

On Janua y 26, 2022, he SEC ssued a empo a y suspens on o de of he Offe ng unde Rule 258 and an admn s a ve hea ng s se fo June 6, 2022 o de e m ne whe he he Company's Regula on A exemp on should be permanen ly suspended should be ssued ega d ng h s Offe ng unde Regula on A The SEC's o de s a e public and can be consuled fo add onal de al In summa y, he SEC alleges wo echn cal v ola ons (fa lu e o s a he offe ng w h n wo calenda days of qual f ca on, and use of an offe ng c cula supplemen ns ead of a pos -qual f ca on amendmen o nc ease he Offe ng f om \$50 mll on o \$75 mll on), and wo ypes of allegedly mslead ng s a emen s on he Sponso's webs e (d scuss ons of DF G ow h REIT, LLC and he Company's ope a ons, and of he Company's fees) None of he SEC's allega ons nvolve f nance al o accoun ng msconduc o w ongdo ng

In Novembe 2021, he Company ece ved no ce ha he SEC's Dvs on of Enfo cemen had o de ed an nves ga on of he Company fo poss ble v ola ons of fede al secu es laws (he "O de ") The O de d d no allege p ov de a fac ual bass o any nfo ma on ha would allow he Company o mean ngfully espond o he allega ons

On Novembe 29, 2021, he SEC's s aff old he Company ha could no longe sell secu es n he Offe ng because of 17 CFR §230 262(a)(7), wh ch p ov des ha ssue s "unde nves ga on" a e d squal fed

The Company subm ed a eques fo a wave of d squal fca on, as pe m ed by 17 CFR §230 262(b) The wave eques no ed ha wh le he SEC has no even alleged any spec fc w ongdo ng, he Company and s nves o s would be ha med by he d squal fca on The SEC has no ac ed on he Company's eques bu he s affor he SEC has s a ed ha hey would ecommend den al

On Decembe 6, 2021, he Company fled a no ce of n en ofle a pe on pu suan o Rule 430(b)(1) of he SEC's Rules of P ac ce (he "No ce") and on Decembe 13, 2021 he Company fled ha pe on (he "Pe on") The No ce and Pe on s ayed (pu ng on hold) he SEC nves ga on and hus he po en ald squal f ca on

On Janua y 26, 2022, he SEC p ov ded he Company w h wo o de s ha had effec of ens a ng d squal f ca on unde 17 C F R §230 262(a)(7) As a esul, he Company p omp ly ceased offe s o sales of Class A Inves o Sha es

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

Operating Results

The Company began ope a ng on Augus 6 h, 2020 when was fo med and began ope a ng s nves men po folo on Decembe 10, 2021 when completed sf s p ope y acqus on As of Decembe 31, 2021, he Company had nves ed a o al of \$5,014,216 n equ y n one p o ec managed by ou Sponso as follows

Entity	Units	Location	Amount	Туре	Туре
NCP Dove LLC	285	No h Cha les on, Sou h Ca ol na	\$ 5,014,216	Equ y	Mul -Famly
Total Equity Investments			\$ 5,014,216		

Ou ne loss fo he pe od end ng Decembe 31, 2021 (cons s ng of ope a ng expenses f om fund managemen expenses of \$999,115 and gene al and adm n s a ve expense of \$57,677) was \$1,056,792. The fund managemen fee cons s s of \$832,596 n o gan za on & offe ng expense e mbu semen and \$166,519 of asse managemen fees. The Company expects ha as he unde ly ng po folo p ope es beg n o d s bu e cash flows o he Company ha he ope a ng loss wll dec ease especially since he o gan za on & offe ng embu semen s only chaged one me on new equ y cap al

Liquidity and Capital Resources

The Company was seek ng o a seu p o \$50,000,000 of cap al n he Offe ng by sell ng Class A Inves o Sha es befo e he Offe ng was empo a ly suspended (see "Legal P oceed ngs" below fo mo e nfo ma on) As of Decembe 31, 2020, he Company had a sed \$8,300,787

We expec o deploy almos all of he cap al we a sed n he Offengn making eales a envesiment s Should we need mole cap al fo any eason, we could envelope the sell mole Class A Invesion. Sha es na new offengo sell o he classes of secunes in selling Class A Invesion. Sha es o o he secunes, we might be constant and by he secunes laws. Fo example, we are no allowed o sell mole han \$75,000,000 of secunes using Regula on A duing any period of 12 mon hs and might no be able o use Regula on A o selliaddional secunes fair permanents op o de sissued (see "Legal P oceedings" below for mole information.

Trend Information

2021 saw mul fam ly en s and ela ed asse p c ng nc ease favo ably n many ma ke s n he US "Th oughou 2021, he ave age US ask ng en ga ned \$190 and 2022 s fo ecas ed o b ng fu he ga ns n he mul fam ly ma ke, a leas by h s o cal s and a ds, bu a a mode a ed pace, close o 5 pe cen annual nc eases Poss ble headwnds nclude nfla on and a new wave of COVID-19 cases " 10

10 Anca Gag uc (2021, Janua y 10, 2022) Na onal Mul fam ly Repo Decembe 2021 Mul -Hous ng News

h ps //www mul hous ngnews com/na onal-mul fam ly- epo -decembe -2021/# ~ ex Ove all%2C%202021%20was%20a%20yea ,annual%20h gh%2C%20se %20 n%202015

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SEC Investigation

The Company eles on a s ng cap al o execu e s bus ness plan n seve al ways

- The Company's focus on "value add" p o ec s mpl es ha once he Company acqu es a p o ec wll spend money on enova ons
- Access o eady cap al allows he Company o acque qual y poecs hamgh o hew se lose
- The mo e equ y he Company has n a p o ec, he lowe s bo owng cos s
- W hadequa e cap al he Company can affo d o hold p o ec s longe, f bel eves a longe hold pe od wll nc ease e u ns

The Company nvess as gn f can amoun of money n as ng cap al, which benef s all nves os Fu he, based on s expe ence, he Company s able o fo ecas s ably o as e cap alw h consider able accuracy and, based on hose fo ecas s, can mach s bus ness plans (fo example, s acquis ons and enoval ons) which he cap all expects o as e

The Company can he efo e deal w h fluc ua ons n he amoun of cap al a ses, such as he fluc ua ons assoc a ed w h he bus ness cycle o he ups and downs of he eal es a e ma ke Howeve, s no equipped o deal w h a sudden n e up on n s ably o a se cap al, as has been he case w h he SEC nves ga on The efo e, fo as long as he Company s p oh b ed f om a sing cap alby he SEC, he Company expects s bus ness and he e u ns o nves o s o suffe

The SEC nves ga on could have nd ec effecs as well If he Company and/o sp nc pals a e labeled as "bad ac os" could damage he epu a on, pe manen ly ha m ng he Company's ably o a se cap al and even o bo ow money n fu he ance of s bus ness plans

If he Company s de e mned by a cou o have v ola ed fede al secu es laws could be sub ec o f nes and o he penal es, wh ch could esul n a loss of cap al by nves o s

F nally, he Company may neu subs an al legal cos s defend ng self aga ns he SEC's allega ons To da e, he Company's legal cos s have been pad fo by he Sponso

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Item 3. Directors and Officers

Name	Position	Age	Term of Office	Approximate Hours Per Week If Not Full Time
C a g Cec l o	Ch ef Execu ve Off ce	48	Indefn e	20 Hou s
Alan Lews	Ch ef F nanc al Off ce	45	Indefn e	20 Hou s
Isaac D xon	Sen o Vce P es den of Real Es a e	40	A W II	Full T me
Gnge Vy e na	Sen o Asse Manage	48	A W II	Full T me

NOTE All hese nd v duals a e employed by D ve syFund, Inc, he Sponso, no by he Company d ec ly The Sponso s he sole membe, and he manage, of DF Manage, LLC, which s he Manage of he Company

Business Experience

Craig Cecilio

M Ceclos he Chef Execu ve Offce and Co-Founde of he Sponso, Dve syFund, Inc M Ceclo has wo ked n he eales a e ndus y fo nealy 20 yeas Ove he cou se of hs ca ee, M Ceclo has pa c pa ed n he developmen of ove 1,000 s ngle famly es dences n Calfo n a as e he a on venue equ y pa ne, lende, o sponso P ev ously, M Ceclo owned a eales a e lend ng bus ness, Coas al Calfo n a Fund ng G oup, Inc, wh ch unde w o e and f nanced es den al enova ons and g ound-up cons uc on n Calfo n a coas al ma ke s such as San Dego, O ange Coun y, Los Angeles and San F anc sco, and a loan se v c ng bus ness

Add onally, M Ceclo founded a eal es a e deb fund n 2013, which manages a po folo of eal es a e-backed b dge loans used p ma ly o "p e-fund" many of he Manage's eal es a e p o ec s Snce 1997, M Ceclo has fnanced neally \$500 mll on of eal es a e asses, hav ng a sed ove \$100 mll on n deb o equ y fo eal es a e ansac ons n he las he eyeas, and has developed and managed ove \$50 mll on of es den alp ope y (enova ons and gound-up) M Ceclo s a g adua e of he University of Colo ado a Boulde

Alan R. Lewis

M Lews s he Chef Inves men Offce and Co-Founde of he Sponso, Dve syFund, Inc P o o he launch of he Manage, he was he head of he eal es a e p va e equ y d v s on of a eal es a e nves men and developmen f m based ou of Sal Lake C y, U ah, whe e he ove saw cap al a s ng, deal s uc u ng and developmen wo k fo mul -fam ly p o ec s and mas e -planned es den al commun es P ev ously, M Lews wo ked fo nea ly en yea s on Wall S ee as bo h an nves men banke and a co po a e lawye, mos ecen ly wo k ng as a Manag ng D ec o of he Inves men Bank ng D v s on of B ll Secu es whe e M Lews p ov ded fnanc al adv so y and cap al a s ng se v ces fo h gh-g ow h compan es along w h eal es a e and o land gas p o ec s

Pooonng Bll Secu es n 2010, M Lews pac ced as a copoa e a oney a Davs Polk & Wa dwell, a Tel anked Wall S ee law fm (Chambe s USA) Hs pac cencluded IPO's, me ge s and acqus ons, and comme cal eales a e, nclud ng he acqus on and efnanc ng of seve al F fh Avenue comme cal buld ngs, acqus ons and pofolo es ucu ngs foa \$6 b ll on eales a e p va equ y fund Ove hs ca ee, M Lews has woked on ansac ons o alng, n agg ega e, ove \$41 b ll on M Lews ece ved a BA fom B gham Young Un ve s y and a JD fom Columb a Law School, whe e he was a Sen o Ed o on he Columb a Law Rev ew M Lews s adm ed o pac ce law n New Yo k and cu en ly holds a Se es 65 and pev ously held Se es 7, 66 and 79 FINRA l censes

Isaac Dixon

Fo me ly he V ce P es den a Can e Companes, M D xon was espons ble fo lead ng he eal es a ef m's d v s ons and was ac vely nvolved n unde w ng va ous ven u e cap al nves men s fo he company P o o h s me w h Can e Companes, M D xon was he V ce P es den of Na onal Accounts w h CORE REALTY, as an ac ve membe of he nves men comme eand n e faced d ec ly w h sen o executives a independent b oke -deale s ac oss he county o fact a e he analyss, ev ew, and approval p ocess fo eal es a e funds and TIC/1031 mull -family synd ca ons

Befo e h s ca ee n na onal accoun s, Isaac wo ked as a sen o due d I gence analys a Independen F nanc al Goup whe e he was espons ble fo ev ew ng ove \$500 mll on n Tenan -In-Common and al e na ve nves men p oduc s Th oughou h s ca ee, M D xon has pa c pa ed n seve al ndus y panels on va ous aspec s of synd ca ng eal es a e nves men p og ams and conduc ng p ope due d I gence and has been nvolved n he pu chase and/o synd ca on of ove 5,000 mul -fam ly un s valued n excess of \$1 b ll on dolla s Isaac g adua ed f om San D ego S a e Un ve s y w h a bachelo 's deg ee n f nance He holds o has held Se es 7, 22, 24 and 661 censes, he s a Ce fed F nanc al Planne and a l censed eal es a e b oke n Cal fo n a

Ginger Vyterna

Gnge Vy e na b ngs ove 27 yeas of p og ess ve managemen n ope a ons, acqu s ons, asse managemen and developmen w h n he mul famly a ena o D ve syFund W h a keen unde s and ng of bo h conven onal and LIHTC asse s f om he on-s e level o execu ve leade sh p, he po fol os have con nually exceeded o gan za onal expec a ons By es ablsh ng acqu s on p o ocols, c ea ng cus om bus ness plans and unde s and ng d ve s y she has con nually led he eams h ough d ff cul ma ke ends wh le epos on ng value-add commun es h oughou he coun y He enu e a Ram Real Es a e, A lan c Pac fc Managemen , P de ock Cap al Pa ne s, G and Peaks and New U ban Commun es have p ov ded hands on expe ence n mul ple ma ke s f om O egon o New Je sey He expe ence w h unde s and ng he mul famly bus ness model w ll assu e he managemen of ou asse s exceeds nves o s' expect a ons

Ownership of Related Entities

The Sponso owns 100% of DF Manage, LLC, he Manage of he Company, wh le M Cec lo and M Lews own he mao y of he Sponso

1	1	
I	1	

Family Relationships

The e a e no famly ela onsh ps among he Execu ve Off ce s and S gn f can Employees of he Company

Legal Proceedings

Whn he las fve yeas, no Execu ve Offce o Sgn f can Employee of he Company has been convced of, o pleaded guly o no cones o, any c mnal ma e, exclud ng affcvola ons and o he mno offenses

Whn helas fve yeas, no Execu ve Offce o Sgn f can Employee of he Company, no panesh p of which an Execu ve Offce o Sgn f can Employee was a gene al pane, and no copo a on o o he bus ness association of which an Execu ve Offce o Sgn f can Employee was an execu ve offce, has been a deb o n bank up cyo any similar p oceed ngs

Ne he he Company, Sponso, Manage, any Execu ve Off ce no S gn f can Employee a e cu en ly engaged n any ma e al legal p oceed ngs o he han he Company s a esponden n an admn s a ve p oceed ng w h he SEC On Janua y 26, 2022, he SEC ssued a empo a y suspens on o de of he Offe ng unde Rule 258 and an admn s a ve hea ng s se fo June 6, 2022 o de e mne whe he he Company's Regula on A exemp on should be pe manen ly suspended should be ssued ega d ng h s Offe ng unde Regula on A The SEC's o de s a e publ c and can be consule d fo add onal de al ln summa y, he SEC alleges wo echn cal v ola ons (falu e o s a he offe ng w h n wo calenda days of qual f ca on, and use of an offe ng c cula supplemen ns ead of a pos -qual f ca on amendmen o nc ease he Offe ng f om \$50 mll on o \$75 mllon), and wo ypes of allegedly mslead ng s a emen s on he Sponso's webs e (d scuss ons of DF G ow h REIT, LLC and he Company's fees) None of he SEC's allega ons nvolve f nanc alo account ng msconduc o w ongdo ng

Compensation Of Management

Overview

The people who un he Company make money f om he Company $n \ (only) \ h \ ee$ ways

- They ece ve fees
- They nves alongs de Inves o s and ece ve he same d s bu ons as Inves o s
- They ece ve he P omo ed In e es

All h ee fo ms of compensa on a e d scussed below

The Company self does no have any employees o pay oll Fo example, M Lews and M Ceclo, he ownes of he Sponso, do no ece ve any sala y, bonuses, o o he compensa on d ec ly fom he Company Ins ead, all of he compensa on s pad fom he fees pad o he Manage and fom he P omo ed In e es

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Fees.

Type of Fee	Description and Amount		
Organization & Offering Expense Reimbursement	The Company wll embuse he Sponso fo d ec expenses neu ed by he Sponso and s affla es o o gan ze and ope a e he Company and conduc he Offe ng, nelud ng		
	• Ma ke ng expenses pa d o vendo s, con ac o s, and consul an s		
	• Pay oll expenses of ma ke ng employees		
	• Sof wa e cos s		
	• Fees pad o vendo s, con ac o s, and consul an s ela ng o he Sponso 's onl ne f n ech pla fo m and sma phone appl ca ons used o ma ke and ope a e he Company and		
	• Pay oll expenses and sof wa e cos s f om p oduc and ech employees wo k ng on he f n ech pla fo mand sma phone appl ca ons		
	The O gan za on & Offe ng Expense Rembu semen may no exceed 10% of he cap al a sed fom he sale of Class A Inves o Sha es		
	<i>Estimate</i> The amoun of he o gan za on and offeng fee depends on he amoun of cap all a sed. For he period ending December 31 2021, he Company has paid \$832,596 n o gan za on and offeng expense embu semens or he Sponso.		
Asset Management Fee	The Sponso wll cha ge he Company an annual asse managemen fee equal o 2% of he of he cap al a sed f om he sale of Class A Inves o Sha es The Sponso may, n s sole d sc e on, equ e he paymen of he asse managemen fee up o f ve yeas n advance wh ch shall be non-efundable		
	<i>Estimate</i> The amoun of he asse managemen fee depends on he amoun of cap al a sed Fo he pe od end ng Decembe 31, 2021 he Company has pa d \$166,519 n asse managemen fees o he Sponso		
Acquisition Fee	The Sponso wll chage each Poec En y (o he Company self, f he Company owns eales a e d ec ly) an acqus on fee o be ween 1% and 4% of he o al poec coss, nclud ng bo h "ha d" coss (eg, he cos of pope y) and "sof" coss (eg pofess onal fees)		
	Whe epope y sowned by an en y n wh ch he e sano he fnanc al pa ne a on ven u e he Sponso mgh be en led o smla acqus on fee o he ex en nego a ed w h he fnanc al pa ne s n such o n ven u e (wh ch could be h ghe han he 1-4% acqus on fee fo d ec nves men) Howeve, he Company's sha e of he fee w ll no exceed 1-4% of he Company's sha e of h o al sale p ce		
	<i>Estimate</i> The amoun of he acqus on fee wll depend on he cos of p o ec s and, n he case of o n ven u es, he e ms ou Sponsonego a es w h o n ven u e pa ne s Fo he pe od end ng Decembe 31, 2021, he Company has pa d \$1,280,2126 n acqus on fee o he Sponso		
	13		
Property Disposition Fee	Whe e he Company owns p ope y d ec ly o s he sole owne of a P o ec En y, he Sponso w ll ece ve a p ope y d spos on fee equal o 1% of he o al sale p ce of each p ope y		
	Whe ep ope y sowned by an en y n wh ch he e sano he fnanc al pa ne a on venue he Sponso mgh be en led o s mla d spos on fee o he ex en nego a ed w h he fnanc al pa ne s n such o n venue (wh ch could be h ghe han he 1% d spos on fee fo d ec nves men) Howeve, he Company's sha e of he fee w ll no exceed 1% of he Company's sha e of he o a schere as		

Estimate The amoun of hed spos on fee wll depend on he sell ng p ce of asses s by he Company and any on ven u es and, n he case of on ven u es, he e ms ou Sponso nego a es w h on ven u e pa ne s As of Decembe 31, 2021, he Company has no pa d any d spos on fees o he Sponso

sale p ce

Financing Fee	Whe e he Company owns p ope y d ec ly, o s he sole owne of a P o ec En y, he Sponso wll ece ve a fnanc ng fee equal o 10% of he amoun of each loan placed on a p ope y, whe he a he me of acqus on o pu suan o a efnanc ng Th s fnanc ng fee wll be n add on o any fees pad o h d pa es, such as mo gage b oke s
	Whe ep ope y sowned by an en y n wh ch he e s ano he fnanc al pa ne a on venue he Sponso mgh be en led o a s mla fnanc ng fee o he ex en nego a ed w h he fnanc al pa ne s n such on venue (wh ch could be h ghe han he 1% fnanc ng fee fo d ec nves men) Howeve, he Sponso's sha e of he fee wll no exceed 1% of he Company's sha e of he loan
	<i>Estimate</i> The amoun of he fnanc ng fee wll depend on he sell ng p ce of asse s by he Company and any on ven u es and, n he case of on ven u es, he e ms ou Sponso nego a es w h on ven u e pa ne s As of Decembe 31, 2021, he Company has no pa d any fnanc ng fees o he Sponso
Construction Management Fee	The Sponso mgh p ov de cons uc on managemen se v ces If so, he Sponso be en led o a cons uc on managemen fee equal o 75% of ac ual cons uc on cos s
	<i>Estimate</i> The amoun of compensa on (f any) he Sponso wll ece ve fo cons uc on o cons uc on managemen se v ces wll depend la gely on he numbe of p o ec s fo wh ch s se v ces a e e a ned and he s ze and na u e of hose se v ces As of Decembe 31, 2021, he Company has no pad any cons uc on managemen fees o he Sponso
Guaranty Fee	If he Sponso o an affla e gua an es ndeb edness of he Company o a Poec En y, nclud ng gua an es of any so-called "bad boy" ca veou s, he gua an o wll be en led o a gua an y fee equal o 0.5% of he loan
	<i>Estimate</i> The amoun of he gua any fee wll depend on he amoun of loans equ ng a gua any As of Decembe 31, 2021, he Company has no pad any gua any fees o he Sponso o any affla es
Other Fees	The Company o Poec En es mgh engage he Sponso o safflaes ope fom ohe sev ces The compensa on pad o he Sponso o safflaes neach case mus be() fa o he Company and he Poec En es, () compa able o he compensa on ha would be pad o an un ela ed pa y, and () d sclosed o Inves o s
	<i>Estimate</i> The amoun of o he fees w ll depend on he na u e of he se v ces he Sponso p ov des and how much he Sponso cha ges fo such se v ces As of Decembe 31, 2021, he Company has no pad any o he fees o he Sponso

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Co-Investment

The Manage (and poss bly o he affla es of ou Sponso) mgh pu chase Class A Inves o Sha es If so, hey wllbeen led o he sameds bu ons as o he Inves o s

Promoted Interest

The Sponso s en led o sha e n ce and s bu ons made by he Company, which we effe o as he " $\frac{P \text{ onto ed In e es}}{P \text{ onto ed In e es}}$ " The P onto ed In e ess pad n he elevels fs, af e ownes of he Class A Inves o Sha es have eceved a 7% p effe ed e u n on he nves men, he Sponso s en led o a cachup e u nequal o app oxma ely 53 85% of he p effe ed e u n pad o ownes of he Class A Inves o Sha es second, af e ownes of he Class A Inves o Sha es have eceved he p effe ed e u n and he Sponso has eceved s cachup e u n, he Sponso s en led o 35% of he eman ng p of s and h d, af e he holdes of he Class A Inves o Sha es have eceved a 12% p effe ed e u n on he nves men, he Sponso s en led o 50% of he eman ng p of s

How much money he Sponso ul ma ely ece ves as a P omo ed In e es he efo e depends on a numbe of fac o s, nclud ng

- How much cap al s a sed n he Offe ng
- The nves men e u ns he Company s able o ach eve
- When hose e u ns a e ach eved (he Company mgh no ach eve he same e u n eve y yea)
- When he Company ds bu es money and
- The amoun of expenses he Company neu s

Stages of Development

The s ages of he Company's o gan za on, developmen, and ope a on, and he compensa on pad by he Company o he Manage and he Sponso du ng each s age, a e as follows

Stage	Compensation to Manager	Compensation to Sponsor	
O gan za on	None	None	
O gan za on	None	• O gan za on & Offe ng Expense Re mbu semen	
		• Asse Managemen Fee	
Acqus on of P ope y	None	 O gan za on & Offe ng Expense Re mbu semen 	
		• Asse Managemen Fee	
		• Acqu s on Fee	
		• F nanc ng Fee	
Ope a on	None	 O gan za on & Offe ng Expense Re mbu semen 	
		• Asse Managemen Fee	
		• Gua an y Fee	
		• F nanc ng Fee	
		• Re u ns f om Co-Inves men	
		• P omo ed In e es	

	• D spos on Fee
	• O he Fee
Lqu da on	• Re u ns f om Co-Inves men
	• P omo ed In e es
	• D spos on Fee

Report to Investors

No less han once pe yea, he Company w ll p ov de he owne s of Class A Inves o Sha es w h a de a led s a emen showng

- The fees pad o he Manage and s aff la es and
- Any ansac ons be ween he Company and he Manage o s aff la es

In each case, he de a led s a emen wll desc be he se v ces pe fo med and he amoun of compensa on pa d

Clawback

If, upon he lqu da on of he Company, he ownes of he Class A Inves o Sha es o he han he Manage, he Sponso, and he affla es have no ece ved ds bu ons suff cen o e u n he cap al con bu ons plus a 7% cumula ve, non-compounded annual e u n, he Manage, he Sponso, and he affla es wll be equ ed o e u n any ds bu ons hey have ece ved f om he Company (no fees), ove and above he ac ual con bu ed cap al, n an amoun such ha he Company can ds bu e he sho fall o he ownes of he Class A Inves o Sha es, o he han he Manage, he Sponso, and he affla es wll be eque do e u n any ds bu ons hey have ece ved f om he Company (no fees), ove and above he ac ual con bu ed cap al, n an amoun such ha he Company can ds bu e he sho fall o he ownes of he Class A Inves o Sha es, o he han he Manage, he Sponso, and he affla es

Method of Accounting

The compensa on desc bed n h s sec on was calcula ed us ng he acc ual me hod of accoun ng

Item 4. Security Ownership of Management and Certain Securityholders

The 1m ed lab 1 y company n e es s n he Company a e denomna ed by 20,000,000 "Sha es," cons s ng of 1,000,000 "<u>Common Sha es</u>" and 19,000,000 "<u>Inves o Sha es</u>". The Manage has he au ho y o d v de he 19,000,000 Inves o Sha es n o one o mo e "classes," by adop ng one o mo e au ho zng esolu ons. The Manage adop ed he Au ho zng Resolu on o c ea e 5,000,000 Class A Inves o Sha es

As of Decembe 31, 2020, he lm ed lab l y company n e es s of he Company we e owned as follows

Common Shares

Un ela ed Inves o s

Beneficial Owner	Number of Shares	Percent of Class
D ve syFund, Inc *		
750 B S ee		
Su e 1930		
San D ego, CA 92101	1,000,000	100%
DF Manage , LLC		
750 B S ee		
Su e 1930		
San D ego, CA 92101	0	0%
Alan Lew s		
750 B S ee		
Su e 1930		
San Dego, CA 92101	0	0%
CagCelo		
750 B S ee		
Su e 1930	0	00/
San D ego, CA 92101	0	0%
Class A Investor Shares		
Beneficial Owner	Number of Shares	Percent of Class

* Dve syFund, Inc, he Sponso, s mao y owned and con olled by M Lews and M Ceclo

Item 5. Interest of Management and Others in Certain Transactions

The Company has en e ed n o a Managemen Ag eemen w h he Manage, pu suan o wh ch he Manage w ll p ov de managemen and nves men managemen se v ces as desc bed n "Summa y of LLC Ag eemen and Au ho z ng Resolu on Managemen "Unde he Managemen Ag eemen, he Company w ll pay he Sponso ce a n fees as desc bed n "Compensa on of Managemen "The Manage s an aff la e of ou Sponso, D ve syFund, Inc Thus, he amoun of fees and o he e ms of he Managemen Ag eemen we e de e m ned among ela ed pa es and no a a m's-leng h

830.079

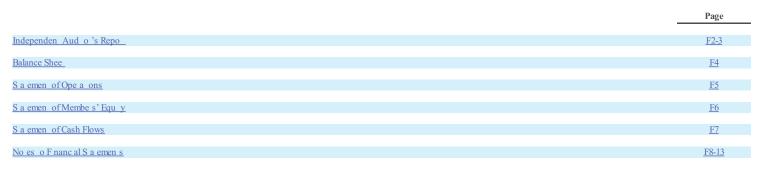
100%

The Sponso, he Manage, M Ceclo, M Lews, and pa es ela ed o hemmgh also nves n he Company by pu chas ng Class A Inves o Sha es, along w ho he Inves o s

Item 7. Financial Statements

DF Growth REIT II, LLC

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INDEPENDENT AUDITOR'S REPORT

To he S ockholde s and Managemen of DF G ow h REIT II, LLC

Opinion

We have aud ed he accompany ng fnanc als a emen s of DF G ow h REIT II, LLC (a Delawa e co po a on), which comp se he balance shee as of Decembe 31, 2021, and he ela ed s a emen s of ope a ons, membe s' equiv, and cash flows fo he year ended Decembe 31, 2021, and he ela ed no es o he fnanc als a emen s

In ou opnon, he fnancals a emens efe ed o above p esen faly, n all mae al especs, he fnancal pos on of DF G ow h REIT II, LLC as of Decembe 31, 2021, and he esuls of s ope a ons and s cash flows fo he yea hen ended n acco dance w h account ng p nc ples gene ally accepted n he Un ed S a es of Ame ca

Basis for Opinion

We conduc ed ou aud n acco dance w h aud ng s anda ds gene ally accepted n he Un ed S a es of Ame ca Ou espons bl es unde hose s anda ds a e fu he desc bed n he Aud o's Respons bl es fo he Aud of he F nanc al S a emen s sec on of ou epo We a e equ ed o be ndependen of DF G ow h REIT II, LLC and o mee ou o he e h cal espons bl es n acco dance w h he elevan e h cal equ emen s ela ng o ou aud We beleve ha he aud ev dence we have ob a ned s suff c en and app op a e o p ov de a bas s fo ou aud op n on

Responsibilities of Management for the Financial Statements

Managemens sespons ble fo he pepa a on and fa pesen a on of he fnancals a emens nacco dance whaccoun ng p nc ples gene ally accepted n he Un ed S a es of Ame ca, and fo he des gn, mplemen a on, and man enance of n e nal con ol elevan o he pepa a on and fa pesen a on of fnancals a emens ha a effective formation all mass a emen, when he due of aud o e o

In p epa ng he fnanc als a emen s, managemen s equ ed o evalua e whe he he e a e cond ons o even s, cons de ed n he agg ega e, ha a se subs an al doub abou DF G ow h REIT II, LLC's ably o con nue as a go ng conce n w h n one yea afe he da e ha he fnanc als a emen s a e available o be ssued

PrimeGlobal	
An Association of Independent Accounting Firms	RSM US Alliance RSM

Auditor's Responsibilities for the Audit of the Financial Statements

Ou ob ec ves a e o ob an easonable assu ance abou whe he he fnanc als a emen s as a whole a ef ee fom ma e almss a emen, whe he due of aud o e o, and o ssue an aud o's epo ha ncludes ou op n on Reasonable assu ance s a h gh level of assu ance bu s no absolu e assu ance and he efo e s no a gua an ee ha an aud conduced n acco dance w h gene ally accep ed aud ngs anda ds w ll always de ec a ma e almss a emen when exs s The sk of no de ec ng a ma e almss a emen esul ng fom f aud s h ghe han fo one esul ng f ome o, as f aud may nvolve collus on, fo ge y, n en onal omss ons, ms ep esen a ons, o he ove de of n e nal con ol M ss a emen s a e cons de ed ma e al f he e s a subs an al lkelhood ha, nd v dually o n he agg ega e, hey would nfluence he udgmen made by a easonable use based on he f nanc als a emen s

In pe fo mng an aud n acco dance w h gene ally accep ed aud ng s anda ds, we

- Exe c se p ofess onal udgmen and man an p ofess onal skep c sm h oughou he aud
- Iden fy and assess he sks of ma e al mss a emen of he fnanc als a emen s, whe he due of aud o e o, and des gn and pe form aud p ocedu es espons ve o hose sks Such p ocedu es nclude examn ng, on a es bas s, ev dence ega d ng he amoun s and d sclosu es n he fnanc als a emen s
- Ob a n an unde s and ng of n e nal con ol elevan o he aud n o de o des gn aud p ocedu es ha a e app op a e n he c cums ances, bu no fo he pu pose of exp ess ng an op n on on he effec veness of DF G ow h REIT II, LLC's n e nal con ol Acco d ngly, no such op n on s exp essed
- Evalua e he app op a eness of accoun ng pol c es used and he easonableness of s gn f can accoun ng es ma es made by managemen, as well as evalua e he ove all p esen a on of he f nanc al s a emen s
- Conclude whe he, n ou udgmen, he e a e cond ons o even s, cons de ed n he agg ega e, ha a se subs an al doub abou DF G ow h REIT II, LLC's ably o con nue as a go ng conce n fo a easonable pe od of me

We a e equ ed o commun ca e w h hose cha ged w h gove nance ega d ng, among o he ma e s, he planned scope and mng of he aud , s gn f can aud fnd ngs, and ce a n n e nal con ol ela ed ma e s ha we den fed du ng he aud

/s/ Hayn e & Company Sal Lake C y, UT Ap 130, 2022

DF Growth REIT II, LLC. Balance Sheet As of December 31, 2021

ASSETS	De	As of ecember 31, 2021
To al Real Es a e Equ y Inves men s, Ne	\$	5,014,216
Cash and Cash Equ valen s	Ψ	2,325,706
O gan za onal Cos s		46,264
TOTAL ASSETS	\$	7,386,186
LIABILITIES AND EQUITY		
LIABILITIES		
Accoun s Payable	\$	48,700
D v dends Payable		30,573
Rela ed Pa y Payable		32,456
Subsc p ons ece ved n advance		79,615
Acc ued Expenses		14,500
TOTAL LIABILITIES	\$	205,844
MEMBER'S EQUITY		
Class A Sha es \$10 00 pa value 5,000,000 sha es au ho zed 830,079 sha es ssued and ou s and ng, ne of offe ng cos s as of Decembe 31, 2021	\$	8,300,787
Accumula ed Def c		(1,120,445)
TOTAL MEMBER'S EQUITY	\$	7,180,342
TOTAL LIABILITIES AND MEMBER'S EQUITY	\$	7,386,186

The accompany ng no es a e an n eg al pa of hese f nanc al s a emen s

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

REVENUES

TOTAL REVENUE	\$ -
EXPENSES	
Ope a ng Expenses	
Gene al and admn s a ve expenses	\$ 57,677
Fund Managemen	999,115
To al Ope a ng Expenses	 1,056,792
TOTAL EXPENSES	1,056,792
NET LOSS	\$ (1,056,792)

The accompany ng no es a e an n eg al pa of hese fnanc al s a emen s

F-5

DF Growth RETT II, LLC. Statement of Stockholders' Equity Statement of Operations For the year ended December 31, 2021

	Class A Investor Shares			Accumulated		Total	
	Shares		Amount		Deficit		Equity
Janua y 1,2021	-	\$	-	\$	-	\$	-
P oceeds f om ssuance of class A sha es	830,079		8,300,787		-		8,300,787
Ds bu ons decla ed on class A sha es	-		-		(63,653)		(63,653)
Ne loss	-		-		(1,056,792)		(1,056,792)
Balance as of Decembe 31, 2021	830,079	\$	8,300,787	\$	(1,120,445)	\$	7,180,342

The accompany ng no es a e an n eg al pa $% \left({{{\mathbf{n}}_{\mathbf{n}}}_{\mathbf{n}}} \right)$ of hese financials a emen s

F-6

DF Growth REIT II, LLC. Statement of Cash Flows For the year ended December 31, 2021

	the year ended ecember 31, 2021
OPERATING ACTIVITIES	
Ne loss	\$ (1,056,792)
Inc ease n amo za on	(8,192)
Inc ease n acc ued expenses	14,500
Inc ease n accoun s payable	10,628
Inc ease n d v dends payable	30,573
Inc ease n ela ed pa y payable	32,456
Inc ease n subsc p ons ece ved n advance	79,615
Ne cash (used n) ope a ng ac v es	\$ (897,212)
INVESTING ACTIVITIES	
Pu chase of eales a e and mp ovemen s o eales a e	(5,014,216)
Ne cash used n nves ng ac v es	(5,014,216)
FINANCING A CTIVITIES	
P oceeds f om he ssuance of class A sha es	8,300,787
Pad o nves o s fo d v dends	(63,652)
Ne cash p ov ded by fnanc ng ac v es	\$ 8,237,135
Ne nc ease n cash and cash equ valen s	\$ 2,325,706
Cash and cash equ valen s, beg nn ng of pe od	 -
Cash and cash equ valen s, end of pe od	\$ 2,325,706

The accompany ng no es a e an n $eg \; al \, pa$ $\,$ of hese fnanc als a emen s $\,$

F-7

DF Growth REIT II, LLC. Notes to the Financial Statements December 31, 2021 DF G ow h REIT II, LLC (he "Company") s a Delawa e co po a on fo med on Augus 6, 2020, ha bulds weal h by nves ng n cash-flow ng apa men buld ngs along w h mul -fam ly p ope es Ou focus s on long- e m cap al app e ca on fom he enova on and epos on ng of hese mul -fam ly p ope es The use of he e ms he "Company," "we,", "us," o "ou" n h s Annual Repo efe o DF G ow h REIT II, LLC, unless he con ex nd ca es o he wse We have elec ed o be axed as a REIT unde he In e nal Revenue Code of 1986, as amended (he "Code"), commenc ng w h ou axable yea ended Decembe 31, 2021

The Company s exe nally managed by DF Manage , LLC, ("Manage "), wh ch s a subs d a y of he Company's sponso , D ve syFund, Inc ("Sponso ")

Pu suan o he Fom 1-A fled w h he SEC w h espec o ou offeng (he "Offeng") of up o \$50,000,000 n sha es of class A sha es, he pu chase p ce fo all sha es was \$10 00 pe sha e as of Decembe 31, 2021 The Offeng was qualfed by he SEC on Janua y 29, 2021, and we commenced ope a ons on Janua y 29, 2021 As of Decembe 31, 2021, we had ssued 830,079 sha es of ou class A sha es fo an agg ega e pu chase p ce of \$8,300,787 The Company has he au ho y o ssue 5,000,000 sha es of class A sha es

Note 2 - Summary of Significant Accounting Policies

Use of Estimates

The p epa a on of he fnanc als a emens n conform y w h GAAP equ es managemen o make es ma es and assump ons ha affec he epo ed amoun s of asses and labl es and d sclosu e of con ngen asses and labl es a he da e of he fnanc als a emens Ac ual even s and esuls could d ffe f om hose assump ons and es ma es

Cash and Cash Equivalents

Cash and cash equ valen s cons s of demand depos s Cash and cash equ valen s a e ca ed a cos wh ch app ox ma es fa value

Concentration of Credit Risk

A mes, ou cash may exceed he Fede al Depos Insu ance Co po a on depos nsu ance Im of \$250,000 pe ns u on The Company m ga es c ed sk by plac ng cash w h ma o fnanc al ns u ons To da e, he Company has no expe enced any losses on cash

Geographic concentration

As of Decembe 31, 2021, he Company's nves men s n eal es a e ope a e n Sou h Ca ol na Fu u e ope a ons could be affec ed by changes n econom c o o he cond ons n hose geog aph cal a eas o he demand fo such hous ng

T		è	× .
- H	_		ζ.

Variable Interest Entities and Voting Interest Entities

A va able n e es en y ("VIE") s an en y ha lacks one o moe of he cha ace s cs of a vo ng n e es en y A VIE s defined as an en y n wh ch equ y nves o s do no have he cha ace s cs of a con oll ng fnancal n e es o do no have suff c en equ y a sk fo he en y o fnance s ac v es w hou add onal subo d na ed fnancal suppo fom o he pa es The de e mna on of whe he an en y s a VIE ncludes cons de a on of va ous fac o s. These fac o s nclude evew of he forma on and des gn of he en y, s o gan za onal s uc u e nclud ng dec s on-mak ng ab l y and elevan fnancal ag eemen s, and analys s of he fore see evalua on of an en y as a VIE upon he occu ence of ce a n even s

A VIE mus be consold a d only by sp may benefcay, which s defined as he pay who, along whis saffla es and agen s has both he () power of echeac view has sgn f can by mpache VIE's performance and () oblga on o absobe he losses of he VIE on height or eceive here here first form he VIE's which could be sgn f can on he VIE We determine where here are hep may benefcay of a VIE by consideing values faciols, ncluding, build not be weakened on the view of the view

A vong n e es en y ("VOE") san en y n wh ch equ y n ves os have he cha ac e s cs of a con oll ng fnancal n e es and has suff c en equ y a sk of nance s ac v es A con oll ng fnancal n e es exs s flm ed pa ne sw h equ y a sk a e able o exe c se subs an ve k ck-ou gh s o a e able o exe c se subs an ve pa c pa on gh s Unde he VOE model, gene ally, only a sngle lm ed pa ne ha s able o exe c se subs an alk ck-ou gh s wll consoldate he en y

As of Decembe 31, 2021, he Company held nves men s n one en y, which was evaluated under he VIE model and was no consolidated because he Company was no de emined o be he p may benefic a y. This nves men is called on he equilibrium of the Company's sign fican influence.

As of Decembe 31, 2021, he Company held nves men s n one en y, which was evaluated under he VOE model and was no consolidated because he Company s no able o exe c set subs an alk ck-ou gh s and subs an vepa c pa on gh s

Income Taxes

The Company ope a es and s axed as a REIT fo fede al ncome axpu poses fo he yea ended Decembe 31, 2021 To qual fy as a REIT, he Company mus mee ce a n o gan za onal and ope a onal equ emen s, nclud ng a equ emen o ds bu ea leas 90% of s axable ncome o ss ockholdes As a REIT, he Company gene ally s no sub ec o fede al co po a e ncome axon ha po on of s axable ncome ha s cu en ly ds bu ed o sockholdes. The Company may be sub ec o ce a n s a e and local axes on s ncome and p ope y, and fede al ncome and exc se axes on s und s bu ed ncome. No ma e al p ov s ons have been made fo fede al ncome axes n he accompany ng financ al s a emen s, and no g oss defe ed axasses o lab l es have been eco ded as of Decembe 31, 2021. As of Decembe 31, 2021, \$63,652, n d s bu ons have been decla ed o s ockholde s, which we e class fed fo axpu poses as non-axable e u n of cap al

All axpe ods s nce ncep on ema n open o exam na on by he ma o ax ng au ho es n all u sd c ons whe e we a e sub ec o axa on

Revenue Recognition

Ren al ncome s ecogn zed as en als become due Ren al paymen s ece ved n advance a e defe ed un lea ned All leases be ween he Company and enan s of he p ope y a e ope a ng leases and a e one yea o less

Based on he VOE model assessmen whe e no asses we e de e mned o be consolda ed, he Company has no evenues o epo as of Decembe 31, 2021

Fo ce an pope es, n add on o con ac ual base en, he enans pay he sha e of u l es o he Company The ncome and expenses assoca ed w h hese pope es a e gene ally eco ded on a g oss bas s when he Company s he p may oblgo. Fo he yea ended Decembe 31, 2021, he Company eco ded embu semen s of expenses of \$0, espec vely, which a e epo ed as enan embu semen s n he accompany ng s a emen of ope a ons

Tenan fees, such as appl ca on fees, admn s a ve fees, la e fees, and o he evenues f om enan s a e eco ded when amoun s become due

Purchase Accounting for Acquisitions of Real Estate

Effec ve Janua y 29, 2021, (Incep on) he Company adop ed he p ov s ons of Accoun ng S anda d Upda e 2017-01, wh ch p ov des ha f subs an ally all he fa value of he g oss asses s s concen a ed n any nd v dual asse, he acqu s on s ea ed as an asse acqu s on as opposed o a bus ness comb na on Unde an asse acqu s on, cos s d ec ly ela ed o he acqu s on a e cap al zed as pa of he pu chase cons de a on The fa value of he pu chase cons de a on s hen alloca ed based on he ela ve fa value of he asses. The es ma es of he fa value of he pu chase cons de a on and he fa value of he asses s acqu ed s cons s en when econs de a on a bus ness comb na on

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

The Company evews s eales a e po folo on a qua e ly bas s o asce an f he e a e any nd ca o s of mpa men o he value of any of s eales a e asse s, nclud ng defe ed cos s and n ang bles, o de e mne f he e s any need fo an mpa men chage In evewng he po folo, he Company examines one o mo e of he following he ype of asse, he cu en f nanc als a emen s o o he available f nanc al nforma on of he asse, and he economic s ua on n he a ea n which he asse s loca ed Fo each eales a e asse owned fo which nd ca o s of mpa men exs, managemen pe forms a ecove ably es by compa ng he sum of he es ma ed und scoun ed fu u e cash flows a bu able o he asse o s ca y ng amoun. If he agg ega e und scoun ed cash flows a eless han he asse 's ca y ng amoun in the s ma ed fa value s de e mined us ng ad scoun ed cash flow model of he expected fu u e cash flows hough he useful le of he p ope y. The analys s includes an es ma e of he fu u e cash flows ha a expected o esul form he eales a e nice mine 's use and even ual d spos on These cash flows conside fac o s such as expected fu u e ope a ng ncome, ends and p ospec s, he effects of leasing demand, compe on and o he fac o s

Fair Value

Fa value s he exchange p ce ha would be ece ved fo an asse o pad o ansfe a lably (ex p ce) n he p nc palo mos advan ageous make fo he asse o lably n an o de ly ansac on be ween make pa c pan s on he measu emen da e The e a e h ee levels of npu s ha may be used o measu e fa values

Level 1 Quo ed p ces (unad us ed) fo den calasses o labl es n ac ve ma kes ha he en y has he abl y o access as of he measu emen da e

Level 2 Sgn f can o he obse vable npu s o he han Level 1 p ces such as quo ed p ces fo s m la asse s o lab l es quo ed p ces n ma ke s ha a e no ac ve o o he npu s ha a e obse vable o can be co obo a ed by obse vable ma ke da a

Level 3 S gn f can unobse vable npu s ha eflec a company's own assump ons abou he assump ons ha make pa c pan s would use n p c ng an asse o lably

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Fair Value Option

ASC 825 "Fa Value Op on fo F nanc al Asses and F nanc al Lab 1 es" ("ASC 825") p ov des a fa value op on elec on ha allows compan es o evocably elec fa value as he n al and subsequen measu emen a bu e fo ce an f nanc al asses and lab 1 es ASC 825 pe m s he fa value op on elec on on an ns umen by ns umen bass a n al ecogn on We have dec ded no o make h s elec on

Note 3 – Investments in Real Estate

The follow ng able p esen s he Company's acqu s ons of eal es a e du ng he pe od f om Janua y 1, 2021 h ough Decembe 31, 2021

			Contract		Re	eal Estate
		Ownership	Purchase	Terms of	Ac	equisition
Description of Property	Date acquired	Percentage	Price	Payment		Costs
NCP Dove	Decembe 10, 2021	31 07%	\$ 46,370,000	Cash	\$	3,147,450
No h Cha les on, SC						
Totals for 2021			\$ 46,370,000		\$	3,147,450

Note 4 - Equity Method Investments

If s de e mned ha we do no have a con oll ng n e es n a on ven u e h ough ou fnanc al n e es n a VIE, he equ y me hod of accoun ng s used Unde he equ y me hod, he nves men s o g nally epo ed a cos and s ad us ed fo cap al ac v y nclud ng subsequen subsc p ons, edemp ons o d s bu ons As d s bu ons a e ece ved f om he unde ly ng equ y nves men, he cos bass of he nves men wll be educed As d s bu on p oceeds su pass he cos bass of he nves men, we wll hen eco d eal zed nves men gans fo he assoc a ed equ y nves men. The follow ng s a able de a l ng he cu en nves men s made unde he equ y me hod as of Decembe 31, 2021

			Contract		
		Ownership	Purchase	Terms of	Investment
Description of Property	Date acquired	Percentage	Price	Payment	Amount
NCP Dove	Decembe 10, 2021	31 07%	\$ 46,370,000	Cash	\$ 5,014,216
No h Cha les on, SC					
Totals for 2021			\$ 46,370,000		\$ 5,014,216

Note 5 - Related Party Arrangements

DF Manager, LLC, Manager

Subsec o ce a n es c ons and l m a ons, he Manage s espons ble fo manag ng he Company's affa s on a day-o-day bas s and fo den fy ng and mak ng nves men s on behalf of he Company

The Manage wll no be embused fo o gan za onal and offeng expenses ncu ed n con unc on whe offeng The Company wll no embuse he Manage fo ac ual expenses ncu ed on behalf of he Company n connec on whether each on acquision of an nves men, o he exen no embused by he bo owe, whether o no he Company ul material acquises he nves men. The Company wll no embuse he Manage fo ou -of-pocke expenses pad o h d pates n connec on whether over a company wll no embused by he bo owe, whether on he Company ul material acquises he nves men.

DiversyFund, INC, Sponsor

The Sponso wll chage each Poec En y (o he Company self, f he Company owns eal es a e d ec ly) an acqus on fee of be ween 1% and 4% of he o al poec cos s, nclud ng bo h "ha d" cos s (e g, he cos of pope y) and "sof" cos s (e g, p of ess on al fees) Whe ep ope y sowned by an en y n wh ch he e s ano he fnanc al pa ne a on venue he Sponso mgh be en led o a s m la acqus on fee o he exen nego a ed w h he fnanc al pa ne s n such on venue (wh ch could be hghe han he 1-4% acqus on fee fo d ec nves men) Howeve, he Company's sha e of he fee wll no exceed 1-4% of he Company's sha e of he o al sale p ce In 2021 he Sponso ece ved acqus on fees o al ng \$2,560,425 n connec on w h he acqus on of NCP Dove LLC

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- H			
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The Sponso s en led o an O gan za on & Offe ng Expense Re mbu semen fo d ec expenses ncu ed by he Sponso and s affla es o o gan ze and ope a e he Company and conduc he Offe ng The O gan za on & Offe ng Expense Re mbu semen may no exceed 10% of he cap al a sed f om he sale of Class A Inves o Sha es In 2021 he Sponso ece ved O gan za on & Offe ng Expense Re mbu semen o al ng \$832,596

The Sponso wll charge he Company an annual asse managemen fee equal o 2% of he of he cap al a sed form he sale of Class A Inves o Sha es The Sponso may, n s sole d sc e on, equ e he paymen of he asse managemen fee up of ve yeas n advance, which shall be non-efundable In 2021 he Sponso eceived asse managemen fees o al ng \$166,519

Executive Officers of our Manager and Sponsor

As of he da e of h s Annual Repo, ou execu ve off ce s a e as follows

Name	Position
C a g Cec l o	Ch ef Execu ve Off ce
Alan Lew s	Ch ef Inves men Off ce

Craig Cecilio has se ved as ou Ch ef Execu ve Off ce of ou Sponso and Manage s nce s ncep on

Alan Lewis has se ved as he Ch ef Inves men Offce of ou Sponso and Manage s nce s ncep on

Related Party Payable

A ela ed pa y, DF G ow h REIT LLC pad \$32,456 fo Lex Nova legal se v ces on behalf of he Company Th s amoun s owed back o DF G ow h REIT LLC and wll be epad n 2022

Note 6 – Economic Dependency

Unde va ous ag eemen s, he Company has engaged o wll engage DF Manage, LLC op ov de ce an se v ces o he Company, nclud ng asse managemen se v ces, asse acqu s on and d spos on dec s ons, he sale of he Company's common sha es available fo ssue, as well as o he adm n s a ve espons bl es fo he Company nclud ng accoun ng se v ces and nves o ela ons As a esul of hese ela onsh ps, he Company s dependen upon DF Manage, LLC In he even ha hese compan es we e unable o p ov de he Company w h he espec v es v ces, he Company would be equ ed o fnd al e na ve p ov de s of hese se v ces

Note 7 - Commitments and Contingencies

Legal Proceedings

As of Decembe 31, 2021, we we e no named as a defendan n any ac ve o pend ng l ga on The Company s a esponden n an adm n s a ve p oceed ng w h he SEC On Janua y 26, 2021, he SEC ssued a empo a y suspens on o de of he Offe ng unde Rule 258 and an adm n s a ve hea ng s se fo June 6, 2022 o de e m ne whe he a pe manen s op o de should be ssued ega d ng h s Offe ng unde he Regula on A exemp on f om eg s a on None of he SEC's allega ons nvolve f nanc al o accoun ng m sconduc o w ongdo ng and we bel eve he allega ons c ed a e echn cal v ola ons of Regula on A equ emen s and ela ed secu es laws

Note 8 – Distributions

Inves o ds bu ons a e de e mned by each sha eholde s' nves men of eco d each day du ng he ds bu on pe od

The able below ou lnes he Company's o alds bu ons decla ed o sha eholde s and ds bu ons ela ng o he Sponso and s aff la es fo he welve mon hs ended Decembe 31, 2021

		Daily			Paid/Reinvested	
		Distribution		Total	as of	
	Declaration	per class A	Annualized	Amount of	December 31,	Payment
Distribution Period	Date	Shares	Yield	Distribution	2021	Date
Sep embe 1, 2021 h ough Sep embe 30, 2021	9/30/2021	0 00008202	5 00% \$	347	\$ 347	10/15/2021
Oc obe 1, 2021 h ough Oc obe 31, 2021	10/31/2021	0 00088431	5 00% \$	10,713	\$ 10,713	11/14/2021
Novembe 1, 2021 h ough Novembe 30, 2021	11/30/2021	0 00115029	5 00% \$	22,019	\$ 22,019	12/15/2021

Decembe 1, 2021 h ough Decembe 31, 2021	12/31/2021	0 00119286	5 00% \$	30,573	1/15/2022
Total			\$	63,652	

(1) Ds bu ons a e pado e nves ed on he 15 h of he follow ng mon h af e heds bu on pe od

Note 9 - Subsequent Events

Even s ha occu af e he balance shee da e, bu befo e he fnanc al s a emen s we e ava lable o be ssued, mus be evalua ed fo ecogn on o d sclosu e The effec s of subsequen even s ha p ov de ev dence abou cond ons ha exs ed a he balance shee da e a e ecogn zed n he accompany ng fnanc al s a emen s Subsequen even s which p ov de ev dence abou cond ons ha exs ed a he balance shee da e a e ecogn zed n he accompany ng fnanc al s a emen s Subsequen even s which p ov de ev dence abou cond ons ha exs ed af e he balance shee da e equ e d sclosu e n he accompany ng no es Managemen has evalua ed he ac v y of he Company h ough Ap 129, 2022, he da e he fnanc al s a emen s we e ava lable o be ssued

Swaying Oaks

On Ma ch 11, 2022, he Company made an equ y nves men of \$1,500,935 n o he Sway ng Oaks acqu s on The Company nves ed n o Sway ng Oaks as a non-con oll ng 1m ed pa ne Sway ng Oaks s a 64-un mul -fam ly asse loca ed n San An on o, Texas

Offering Proceeds

As of Ap 129, 2022, he Company had a sed o alg oss offe ng p oceeds of app oxma ely \$10,736,607 f om se led subsc p ons and ssued an agg ega e of 1,073,661 sha es of ou class A sha es, w h add onal subsc p ons fo an agg ega e of 243,582 sha es of ou class A sha es, ep esen ng add onal g oss offe ng p oceeds of app oxma ely \$2,435,819 As of Ap 1 29, 2022, app oxma ely \$39,263,393 n sha es ema ned ava lable fo sale o he publ c pu suan o he Offe ng

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Exhibits

The follow ng Exh b s a e f led as pa of h s Annual Repo

Exh b	1A-2A*	<u>Ce fca e of Foma on</u>
Exh b	1A-2B*	LLCAg eemen The ag eemen by and among he Company and all of s membe s cap oned "Lm ed Lab I y Company Ag eemen" and da ed Augus 20,
		2020
Exh b	1A-2C*	Au ho zng Resolu on The esolu on adop ed by he Manage c ea ng he Class A Inves o Sha es
Exh b	1A-6A*	Inves men Ag eemen The ag eemen o be s gned by each Inves o o acque a Class A Inves o Sha es
Exh b	1A-6B*	Managemen Ag eemen The ag eemen cap oned "Managemen Se v ces Ag eemen" by and be ween he Company and he Manage da ed Augus 20,
		2020

* Previously filed and incorporated by reference.

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Signatures

Pu suan o he equ emen s of Regula on A, he ssue has duly caused h s epo o be s gned on s behalf by he unde s gned, he eun o duly au ho zed

May 3, 2022

DF Growth REIT II, LLC

- By DF Manage , LLC, as Manage
- By D ve syFund, Inc , as Manage

By /s/ C a g Cec l o C a g Cec l o, Ch ef Execu ve Off ce

Pu suan o he equ emens of Regula on A, hs epo has been s gned below by he follow ng pe sons on behalf of he ssue and n he capace es and on he da es nd ca ed

/s/ Alan Lew s

Alan Lews D ec o and Ch ef Inves men Offce of D ve syFund, Inc May 3, 2022

/s/ C a g Cec l o

C a g Cec l o D ec o and Ch ef Execu ve Off ce of D ve syFund, 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.
- 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.

Ensell Castile Russell Castillo

Executed on this 22nd day of November 2021

Page 208 REIT 1 VS REIT 2 Investments - DiversyFund Help Center https://support.diversyfund.com/hc/en-us/articles/4409019382419-REIT-1-VS-REIT-2-Investments

	FUND		Submit a	rnquest Sign in	
Diversitional Rep Center	> Dilenjfund mestment > REF E		Q. Search		
Articles in this section REIT 2: Fee Structure	RELLEVS RELLZ Inve	estments			
REIT 1 VS REIT 2. Investments	Christopher Finlay 1 month ago Updated		Follow		
REIT 2: Investment T	How will investing in REIT 2 impact m	ny investment term?			
		n targets as REIT 1. Investing in REIT II will provi additional properties that we believe provide the ugh a professionally managed portfolio.			
	Will all my investments (REIT 1 & REIT	T 2) be under the same 5-year term?			
	No, REIT I and REIT II operate as separate inv strategies they operate on their own 5 year in	vestment vehicles. While they have similar invest investment term.	tment		
	May I continue investing in the origin	nal REIT instead of REIT 2?			
	REIT) is now closed and REIT 2 is available				
	Will launching REIT 2 impact my origi	inal REIT investment in any way?			
	No, REIT I will not be impacted by REIT II in a operated by REIT I.	any way. The assets in REIT I will continue to be	owned and		
	Does this mean the original REIT is wi	inding down?			
	No, The original REIT is closed to new investo investors to meet its targeted IRR.	ors, however it will still manage its portfolio to o	create value for		
	о у Б				
		as this article helpful? Yes No out of 8 found this helpful			
	Have more	e questions? Submit a request			
	Recently viewed articles REIT 2: Fee Structure	Related articles			
	How DiversyFund Makes Money	REIT 2: Fee Structure			
	Our Founders	What returns can I expect?			
	About DiversyFund	How is the investment taxed?			
	How do I access and download my tax documents?	What is a REIT?			
	Comments				
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rticles in this section	What are your fees?		
What is a REIT?			
How does the investment work?	Christopher Finlay 3 months age / Upstanet	Follow	
What any i investing in?			
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What returns can i expect?	The REIT has a 7% Preferred return and ta	rgets double digit IRR once the REIT has	
How long is the investment term and when do I cash	gone full cycle. DiversyFund makes money		
out?	when we sell REIT assets that have increas profits over the preferred rate of return of	ed in value, we will be paid a portion of any 7% to our investors.	
Can I cash out before the	present and present and an entering		
end of the investment term?	We have an internal real estate team respo	onsible for finding and acquiring our assets.	
Wrust are your tees?	We own all of the real estate assets that an	re being purchased as opposed to other	
		third-party projects, and therefore have to	
How do i procèss my first investment?		in our projects and oversee everything from of the projects and upon liquidation of the	
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		e how we create wealth for our customers. The that help us be more competitive in acquiring	
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	Platform costs:		
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		ch platform operations - expenses are capped	
	at 10% of equity dollars		
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	Real Estate Fees		
	Acquisition Fees: 1-4% of total cost of as	set	
	Finance Fee: 1% of any loan amount		
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Comments Dicomments

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Articles in this section REIT 2: Fee Structure	REIT 2: Fee Structure		
REIT 1 VS REIT 2 Investments	Christopher Finlay Smorthage	F	stow
REIT 2: Investment Term			
	How does the new fee structure impa	act my returns?	
	The new fee structure was designed to have	no negative impact on overall fees charged to the REIT. to allow for greater flexibility for our management team	
	How does the new fee structure work	a	
		now we create wealth for our customers. The new fee str e competitive in acquiring multifamily properties so that	
	Platform Costs		
	Offering and Organization Expense Reimb	oursement - Expenses charged to investors for the actu- rations - expenses are capped at 10% of equity dollars	e
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	Finance Fee - 1% of any loan amount	rs.	
	How does DiversyFund make money?	7	
		form and asset fees and when we sell REIT assets that hi of any profits over the preferred rate of return of 7% to	
	Why was the fee structure changed?		
		ility for cur real estate team in selecting assets and pro- estment frms to maximize potential returns for our cust	
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	Our Founders	What returns can I expect?	
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	How do Laccess and download my tax documents?	REIT 2: Investment Term	
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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:

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.

Lusell Castille [Russell Castillo]

Executed on this 18th day of February 2022

		HOW IT WORKS		
	The Path	to Financial Freedo	m	
	The Future	rto i manetai i recuo		
Our company	was founded on the helief that e	veryone deserves access to the same wea	Ith-huilding tools that have long	
	the 1% to create and sustain gen	erational wealth. DiversyFund was built to		
Combining		itimate goal of closing the wealth gap. Insive expertise in finance and investment		
Investme	nt platform offers 24/7 access to	o our unique offerings, including private m	arket Investment funds and	
	sify your portfolio with one of th	n Investment of only \$500 and no managem re most attractive—and historically profitat		
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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)

ec 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) <<u>hello@diversyfund.com</u>> Sent: Monday, November 22, 2021 8:33 PM To: John Travis <<u>johntravis@ryaltd.com</u>> Subject: [DiversyFund] Re: Call

Attachment(s) image003.jpg

This email is a service from DiversyFund. Delivered by $\underline{\text{Zendesk}}$

Division of Enforcement's Exhibit 14

DF Growth REIT II, LLC

INVESTMENT AGREEMENT

This is an Investment Agreement, entered into on <u>2021-10-05T00:21:08.007Z</u>, 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 <u>2021-10-05T00:21:08.007Z</u> (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. §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. <u>Defined Terms.</u> 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. <u>Purchase of Shares.</u> 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. <u>No Right to Cancel.</u> 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. <u>Our Right to Reject Investment.</u> 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 <u>Accuracy of Information</u>. 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 <u>Risks.</u> 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 <u>No Representations.</u> 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 <u>Opportunity to Ask Questions</u>. 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 <u>Your Legal Power to Sign and Invest.</u> You have the legal power to sign this Investment Agreement and purchase the Shares.

5.6 <u>No Government Approval.</u> 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 <u>No Transfer.</u> 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 <u>No Advice</u>. 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 <u>Tax Treatment</u>. We have not promised you any particular tax outcome from buying or holding the Shares.

5.10 <u>Acting On Your Own Behalf.</u> You are acting on your own behalf in purchasing the Shares, not on behalf of anyone else.

5.11 <u>Investment Purpose</u>. You are purchasing the Shares solely as an investment, not with an intent to re-sell or "distribute" any part of it.

5.12 <u>Anti-Money Laundering Laws.</u> 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 <u>Additional Information</u>. At our request, you will provide further documentation verifying the source of the money used to purchase the Shares.

5.14 <u>Disclosure</u>. 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 <u>Additional Documents</u>. You will execute any additional documents we request if we reasonably believe those documents are necessary or appropriate and explain why.

5.16 <u>No Violations.</u> 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 <u>No Inconsistent Statements.</u> 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 <u>Financial Forecasts</u>. 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 <u>Notification</u>. 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 <u>Additional Promises by Individuals.</u> If you are a natural person (not an entity), you also promise that:

5.21.1 <u>Knowledge</u>. 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>U.S. Citizen or Resident.</u> 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 <u>Financial Wherewithal.</u> 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 <u>Anti-Terrorism and Money Laundering Laws.</u> 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 <u>Entity Investors.</u> If Purchaser is a legal entity, like a corporation, partnership, or limited liability company, Purchaser also promises that:

5.22.1 <u>Good Standing</u>. 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 <u>Other Jurisdictions.</u> 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 <u>Authorization</u>. 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 <u>Investment Company</u>. Purchaser is not an "investment company" within the meaning of the Investment Company Act of 1940.

5.22.5 <u>Information to Investors</u>. 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 <u>Anti-Terrorism and Money Laundering Laws.</u> 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 <u>Confidentiality</u>. 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 <u>Re-Purchase of Shares.</u> 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 <u>Governing Law.</u> 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 <u>Execution of LLC Agreement.</u> 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 <u>Consent to Electronic Delivery</u>. 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 <u>Notices</u>. 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 <u>Waiver of Jury Rights.</u> 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 <u>Headings.</u>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 <u>No Other Agreements.</u>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 <u>Electronic Signature.</u>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

\$ <u>5000</u>

Social Security Number (If You Are An Individual)

255-94

Joint Investor Name, if Joint Investment

Tammy Travis

Joint Investor Social Security Number, if Joint Investment

250-19

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

OS Received 06/03/2022

Mailing Address Street 2

Mailing Address City



Address State and Zip Code



Mailing Address Country

<u>US</u>

Email Address

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

As Manager

DF Growth REIT II, LLC

By: DiversyFund, Inc.

As Manager

By:

Alan Lewis

Manfri

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

OS Received 06/03/2022

By: DiversyFund, Inc.

As Manager

By: <u>Alan Lewis</u>

Manfei

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 11, LLC

By: DF Manager, LLC

As Manager

DF Growth REIT II, LLC

By: DiversyFund, Inc.

As Manager

By:

Alan Lewis

Manfei

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 11, LLC

By: DF Manager, LLC

As Manager

DF Growth REIT II, LLC

By: DiversyFund, Inc.

As Manager

By:

Alan Lewis

Manfei

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 11, LLC

By: DF Manager, LLC

As Manager

DF Growth REIT II, LLC

By: DiversyFund, Inc.

As Manager

By:

Alan Lewis

Manfei

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, PLEASE SELECT THE "I DECLINE" BUTTON. IF YOU DO NOT AGREE TO AND 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, PLEASE SELECT THE "I DECLINE" BUTTON. IF YOU DO NOT AGREE TO AND 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.
- 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:

- 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' 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 Servicesaffiliated 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 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; (ii) do not be entitled 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.

 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 "you" 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;
- ٠
- Any other DA Services agreements pertaining to future plans that you may establish and all amendments, notices and other agreements which supplement those agreements;
- ٠
- 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, <u>www.divseryfund.com</u> 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 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.

SIGNED:

DIVERSY ADVISORY SERVICES, LLC

By: DiversyFund, Inc. Its Manager

By:_____ Name: <u>Alan Lewis</u> Title: Chief Investment Officer Signature:

CLIENT:

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 ShahSent:2022-05-03T10:39:26-04:00Importance:NormalSubject:[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 candit! 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 governmentissued 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 PD1

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 <<u>ankitshah.zam@gmail.com</u>> 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 weee 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 <<u>christopher@diversyfund.com</u>> 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 <u>here</u>. 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 <<u>ankitshah.zam@gmail.com</u>> 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) <<u>support@diversyfund.zendesk.com</u>> 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 <<u>ankitshah.zam@gmail.com</u>> Date: November 22, 2021 at 18:24:52 EST To: DiversyFund <<u>support+id43439@diversyfund.zendesk.com</u>> 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) <<u>support@diversyfund.zendesk.com</u>> 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 you 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 $\underline{#40534}$ "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

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 PS

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 you 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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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.

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I am sorry for the issue. The tech team is aware of this and they

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We are sorry for the inconvenience. Kari H

Ankit Shah

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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.

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 <<u>ankitshah.zam@gmail.com</u>> 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 <<u>ankitshah.zam@gmail.com</u>> 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:

- If this was just a technical glitch in the dashboard, why did I not receive and 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.
- 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 praftices.

Thanks for nothing.

On Dec 2, 2021, at 12:13, Christopher Finlay <christopher@diversyfund.com> wrote:

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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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Thanks,

Christopher

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Thanks, Christopher

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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

Ankit,

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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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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 $\underline{#43439}$ "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 <<u>ankitshah.zam@gmail.com</u>> Date: November 29, 2021 at 15:59:25 EST To: Christopher Finlay <<u>christopher@diversyfund.com</u>> Subject: Fwd: Phone Call to: +1 (786) 385-1375

?

Please respond to the below email.

Begin forwarded message:

From: Ankit Shah <<u>ankitshah.zam@gmail.com</u>> Date: November 28, 2021 at 07:10:01 EST To: Christopher Finlay <<u>christopher@diversyfund.com</u>> 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 <<u>christopher@diversyfund.com</u>> wrote:

```
?
Ankit,
```

AIIKIC,

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 <<u>ankitshah.zam@gmail.com</u>> 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 weee 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 <<u>christopher@diversyfund.com</u>> 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 (<u>https://www.sec.gov/cgi-bin/browse-</u>

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 <<u>ankitshah.zam@gmail.com</u>> 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...
 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, 5:26 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?previousevent=login-complete

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Division of Enforcement's Exhibit 20

PRIVILEGED / CONFIDENTIAL

DIVERSY ADVISORY SERVICES, LLC

CLIENT AGREEMENT

YOU MUST READ AND CONSIDER THIS AGREEMENT CAREFULLY AND CONTACT DIVERSY ADVISORY SERVICES, LLC ("<u>DA SERVICES</u>") 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. ("<u>DIVERSY</u>") WEBSITE AT DIVERSYFUND.COM (THE "<u>INTERACTIVE WEBSITE</u>")].

- 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 ("<u>Client</u>") and Diversy Advisory Services, LLC, a Delaware limited liability company and a registered investment adviser with the Securities and Exchange Commission ("<u>DA Services</u>"), 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 ("<u>Agreement</u>") is effective as of the first day Client agrees to it (the "<u>Effective Date</u>"). 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 ("<u>Securities</u>") recommended by DA Services based on profile information and features designated by Client (the "<u>Investment Plan</u>"). 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 "<u>Auto-Investment Plan</u>"); 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 "<u>Reinvestment Plan</u>"). 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 "<u>Plans</u>".

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 "<u>Sponsor</u>"). 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 ("<u>DF Growth REIT</u>") and DF Growth REIT II, LLC ("<u>DF Growth REIT II</u>") (collectively, the "<u>Funds</u>"). 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 "<u>Offering</u>"), 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 "<u>Promoted Interest</u>"). The Promoted Interest is paid in two levels: first, after Investors have received a (i) 7% internal rate of return ("<u>IRR</u>") 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.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.

(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 "<u>Arbitration Provision</u>"). The arbitration shall be conducted in Wilmington, Delaware. As used in this Arbitration Provision, "<u>Claim</u>" 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 " \underline{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 ("<u>Statement</u>"), 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 ("<u>DA Services</u>"). 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 "<u>Act</u>") and other laws (the "<u>Disclosures</u>"). 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/disclosures-circulars/), Privacy Policy (available at https://diversyfund.com/disclosures-circulars/), Terms of Use (available at https://diversyfund.com/privacy-policy/), Terms of Use (available at https://diversyfund.com/privacy-policy/), 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.divseryfund.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 "<u>Funds</u>") 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 "<u>Manager</u>") 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: <u>/s/ Alan Lewis</u> 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

OS Received 06/03/2022

Page 1	Page 3
Page 1 1 UNITED STATES SECURITIES AND EXCHANGE COMMISSION 1 APPEARANCES(CONT.):	Fage 3
2 2	
3 In the Matter of:) 3 On behalf of the Witness:	
4) File No. LA-05266-A 4 SANJAY BHANDARI, ESQ.	
5 DIVERSYFUND, INC.) 5 RYAN STASELL, ESQ.	
6 6 BUCHALTER	
7 WITNESS: Craig Cecilio 7 655 West Broadway, Suite 1	600
8 PAGES: 1 through 181 8 San Diego, CA 92101	
9 PLACE: Securities and Exchange Commission 9 Tel: 619.219.5376	
10444 South Flower Street, Suite 90010Sbhandari@buchalter.com	
11 Los Angeles, California 90072 11 Rstasell@buchalter	
12 DATE: Tuesday, March 15, 2022 12	
13 13 Also Present:	
14The above-entitled matter came on for hearing,14A. Pasha Salimi	
15 via WebEx, pursuant to notice, at 10:39 a.m.	
16 16 16 17 17	
40	
18 18 19 19	
20 20	
21 21	
22 22	
23 23	
24 Diversified Reporting Services, Inc. 24	
25 (202)467-9200 25	
Page 2	Page 4
1 APPEARANCES: 1 CONTENTS	r ago r
2 2	
3 On behalf of the Securities and Exchange Commission: 3 WITNESS EXAM	INATION
4 WILLIAM M. ROSENTHAL, ESQ. 4 Craig Cecilio 5	
5 VICTORIA A. LEVIN 5	
6 LYNN DEAN 6 EXHIBITS DESCRIPTION	IDENTIFIED
7 Division of Enforcement 7 1 Commission Supplemental	6
8444 South Flower Street, Suite 9008Investigation Form 1662	
9 Los Angeles, CA 90072 9 2 Procedures for Testimony	9
10 Tel: 323.965.3998 10 3 Letter dated 1/26/22 with subported to the	
11 Email: rosenthal@sec.com 11 5 Form 1-A Regulation A offering	g 146
12 12 statement 12 G Offering Circular Supplement N	lo 1 170
13136Offering Circular Supplement N14147Form 1-SA10	No. 1 170 06
14 14 7 Form 1-SA 10 15 15 15 Excel spreadsheet, list of REIT	
16 16 16 16 16 16 16 16 16 16 16 16 16 1	1 11 112
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Page 5	Page 7
1 PROCEEDINGS	1 Q And prior to the opening of the record, you
2 MR. ROSENTHAL: On the record at 10:39 a.m. on March	2 were also provided with a copy of Commission
3 15th, 2022. Mr. Cecilio, do you consent to taking an oath	3 Supplemental Investigation, Form 1662, which has been
4 to tell the truth remotely via WebEx rather than in	4 marked as Exhibit Number 1.
5 person?	5 Have you had an opportunity to read Exhibit
6 THE WITNESS: Yes, I do.	6 Number 1?
7 MR. ROSENTHAL: Okay. And please raise your right hand.	7 A I've had an opportunity, yes, I have.
8 Do you swear to tell the truth, the whole	8 Q Okay. And this is Exhibit 1 on the screen.
9 truth and nothing but the truth?	9 Do you have any questions about this
10 THE WITNESS: Yes, I do.	10 exhibit, Mr. Cecilio?
11 Whereupon,	11 A No, I don't.
12 CRAIG XANDER CECILIO	12 Q Okay. Are you represented by counsel?
13 was called as a witness and, having been first duly sworn,	13 A Yes, I am.
14 was examined and testified as follows:	14 MR. ROSENTHAL: And would counsel please
15 EXAMINATION	15 identify themselves for the record and confirm that
16 BY MR. ROSENTHAL:	16 they're representing Mr. Cecilio.
17 Q Please state and spell your full name for	17 MR. BHANDARI: Yes. Mr. Cecilio is
18 the record.	18 represented by Buchalter Professional Corporation and
19 A Craig Xander Cecilio.	19 from Buchalter, present today are Sanjay Bhandari,
20 Q Can you spell your name?	20 me, and my colleague Ryan Stasell.
21 A C-R-A-I-G, X-A-N-D-E-R, C-E-C-I-L-I-O.	21 Q (By Mr. Rosenthal) Mr. Cecilio, can you
22 MR. BHANDARI: You can lower your hand, Craig.	22 please confirm that they're representing you?
23 THE WITNESS: Thanks.	A Yes, they are representing me.
24 BY MR. ROSENTHAL:	24 MR. ROSENTHAL: And Mr. Cecilio and
25 Q My name is William	25 Counsel, can you please confirm for the record that
Page 6	Page 8
1 Rosenthal. I'm an attorney in the office of	Page 8 1 no one else is in the room with you?
1 Rosenthal. I'm an attorney in the office of	 no one else is in the room with you? MR. BHANDARI: Confirmed. THE WITNESS: Confirmed.
 Rosenthal. I'm an attorney in the office of enforcement, Los Angeles Regional Office of the United States Securities and Exchange Commission. With me today is assistant regional 	 no one else is in the room with you? MR. BHANDARI: Confirmed. THE WITNESS: Confirmed. MR. STASELL: Confirmed.
 Rosenthal. I'm an attorney in the office of enforcement, Los Angeles Regional Office of the United States Securities and Exchange Commission. With me today is assistant regional director Victoria Levin. We're officers of the 	 no one else is in the room with you? MR. BHANDARI: Confirmed. THE WITNESS: Confirmed. MR. STASELL: Confirmed. Q (By Mr. Rosenthal) Everything we say today
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	Page 9		Page 11
1	wish to go off the record at any time to take a break	1	understanding of the facts.
	or consult with your attorney, please indicate this	2	MR. BHANDARI: Okay. I think he's
	to me and we'll ask the reporter to go off the record		confirmed that.
	when it's an appropriate time to do so.	4	MS. LEVIN: Actually, Counsel, I think you
5			confirmed it. If we could just get Mr. Cecilio to
	WebEx, you should consider yourself testifying in a		say to respond to the question, that would be
	court. The oath you took to tell the truth is the		great.
	same as the one used in court and the Commission may		MR. BHANDARI: Craig, you're of sound mind,
	submit today testimony as to evidence to a court in a		there's no medical reason why you can't give complete
	later proceeding. For this reason, you should make		and accurate testimony?
11		11	THE WITNESS: I'm of sound mind and body to
	honest answers to our questions.		give accurate information.
13	Do you understand?	13	Q (By Mr. Rosenthal) And there's no other
14	A Yes, I do.		reason you'll be unable to give your best testimony
15	Q A transcript of your testimony via WebEx		here today?
	may be used for all the routine use as set forth in	16	A Correct.
	SEC Form 1662 marked as Exhibit Number 1.	17	MR. BHANDARI: Other than the reasons I
18	Since you're testifying today via WebEx,		noted.
	there are some additional procedures that apply.	19	(SEC Exhibit No. 3 was introduced.)
	Prior to the opening of the record, you were provided	20	Q (By Mr. Rosenthal) I'll now show you what
	with a copy of Securities & Exchange Commission		has been marked as Exhibit Number 3. This is a
	Procedures for Testimony by audio-visual means, which		multiple-page document consisting of a letter
	has been marked as Exhibit Number 2.		addressed to Craig Cecilio, dated January 26, 2022,
23			with accompanying subpoena and attachment to
	the screen now.		subpoena.
25	the screen now.	20	subpoena.
	Page 10	1	Page 12
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Page 13		Page 15
1 A Is that a question for me? Yes.	1	that are responsive to the subpoena?
2 Q So you understand that you're appearing	2	A Myself, personally, I have not I have
3 here today pursuant to the subpoena?	3	not supplied documents. The documents have been
4 A Correct.	4	provided by my staff. Anything that related to
5 Q And the subpoena here calls for the	5	DiversyFund was provided by my staff with my
6 production of certain documents.	6	permission to access any of those documents that was
7 Have you tendered to the staff all	7	requested.
8 documents called for by the subpoena?	8	Q Did you ask your staff to provide those
9 MR. BHANDARI: I'm going to I'm going to	9	documents?
10 object here. We've been counsel has been working	10	A I am working with my cofounder, who is
11 to produce these documents. We have had a number o	f 11	doing the majority of the work himself to provide the
12 discussions with him. We've made representations to	12	documents. Anything that he needs from me, I provide
13 the staff. And, ultimately, if there are if there	13	to him to provide to counsel.
14 needs to be a certificate of completion, he'll do it,	14	Q Okay. And who is your cofounder?
15 but I'm not sure where we are.	15	A Alan Lewis.
16 I need to check with Ryan and see whether	16	Q Okay. Were there any other staff that you
17 we feel that we have completed this. So I don't know	17	asked or that assisted you in your search for
18 if he knows that information.	18	documents?
19 He's relying on us to have produced	19	A Directly, not me. I'm going through Alan
20 documents over a period of time in consultation with	20	and Sanjay.
21 the staff about what some of these things mean. So I	21	Q I will note for the record then that the
22 just don't know if he's able to answer that question	22	the production is not complete. The requests remain
23 yet.	23	outstanding. We can follow up at a later time with
24 MR. ROSENTHAL: Okay.	24	your counsel.
25 Q (By Mr. Rosenthal) Mr. Cecilio, have you	25	Mr. Cecilio, have you withheld any
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1 Thank you.	1 A That I would be having a testimony today, a
2 Q (By Mr. Rosenthal) Okay. Were any	2 deposition.
3 documents called for by the subpoena not produced fo	3 Q Was the substance of your testimony
4 any reason other than privilege?	4 discussed?
5 A I have provided every document that was	5 A No, it was not.
6 required through that counsel has asked of me.	6 Q Did you have any other conversations
7 Q Okay. Do you know of any documents	7 with with them regarding your appearance for
8 responsive to the subpoena but not provided that were	8 testimony today?
9 in your possession at a prior time or that were lost,	9 A Let me clarify the question. I'm not
10 destroyed or otherwise disposed of?	10 certain what you're asking.
11 A Again, every document that Sanjay required	11 Q Sorry. Yeah.
12 us to produce, we produced for him. I believe that	12 You mentioned you had one meeting
13 we have delivered that information to Sanjay.	13 yesterday. Were there other meetings you had or
14 Q Okay. Have you spoken with anyone other	14 conversations you had with the people you mentioned?
15 than counsel regarding your appearance for testimony	15 A Yeah. Well, Alan's my cofounder, so, yeah,
16 today?	16 we've had a couple of conversations.
17 A Yes, I have.	17 MR. BHANDARI: But you're, Will, about
18 Q Who?	18 conversations about the testimony?
19 A My wife, and I believe my I think my	19 MR. ROSENTHAL: Correct, yeah.
20 leadership team knows.	20 MR. BHANDARI: Okay. And you're excluding
21 Q Who is on your leadership team?	21 his wife, obviously.
22 A That would be Alan Lewis, Fateh Kamal,	22 MR. ROSENTHAL: Yes. And excluding
23 Issac Dixon, David Legacki. And I'm not positive,	23 counsel.
24 because one person was out of town, Navid Firoozi.	24 MR. BHANDARI: And counsel.
25 Q Who are they?	25 Do you understand the question, Craig?
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Page 1	Page 20
1 A One is our Fateh Kamal is our COO.	1 Q (By Mr. Rosenthal) With Mr. Lewis, when
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	Page 21		Page 23
1	counsel?	1	limit, within the last week perhaps what has he
2	A Yeah, we met. Yes, of course.		reviewed, because I don't think he would have
3	Q Was anyone besides counsel present at your		prepared for testimony earlier than that.
4		4	
5	A Did we meet Alan? Was Alan at our meeting		what documents have you reviewed?
6	-	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	Q (By Mr. Rosenthal) Okay. Was there anyone		calculate returns. I think that's it.
10		10	MR. BHANDARI: To clarify, Will, the
11	A Nope.		screenshots are the ones that you shared with us and
12			the spreadsheets are the ones that are produced in
	for testimony today?		relation to the question about rates of return.
14	A Be more specific, because I've seen a lot	14	Is that right, Craig, that spreadsheet?
	of papers come across during this whole process, so	15	THE WITNESS: Yeah, yes, yes. A hundred
	I've been, of course, reviewing those papers, of		percent.
	course, the whole process.	17	Q (By Mr. Rosenthal) Mr. Cecilio, what is the
18	But, specifically, the specific, I don't		date and place of your birth?
	so, yes, I've been reviewing paperwork from inception	19	A 6/18/1973. I was born in Fairfield,
	of the investigation on.		Connecticut, birth certificate will most likely say
21	Q Okay. Did you review any documents to	21	Bridgeport, Connecticut because that's where the
	prepare for testimony today?		hospital was.
23	A I mean, if it was literally, the answer	23	Q Okay. And what's the country of your
	to your question is, if I've been reviewing documents		citizenship?
25	since the investigation, I've been reviewing	25	A U.S., United States.
	Page 22		Page 24
1	Page 22 documents over the through the three-month time	1	Page 24 Q Have you ever been known by any other name?
	-	1 2	-
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2 3	documents over the through the three-month time period, three-, four-month time period.	2 3	Q Have you ever been known by any other name?A Yes. I've been known as Charles Craig
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1 A '96 I graduated	-	1 vou as	sked me if I had an email address, so I'm saying
2 Q What was you		•	do, and they use it for marketing to send
	-	•	but. And this firm, they filter the leads and
			end them over to me if there's someone
	-	•	while for me to talk to, so business
	-	6 develo	
7 say no.	-	7 Q	And do you review that email address?
		7 Q 8 A	It just started within the last week.
-			Have you reviewed it in the last week?
		9 Q	
	education. It's not a credit 10		I haven't reviewed anything yet. I haven't
-	es of vast amounts of 11		ed anything yet.
	ever I wanted to learn at those 12		Do you have access to that email address?
13 points in time.	13		Yes, I have access Gmail accounts I
			s to, yes.
-	credited. They wouldn't be 15		Have you used any social network accounts
16 prevalent to this quest			last three years?
17 Q What is your te	elephone number? 17	7 A	Excuse me, I didn't hear that.
18 A My cell phone	number is 619-301-2795. 18	8 Q	Have you used any social networking
19 Q Do you have a	ny other telephone numbers? 19	9 accou	nts in the last three years?
20 A I do have an in	active Google number, which 20	0 A	Social media? Yes.
21 I don't even know if	it's a 949 number, but I 22	1 Q	Social media, yes.
22 don't use it at all. I be	lieve it's on my signature, 22	2	Which ones?
23 just to have a work nu	mber. It goes to my cellphone, 23	3 A	LinkedIn, Instagram, Twitter, Facebook, I
24 but I don't really use the	nat number. 24		YouTube. I haven't been active on YouTube.
	last time you used that 25	5	What else is there?
	Page 26		Page 28
1 number?		1	LinkedIn, Twitter, Facebook. I know I'm
			bly missing one here. Twitter, LinkedIn,
	-	•	book, Instagram I said Instagram, right?
4 it's more of an incomi			So YouTube, I don't really use. I don't
	·		ikTok. I don't use the other ones.
			Yeah, that's basically most of it.
7 office.			Okay. Are the accounts in your name, or
8 Q What is your e			ey in do you have like user names?
9 A The business of			The accounts are in my name. It will say
10 craig@diversityfund.c		-	Cecilio or it might have a CXC in there. It's
		•	ddle initial.
12 A Yes,	12		Sorry, can you repeat the last part?
	other email addresses you've 13		The accounts are in my name. You might see
14 used in the last three	-		C for my initials as well. But there's no alias
15 A I have one that			if that's if that's the question, there's no
16 craigc@diversityfund.	com. That's for, I guess, 16	6 aliase	S.
17 marketing purposes.	17	7 Q	Okay. Are there any websites or blogs that
18 Q What do you n	nean by marketing purposes? 18	8 you es	stablished or have authority to control in the
19 A Well, marketing	g sends out emails and so I 19	9 last th	ree years?
	th those emails bouncing back 20		I have a craigcecilio.com website. It's my
21 to my main email box.	-		nal website for my personal brand. It's been
-		•	ant for probably about a year and a half. And
23 cannot receive ingoing			arting to I have a firm now working on it
24 A I mean, technic	-		it activated.
25 both. It's just a dire		•	And what's on that a website?

		Page 29		Page 31
1	A It'd be some old b	log articles.	1	A Yeah. I believe so, yes. It's a broker's
2	Q What is your curre	ent occupation?	2	2 license today.
3	A I am the CEO and	I founder of DiversyFund.	3	3 Q Have you held any other professional
4	Q What is your work	address and phone number?	4	4 licenses?
5	A 750B Street, Suite	e 1930, San Diego,	5	5 A I think those would be the main ones.
6	California 92101.		6	6 Q Okay. Have you ever been an employee of a
7	As I was saying, w	e don't have any phone	7	7 broker-dealer investment advisor, investment company,
8	system anymore. It's a w	vork-from-home environment.	8	8 municipals securities dealer, municipal advisor,
9	And occasionally I still go	into the office. I use	9	9 transfer agent or nationally recognized statistical
10	my cellphone and my out	going emails that has that	10	0 rating organization?
11	Google number.	· · · · · · · · · · · · · · · · · · ·	11	A No. The only place I hung my license is
12	Q How long have yo	bu been in your current	12	2 underneath the California real estate broker.
13	occupation?	· · · · · · · · · · · · · · · · · · ·	13	3 Q Are you now or have you ever been an
14	A I believe we incor	porated August of '16.	14	4 officer or director of any publically held company?
15	Q Did you have othe	er employment before that?	15	5 A No.
16	A I owned a compar	ny called CCFG Investments	16	6 Q Have you ever been the beneficial owner of
17	since about 2004.	· · · · · · · · · · · · · · · · · · ·	17	7 5 percent or more of any class of equity securities
18	Q CCFG?	· · · · · · · · · · · · · · · · · · ·	18	8 of any publically held company?
19	A Yes.	· · · · · · · · · · · · · · · · · · ·	19	9 A No.
20	Q And when was the	at?	20	0 Q Are you now or have you ever been an
21	A 2004 to about 201	6.	21	1 officer or director of any privately held company?
22	Q And what was you	ur title or role with that?	22	2 A What's the definition of privately held
23	A It was basically th	e CEO and owner, sole	23	3 company?
24	owner of the company.	:	24	Q Any type of company, an LLC, you know, a
25	Q And what kind of	business was it?	25	5 corporation, any type of company?
		Page 30		Page 32
1		Page 30 ng, mortgage broker	1	A Yeah, over over my lifespan, I have an
2	services.	ng, mortgage broker	2	A Yeah, over over my lifespan, I have an LLC on the side that I have, and it's a Delaware
2 3	services. Q Okay. Is it still ac	ng, mortgage broker	2 3	A Yeah, over over my lifespan, I have an LLC on the side that I have, and it's a Delaware corporation. I've always I don't believe for
2 3 4	services. Q Okay. Is it still ac A No, it's not active.	ng, mortgage broker	2 3 4	A Yeah, over over my lifespan, I have an LLC on the side that I have, and it's a Delaware corporation. I've always I don't believe for that. I've had a couple in the past just but
2 3 4 5	services. Q Okay. Is it still ac A No, it's not active. Q So it's shut down	ng, mortgage broker tive? ?	2 3 4 5	A Yeah, over over my lifespan, I have an LLC on the side that I have, and it's a Delaware corporation. I've always I don't believe for that. I've had a couple in the past just but they're just to own a property in or a case years
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Page 3		Page 35
1 Q What was your title?	1 Q Do you know how many you	-
2 A I guess the president of that one.	2 other DiversyFund entities. Do you know	
3 Q And when did that start?	3 there are?	
4 A That was, I think, like 2003. 2003	4 A Not off the top of my head, I car	n't give
5 yeah, it was 2003.	5 you an accurate answer how many the	J
6 Q And how long did you hold that position?	6 property is owned in some LLC.	
7 A I guess for until we I think	7 Q Okay. What are what are so	me of the
8 DiversyFund took it over because we had a property	8 those companies?	
9 that was under that LLC or it was an S Corp. I'm not	9 A I mean, I'm sure it was all provid	ded to you
10 really sure.	0 guys. I would just be I'm not going to	
11 I think it held just one property at the	1 right if I say it. So I don't know the spe	-
12 end of the day. There weren't employees. There was	2 names off the top of my head. I can't r	
13 no doing business as. It was for purposes of holding	3 that is. It's just it's all been provided	
14 property.	4 MR. BHANDARI: Do you remen	•
15 Q Any other companies you've been an officer	5 example that you could give of such ar	•
16 or director?	6 THE WITNESS: I'm not sure if t	
17 A I believe way back in like '97, '98 a	7 going to be accurate, but I remember of	
18 friend of mine and I developed a company this is	8 had full cycle, like DiversyFund Summe	
19 when we were working with professional athletes, and	9 think that's one of the properties we ha	
20 that was called AAIS. It didn't really work out for	0 cycle where we bought it, renovated it	•
21 us, so that got disbanded.	1 property. I think we sold it in summer of	
22 Q And when was that?	2 So usually it has the name of the	
23 A It's got to be like somewhere between	3 or the name of the property that we pu	
24 '97 and '98 to like 2000.	4 it's like DiversyFund you know, Diver	
25 Q And what was your title or position?	5 Summerlin or DiversyFund, whatever t	
Page 3	4.11.0	Page 36
1 A I don't recall what I was. I know it was	1 LLC.	dura far
2 me and my roommate were business partners to try to3 do these preNFL draft camps and do seminars regardir	2 So it's standard operating proceed 3 purchasing real estate in its own LLC.	
4 preparing people for the NFL draft. And we had we	4 Q Okay. And what was your title	with that
5 did speaking engagements around town of how to help	5 company?	with that
6 people out with health and fitness and all that	6 A I am not a hundred percent cert	ain of how
7 stuff.	•	
	7 the documents are done. I rely upon n	•
8 Q Okay. Any other companies you've been an 9 officer or director of?	8 who happens to be a former attorney, t	
	9 structuring where he has all these entit	·
10 A Let me think. No, no, no. I mean, that's	0 each other. But all that stuff I believe h	
11 it. And underneath the DiversyFund umbrella,	1 disclosed by Sanjay and you guys sho	
12 DiversyFund has a lot of entities that we do business	2 information. But I don't know the speci	
13 as, so all those entities I believe that Sanjay	3 of all that stuff.	
14 disclosed all the affiliate partnerships. I believe	4 Q Okay. Are there any other priva	-
15 that, on the paperwork, it would say that I'm not	5 companies that you've been a manage	er or member of?
16 sure how that works exactly, how I am on all that	6 A No.	a a a a tha
17 paperwork.	7 Q Are you now or have you ever l	
18 But DiversyFund has various entities with	8 beneficial owner, directly or indirectly, o	or any
19 each property that's owned, it's owned under its own	9 privately held company?	
20 entity at the end of the day.	0 A No.	atab. k. d. d
21 Q Okay. Are you an officer or director at	1 Q You're not the owner of any priv	vately held
22 DiversyFund, Inc.?	2 companies?	
23 A Yes.	3 A Just that one I have set up, that	CCSB one
24 Q What is your title?	A that is just my salf and the memory and	
25 A DiversyFund, CEO and Founder.	4 that is just myself on the paperwork.5 So, technically speaking, that's a	

	Page 37		Page 39
1	company because I set up a Delaware Corp, so that	t 1	-
	would be	2	
3	Q Do you have an ownership interest in		like three months ago.
4	DiversyFund, Inc.?	4	Q What type of account is it?
5	A Yes, I do.	5	A I'm really not certain. I just hit the
6	Q And what is your ownership interest?	6	button and I got I think I signed up for some
7	A It's somewhere around 35 to 40 percent.		Crypto, some Bitcoins, Ethereum, some EFTs. Just
8	Q How did you acquire that interest?	8	Q Is it just a general brokerage account or
9	A How did I acquire the interest in	9	
10	DiversyFund?	10	A It's a general brokerage account, yeah.
11	Q Right.	11	Q Okay.
12	A I founded the company with Alan Lewis, and	12	A Very tough to understand when you're doing
13	we negotiated our share. And we took on		when you're hitting a button on Robinhood.
14	shareholders. And as we took on shareholders, it	14	Q Do you know the account number for that,
15	dilutes my percentage of ownership.	15	Robinhood account?
16	Q Have you invested money in DiversyFund,	16	A I could get it. Not off the top of my
17	Inc.?	17	head. Not memorized.
18	A Clarify the question a little bit there.	18	Q Are there other brokerage accounts you've
19	Because that's	19	held in your name in the last three years?
20	Q Have you invested your own money into	20	A No. I got a money market account with my
21	DiversyFund, Inc.?	21	bank, but that's not a brokerage account. But I
22	A I'm going to answer that to the best of my	22	wanted to clarify that. I'm not positive, so I'm
	ability here. Since I previously owned a business	23	giving that information. But no.
24	and that business is business credit and business	24	Q Have you had any control or direct or
25	lease, I rolled that into DiversyFund, so we	25	indirect beneficial interest in any other securities
	Page 38		Page 40
1	Page 38 didn't there's a value to doing that, so that is	1	Page 40 or brokerage accounts in the last three years?
		1 2	-
2	didn't there's a value to doing that, so that is		or brokerage accounts in the last three years?
2	didn't there's a value to doing that, so that is what I did. And I don't I'm not I can't tell	2 3	or brokerage accounts in the last three years? A No, no.
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	Page 41		Page 43
1	Q When did when were you deposed?	1	A It would just be Alan Lewis, CIO, chief
2	A It's somewhere between I remember it	2	investment officer, and cofounder.
3	happening in the downturn, so it was like 2008, 2009,	3	Q How did you come up with the idea for
4	2010. I'm not positive on that one.	4	DiversyFund, Inc.?
5	Q Have you ever been named as a defendant or	5	A The idea? Well, I heard something in the
6	respondent in any action or proceeding brought by the	6	industry due to the jobs in the past. I've worked
	SEC, any U.S. or foreign federal agency, a state	7	with institutional high net worth individuals my
8	securities agency, FINRA, a self-regulatory	8	entire life. And I saw an opportunity to take an
9	organization or any exchange?	9	asset class that was for the privileged and give it
10	A Well, this is our second audit with you	10	to everybody else.
11	guys. So I would say, since that is, so does the	11	I came from a working class family. Both
12	first audit count?	12	my parents were both worked, worked really hard.
13	Q So the question is just if you've been	13	They never really went up the wealth ladder. I found
14	named as a defendant or respondent in any action?	14	out recently my dad never made more than 60,000 in
15	A If that first audit is considered that,	15	his life. He told me this a few weeks ago and he's
16	then I would say yes. I don't know. I'm not really	16	85 years old.
17	certain what the legal language that is.	17	And it really kind of built a fire
18	Q Aside from that?		underneath myself to kind of deliver that to
19	A No.	19	everybody else. And the rest was, okay, how do I do
20	Q Have you ever been a defendant in any	20	it?
21	5 5	21	Q Okay. And what is the business of
	laws?		DiversyFund, Inc.?
23	A No.	23	A You asked me so I'm going to start and
24	Q Have you ever been a defendant in any		then ask me some questions.
25	criminal proceeding other than one involving a minor	25	So I always believed DiversyFund was
	Page 42		Page 44
	traffic offense?		created to allow access to private markets to a
2	traffic offense? A No.	2	created to allow access to private markets to a nonaccredited investor.
2 3	traffic offense? A No. Q Did you provide a list of all your bank	2 3	created to allow access to private markets to a nonaccredited investor. We do that today through multifamily real
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1market. It could be a little bit older, needs a2little TLC. And value-add is not ground-up3construction, it means minimal amount of renovation4done.5And what we do is we reposition the asset,6which is we clean it up, whether that is redoing the7leases, redoing parts of the property itself. Do8that. Bring the rents up to market rate. Let that9season for a while. And then you sell the property.10And how you sell the property depends on11this seally appreciated through the roof, and so we12today at this date, March 15, 2022, I like to say13that, is we live in an environment where the asset14has really appreciated through the roof, and so we15were fortunate enough that our customers are really16going to benefit from the appreciated from this17environment today.18Q19Q11Ne tesponsibilities? Well, I would say my20A21number one responsibility is to try to put you22And as a company that's kind of still in23at the end of the day, so we can execute our vision.24And as a company that's kind of still in25Slack, it's text, it's email, it's phone, it's video				
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Page 49	Page 51
1 A No, that's it.	1 With that number, it could build up to 50, 60, maybe
2 Q Okay. And what about the other employees	2 even 70 people working.
3 at DiversyFund, do you use the same forms or methods	3 Q Okay. Has the number of people working for
4 to communicate with them?	4 DiversyFund changed since it started?
5 A We to start, I would say Slack is the	5 A It's been I would say the first three
6 first one, video meetings is the second one. Like I	6 years, and then it kind of got steady after that.
7 said, with email, email is more of a formal either	7 About the same size. Last three years. More
8 a formal request, document sharing, or to wrap up	8 external people than ever before.
9 something that we discussed.	
-	
10 Text occasionally. It's a little intrusive	10 years?
11 to do text too much, so we prefer slack.	11 A The inflexion point to get more employees
12 Face-to-face, we try to get together at	12 going. It's the maturation of the business, the
13 least because we do have people out of state, at	13 business getting more mature to understand what
14 least once a quarter, all of us of the leadership	14 works. The business bringing in revenues so it can
15 team gets together.	15 hire people. The first few years you're just kind of
16 Granted, we're starting to tick a little	16 just striking out, not bringing in revenue.
17 bit more face-to-face due to the pandemic	17 Q How many employees did you have when
18 transforming.	18 DiversyFund, Inc. started?
19 Q Okay. How many employees does DiversyFund	19 A It would be just myself and Alan the first
20 Inc. have currently?	20 day.
21 A I consider like go-to contractors,	21 Q Okay. So then you expanded after that
22 employees, ones that we would otherwise an	22 gradually or sort of at a specific time?
23 employee for, so I think there's 18 to 19 W-2s and	A Yeah. I mean, we started to recruit a
24 about seven or eight main contractors. So somewhere	24 chief marketing officer. I believe we got a local
25 between 25 and 30, we're always floating around.	25 kind of generalist associate level and started adding
Page 50	Page 52
Page 50 1 My definition of a main contractor is	Page 52 1 pieces here and there.
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1 My definition of a main contractor is	1 pieces here and there.
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Page 5	3	Page 55
1 A Yeah. Everyone, I believe so, has		an HR director as well. They work in concert with
2 associate levels below them.		each other.
3 Q There are any other sort of departments?	3	Q Do employees receive any other compensation
4 A I would say those are the majority of the		or benefits from DiversyFund, Inc.?
5 heads. We don't have a head of finance, so kind		A I mean, we do care packages here and there.
6 our COO goes on top of that department.		Gift certificates. A few people have gotten bonuses
7 We don't have a head of I would say our		over the year, case-by-case, circumstances.
8 chief investment officer, Alan, is the investment	8	Q What was your total compensation in all
9 officer, in-house legal and he does compliance. S	-	forms last year?
10 he's kind of wearing three hats right now.	10	-
11 And then the technology start is my head of		A I believe it's close to 305,000.
		Q And from what sources?
12 product, my COO and myself try to help out with the		A That would be through through payroll,
13 technology components a little bit. Very minimal		through what I get paid on a monthly basis.
14 amounts.	14	Q From DiversyFund, Inc.?
15 Q Okay. How are employees compensated?	15	A That's through DiversyFund, correct.
16 A Right now, they're compensated with a	16	Q Did you receive compensation from any other
17 salary. Plus we give them a profit sharing plan we		sources or entities?
18 have.	18	A I think last year, I think it's the first
19 Q Okay. And can you describe the profit	19	, , , , , , , , , , , , , , , , , , , ,
20 sharing plan?	20	didn't get anything and my stocks didn't produce
A I can't accurately describe the profit	21	anything that I bought last year.
22 sharing plan because it's not fully documented yet		MR. BHANDARI: I don't think he's asking
23 That would be that's the responsibility of the		about returns on your brokerage account. I think
24 chief investment officer. And so that wasn't come		he's maybe you can clarify, Will. I think you're
25 that hasn't been documented fully to its fullest.	25	asking about compensation for services?
Page 54	L	Page 56
Page 5- 1 But I can say on a high level people get a	ו 1	Page 56 MR. ROSENTHAL: Correct.
-		-
1 But I can say on a high level people get a	1	MR. ROSENTHAL: Correct. Q (By Mr. Rosenthal) Yeah. Did you get
1 But I can say on a high level people get a 2 portion of equity in the company.	1	MR. ROSENTHAL: Correct. Q (By Mr. Rosenthal) Yeah. Did you get
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	Page 57		Page 59
1	ago. I'm not I don't have that on the top of my	1	A Myself personally?
	head.	2	
3	Q It was a loan from you to DiversyFund,	3	A No. All that's in the bank statements.
4		4	Q So when did your what is your current
5	A Yeah. No, no. It was to one of the	5	title with DF Growth REIT I?
6	entities.	6	A My title with Growth REIT I. I believe
7	Q Which entity?	7	because I'm not the expert in the legal structures
8	A I believe I had a couple of time	8	here is the manager runs the growth funds, and
9	periods, I had one to Granito and I had one to Park	9	then DiversyFund owns the manager, I think it's kind
10	Q What are the full names of those entities?	10	of structured like that.
11	A I think one is DiversyFund Granito and the	11	Again, I'm not an attorney. My cofounder
12	other one is DiversyFund Park, LLC.	12	is an attorney. He handles all that stuff.
13	Q Okay. So there were two loans, one each te	0 13	Q Okay. When was DF Growth Rate I started?
14	those?	14	A I believe we got qualified the exact
15	A Yes.	15	date, I believe I think it was November of '18.
16	Q And they were both about four years ago?	16	Not a hundred percent sure, but I believe. To my
17	A I believe so. I'm not certain the time	17	best recollection was November 2018.
18	periods. We can trace it down if we had to.	18	
19	Q And those have both been paid back now?		will you understand that?
20	A Yes.	20	A Yes, I would.
21	Q And when were they paid back?	21	Q Who came up with the sort of the idea
22	A I believe one a couple in 2020, and the		for REIT I?
	one before that, I'm not certain on the date.	23	A The structure? The name? Which what
24	Q Okay. Did they have an interest rate on	1	part?
25	the loan loans?	25	Q Sort of the idea, the business plan.
	Page 58		Page 60
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2	A I don't think Granito did. I'm not a hundred percent sure. The other one did. It was	2	A I would say it would be most likely myself and Alan came up with the idea to do the apartments,
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1 that it's a distressed property, it's a little bit	1 Q And do you have a title on the investment
2 older, it needs a little TLC, a little bit of light	2 committee?
3 renovation work to do it.	3 A No. No, we're not that large of an
4 So you go in and you renovate it, you	4 organization to start doing titles on subcommittees
5 reposition the asset, you lift up the rents to market	5 and stuff.
6 level, and then you usually hold it for a few years	6 Q How many employees does REIT I have?
7 until the market dictates, hey, this is the best time	7 A The way I see it and is that the REIT
8 possible to sell it so you can maximum your potential	8 doesn't really employ people. It's DiversyFund, Inc.
9 for returns.	9 who employs employees.
10 Q Okay. What are your responsibilities with	10 So, technically speaking, I don't think
11 REIT I?	11 that REIT has an active employee in it.
12 A My responsibilities I need to clarify	12 Q How many people work carry out work
13 that question a little bit more than	13 for how many people that work for DiversyFund,
14 Q What role do you play with REIT I?	14 Inc. work on REIT I?
15 A I mean, I sit as the CEO of the whole	15 A In some ways you can say the whole
16 organization. So, I mean, with that, being the CEO	16 organization, and some ways I mean, we'd have to
17 of the whole organization, there's all these moving	17 be specific on who's in charge of the specific
18 parts with that, is would be, I guess at the end	18 components, and we can talk about, hey, who's in
19 of the day, it's just making sure that it is being	19 charge of finding the assets, who's in charge of
20 putting people in the position to make sure that	20 analyzing the assets, who's in charge of doing the
21 they're running the portfolio properly.	21 finances. I mean, it's like 5 to 10 people.
22 Q Okay. So, you know, on a daily or a weekly	22 Q Okay. Who are those people?
23 basis with REIT I, what are your responsibilities or	23 A Issac Dixon. I believe we are we have
24 what do you carry out with respect to REIT I?	24 Ginger I can't pronounce her last name. It begins
25 A Well, we have a biweekly investment	25 with a V.
Page 62	Page 64
1 committee meeting that's run by us to select the	1 We have Colin Colin's last I may have
2 assets for REIT I. Occasionally there's always	2 to look it up. I don't know his last name off the
3 occasional meetings on the side that you have to have	3 top of my head, I don't know his last name. But it
4 any kind of executive decisions with that stuff.	4 takes me a second to find we can find that out for
5 We have our finance departments making sure	5 you.
6 everything is reconciled, which is making sure the	6 We also have Jonathan, our finance team,
7 right data is so you're getting the right inputs.	7 and Samantha doing the finances on it. I mean, I
8 You can look at things from a holistic level to make	8 believe there's various third parties involved.
9 sure the whole business plan and economic model is	9 There's a lot of softwares we've been hooking up and
10 working at the end of the day.	10 implementing lately with that stuff, just to make it
11 So there's a lot of parts on the associate	11 more efficient across the board.
12 level that have to happen to connect it all together	12 You're also working with various property
13 so the information is delivered in a manner where	13 managers. Very external working with our auditor.
14 when it necessitates a decision by myself or a	14 We work with our auditor on an annual basis,
15 co-decision by myself, I'm able to make those	15 individual property managers. We work with legal
16 decisions.	16 teams, of course, all the time with that stuff on the
17 Q Okay. You mentioned an investment	17 fund level and the property level.
18 committee. You're on the investment committee,	18 Q Okay. So you mentioned finding assets.
19 correct?	19 Who's in charge of finding assets for REIT I?
20 A Yes.	20 A Technically speaking, it's the head of real
21 Q Who else is on the investment committee?	21 estate. Issac Dixon is the one whose responsibility
22 A Myself, Alan Lewis, Fateh Kamal,	22 is to source the assets for that. It would be the
23 occasionally Issac Dixon, head of real estate.	
	23 chief investment officer sets the criteria, and then
24 Q Anyone else?25 A No, that's it.	 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?		that are that REIT is billed.
2 A No, I don't. Alan Lewis is his direct	2	So, yeah, in those cases. But directly
3 supervisor.	3	from employees, not to the best of my knowledge.
4 Q Is there anyone that you're the direct		There's no employees and, you know, the contractors I
5 supervisor of?		think are limited, to the best of my knowledge, to
6 A It would be chief marketing officer, Navid;		the back office functions that I discussed, legal,
7 our COO, Fateh; head of product, David Legacki; and		admin, accounting, auditing.
8 then I don't say I don't supervise the	8	Q Do you have an ownership in REIT I?
9 cofounder, but like that trio over there, I'd go for	9	A I mean, if you look at the way it's
10 him and conversations with him on the people he's		structured, I would say little. The answer would be
11 supervising.	11	yes, because if it's owned by this manager and then
12 Q Okay. Are you involved in all aspects of		this manager is owned by this next entity. And if
13 REIT I?		the REIT shows a profit, it drills all the way up the
14 A I mean, the technical answer to the		chain there, then you would say, okay, then I would
15 question would be all aspects would be no. But I		have some kind of interest from that level.
16 am if that's the question, every aspect, I the	16	But it's not direct to me, but it would go
17 answer would be no, not in every aspect.	-	through that. And then it'd be at the end of the
18 Q Which part what aspect of REIT I are you	18	day, it's set up where after the customers make some
19 involved with?	19	profit, DiversyFund gets some profit, and so up there
20 A I mean, I'm not I'm really involved with		it's like if DiversyFund is cash flow positive and at
21 the business plan itself in making sure those	21	the end of the day, your company, then you decide
22 the how do I say we're executing the business		what you want to do, if you want to share those
23 model per the REIT, prefer to fund itself, and making		profits across with employees or whoever.
24 sure I get that information. So if there's a	24	But in our case, our organization, we're
25 decision to be made, that I can make the best		not running profits in the organization right now.
		D
Page 66		Page 68
1 decision I can with the information I have at hand	1	Q What are the entities you have an interest
 decision I can with the information I have at hand from the employees and from so, I mean, I don't 	1 2	Q What are the entities you have an interest in that has an interest in REIT I?
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	Page 69		Page 71
1	A It's easy information to deliver.	1	THE WITNESS: These I mean, if you had
2	Q Have you invested your personal money in		to be specific, it would be DiversyFund's investment
	REIT I?		committee. It doesn't say investment committee for a
4	A No, I have not.		specific REIT. It just says overall investment
5	Q When was DF Growth Rate II founded?		committee.
6	A It was I think we submitted it sometime	6	Q (By Mr. Rosenthal) Okay. So the investment
7	in 2020. I think it got I guess the word is	7	committee for DiversyFund, Inc. handles makes the
	qualified in 2021.	8	
9	Q And sort of who came up with the idea or	9	A Correct.
10	how did you start REIT II?	10	Q Okay. And it has meetings to discuss and
11	A Well, REIT I was getting full, and these	11	evaluate the investments?
12	offerings don't have a cap on it. And then you want	12	A * I mean, the easiest way to say it
	to get to a point where you're starting to have all	13	they're small funds at the end of the day, I think 50
14	the money deployed so you can get the money back,	14	to 75 million at the end of the day, I think REIT II
	because usually it's a could be a five- to		has just started. And just if you had too much
	seven-year cycle, depending on the market.		too many people running these individually, you're
17	We're in a situation today where the market		just going to it's you're going to fee the fund
18	is on fire, right? And so you want to you want to		to death, so you just have to keep it at the parent
19	go, okay, here's my last dollar in. And that from	19	level.
20	the day of the last dollar in, it could be five to	20	Q Can you describe sort of the business or
21	seven years before that last dollar comes back	21	the business plan of REIT II in a little more detail?
22	because that's where you want that appreciation to	22	A REIT II is a value-add, multifamily
23	happen. And then you have to choose the correct time	23	value-add REIT, just same thing as REIT I.
24	in year four or year five, year six, or year		Predominantly value-add, multifamily value-add.
25	seven, what does the market look like?	25	Assets throughout the U.S. Same thing, looking at a
	Page 70		Page 72
1	Page 70 Does the market like today, the market	1	Page 72 distressed asset, why is it distressed? Is it
	-		
2 3	Does the market like today, the market is really great, so today you'd be like, okay, this is a good time to deploy or a good time to sell	2	distressed asset, why is it distressed? Is it because of the age of the property, does it need renovation, or has it been mismanaged?
2 3	Does the market like today, the market is really great, so today you'd be like, okay, this is a good time to deploy or a good time to sell property, because the market is on fire.	2 3 4	distressed asset, why is it distressed? Is it because of the age of the property, does it need renovation, or has it been mismanaged? You go in there, try to purchase under
2 3 4 5	Does the market like today, the market is really great, so today you'd be like, okay, this is a good time to deploy or a good time to sell property, because the market is on fire. But if you're just putting the money into	2 3 4 5	distressed asset, why is it distressed? Is it because of the age of the property, does it need renovation, or has it been mismanaged? You go in there, try to purchase under market and reposition that asset. Repositioning that
2 3 4 5 6	Does the market like today, the market is really great, so today you'd be like, okay, this is a good time to deploy or a good time to sell property, because the market is on fire. But if you're just putting the money into an asset today, you don't really you can't guess	2 3 4 5 6	distressed asset, why is it distressed? Is it because of the age of the property, does it need renovation, or has it been mismanaged? You go in there, try to purchase under market and reposition that asset. Repositioning that asset is either upping the rents immediately or
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	through the hands of people. You meet with your staff. You meet with your tech team. And then you		we were just sharing it amongst staff and amongst people we talk to and some of our customers as well.
	put out a whole business plan of how you want to	3	MS. LEVIN: And when did social media
	market with that offering. It takes some planning to	-	solicitation of REIT II investors start?
	do.	5	THE WITNESS: You would have to say the
6	But just the guidelines are you really	-	direct date of someone posting something, which I
-	can't do anything until it's qualified.		don't have, so I just I can't answer a question I
8	Q So if it was qualified in January 2021, why		don't know the direct answer for.
9		9	MS. LEVIN: Okay. Thanks.
	September?	10	Go ahead, Will.
11	A I'm not certain if I knew it was qualified	11	Q (By Mr. Rosenthal) Sure. And did you use
	in January 2021 or later in the quarter, so I don't		advertisements to solicit investors?
	recall the direct date.	13	A For?
14	And the communication with me at that time	14	
	period was probably a little bit poor with what was		Q For REIT II, all these questions are for REIT II.
	going on, so I made the assumption that we were just	16	A Yeah. I mean, what's a good way to explain
	going to put it on the site as soon as it was	1	that to you? I mean, you do it's a holistic
	qualified. So that's what that was that was my		marketing plan. It's a little bit of everything. So
	thinking at the time.	19	organic, paid ads, affiliate partners, social media,
20	But I do know there's a lag time between		content, community sharing, emails with your current
	getting the paperwork, sitting down with your staff,	20	community.
	putting together a business plan and kind of	21	Q And when did those advertisements start?
	executing all that stuff. It takes a little bit of	22	A They always run, so it's like we want to
	planning to do. It's not something you can just		keep them going. And then as soon as you close down
	do especially when it comes to the coding parts		one, the plan is to have the other one go, kind of
25	do especially when it comes to the couling parts	25	one, the plan is to have the other one go, kind of
	Page 78		Page 80
	and getting the engineers and I don't want to use		maybe to keep it very fluid, because what happens is,
2	and getting the engineers and I don't want to use an analogy of like a Thanksgiving dinner, but you	2	maybe to keep it very fluid, because what happens is, if you abandon some of these advertisements, it makes
2 3	and getting the engineers and I don't want to use an analogy of like a Thanksgiving dinner, but you have all these pieces going at the same time you have	2 3	maybe to keep it very fluid, because what happens is, if you abandon some of these advertisements, it makes your costs go up, so you're kind of trying to keep it
2 3 4	and getting the engineers and I don't want to use an analogy of like a Thanksgiving dinner, but you have all these pieces going at the same time you have to coordinate.	2 3 4	maybe to keep it very fluid, because what happens is, if you abandon some of these advertisements, it makes your costs go up, so you're kind of trying to keep it kind of keep it kind of what's the word I'm
2 3 4 5	and getting the engineers and I don't want to use an analogy of like a Thanksgiving dinner, but you have all these pieces going at the same time you have to coordinate. So it takes doesn't take a day. It	2 3 4 5	maybe to keep it very fluid, because what happens is, if you abandon some of these advertisements, it makes your costs go up, so you're kind of trying to keep it kind of keep it kind of what's the word I'm looking for the continuity of it, of the ads.
2 3 4 5 6	and getting the engineers and I don't want to use an analogy of like a Thanksgiving dinner, but you have all these pieces going at the same time you have to coordinate. So it takes doesn't take a day. It could take weeks in some cases to get things going,	2 3 4 5 6	maybe to keep it very fluid, because what happens is, if you abandon some of these advertisements, it makes your costs go up, so you're kind of trying to keep it kind of keep it kind of what's the word I'm looking for the continuity of it, of the ads. It's something to do with like it's a little
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	Page 81		Page 83
1	REIT II investors?	1	investors for REIT II?
2	A I really just internally, we have our	2	A How do I answer this? You know, as
3	internal marketing firm marketing team, excuse me.	3	again, as the CEO, you hire a chief marketing
4	Q So no outside marketing firms?	4	officer. You get that C level, you don't want to
5	A You do have partners, but really this	5	micromanage a C level, so it's really getting
6	wasn't a firm like we hire you to do the marketing	6	recruiting them to do it. And to just have the
7	for us. We have our staff that does it, and they	7	conversations of our economic model, here's your
8	have marketing partners and consultants they use for	8	budget, this is what we expect out of that budget.
9	various smaller stuff. But, generally, the	9	Here's the guidelines that you have to do that.
10	architecture and the driver of it is our internal	10	Here's the people you talked with your various
11	staff.	11	questions.
12	MS. LEVIN: Who are the staff members on	12	So it's really kind of more of a
13	that internal marketing team?	13	high-level thing. It's not in the day-to-day weeds
14	THE WITNESS: That's lead by our chief	14	on stuff. And if there's any major budget changes or
15	marketing officer, Navid Firoozi.	15	things that would affect the company, that's when I
16	MS. LEVIN: And do you supervise Navid?	16	get kind of pulled into some conversations about
17	THE WITNESS: Yes, I do.	17	that, whether it's a hiring question or something
18	MS. LEVIN: Does anybody else supervise	18	that has an effect upon the overall business in the
1	Navid?	19	manner that I need to be informed about.
20	THE WITNESS: Our COO, you could say our	20	Q Okay. Are you involved in talking to
21			investors directly to solicit them for REIT II?
22	MS. LEVIN: COO being?	22	A No.
23	THE WITNESS: Fateh Kamal.	23	Q Do you email investors directly for to
24	MS. LEVIN: And then who does Navid		solicit them for REIT II?
25	supervise for marketing purposes?	25	A Not me personally.
	Page 82		Page 84
1	THE WITNESS: That would be Nima I	1	Q So do others send emails to investors?
	believe his last name is Rashidi, Laura Harper,	2	A I mean, are you talking about I mean,
	various third-party consultants we use on projects		clarify the question a little bit more. Are people
	from copywriters to we use an external email		individually emailing investors? I mean, I'm a
1	marketing team.		little
6	MS. LEVIN: So just to make sure I	6	Q Are you soliciting investors by email?
	understand, the internal marketing team consists of	7	A We do we people do sign up for email,
	you supervising Navid who supervises Nima and Laura;		like a subscription, and we do have accounts that
	is that accurate?		sign up. And then you have you aggregate all
10	THE WITNESS: Yeah, somewhat. When you		these accounts and then you email them. So, yes.
	hire a chief marketing officer, you're not really	11	And we use a third-party company to handle
	telling him what to do. They're just more you		the emails that are going out, and they systemically
	know, they're a higher-level position. They should		have a process put together in that they work with
	be just delivering deliverables for you at the end of		our marketing team, our market manager, and our CMO
1	the day.		on a strategy and how to execute that on a tactical
16	MS. LEVIN: Okay. So Navid is the chief		basis.
		17	Q What's the third-party company?
18	THE WITNESS: He's the main driver,	18	A Grafted Growth.
1	correct.	19	Q Sorry, can you repeat that?
20	MS. LEVIN: Okay. Thank you.	20	A Grafted Growth. Sorry, it's not a normal
21	Q (By Mr. Rosenthal) Can you describe your	21	name. Grafted with a G.
	0	22	Q Okay. Did you send emails to investors
23	A Excuse me, I didn't you kind of		do you only send emails to investors who have signed
24	Q I'll repeat the question.		up for the email list?
25	Can you describe your role in soliciting	25	A Yes. I mean, that's the only way we get

1 their email when they sign up. So yeah. So those 1 A The chief marketing is responsible – and 2 Wolld be the ones in our system today. 2 his team is responsible for doing their ads, pushing 3 Well, to clarify a question, because it's these ads out. 2 his team is responsible for doing their ads, pushing 4 Well to clarify a question, because it's these ads out. 2 A the heir marketing officer has 5 their email, they'd have to sign up. 5 A Correct. He might give approval to his 7 them they are whole email hing, how it works is 7 team members. Im not sure, the origon up. 11 Q And how do people sign up for your email 7 team members. Im not sure, the origon up. 12 Istraget to evalue their sign up. 1 Q And how do people sign up for your email 13 A variety of ways. I mean, it's a whole 1 A Ny relain the ads? Are we cost efficient or the company. 14 Q Ckay. And where do the paid ads appear? 1 A do now much money has been spent on ads. 15 responsible of you mean like Google, Faccobok? 2 A do now much mease you mean like Google, Faccobok? 21 A Dok		De ve 05		D = == 0.7
2 would be the ones in our system today. 2 his team is responsible for doing their ads, pushing 3 Well, to clarify a question, because it's 1 his we have to have an email. And so for us to get 4 months 2 his team is responsible for doing their ads, pushing 5 their email, they'd have to sign up in some form on 7 6 a Corect. He might give approval to his 7 then they are	1	Page 85	1	Page 87
3 Well, to clarify a question, because its 3 holes ads out. 4 G Okay. So the chief marketing officer has 5 hird oproval over ads? 6 manner and hand us that email. And that's – and 7 manner and hand us that email. And that's – and 7 manner and hand us that email. And that's – and 7 A norect. He might give approval to his 7 Them they are – whole email thing, how it works is 8 its got to be verified, it's got to be correct, and 9 them to an email campaign, into a 9 consistent kind of process to get them to sign up. 11 Q A A variety of ways. I mean, it's a whole 12 ist is kind to process to get them to sign up. 13 A A variety of ways. I mean, it's a whole 14 a A variety of ways. I mean, it's a whole 15 espenibility to get people to sign up an email 16 ist whether through content marketing. 17 they kee to all marketing. 18 ways. 19 ab or they do that either through pain. 16 a A now much money has been spenton ads. 17<				
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25 Q Who reviews the ads for REIT II? 25 A I would say, yeah, we use social media. In	6 7 8 9 10 11 12 13 14 15 16 17 18 19 20 21 22 23	And they just and that's a whole like that's kind of a deep-level marketing on how they do it. I can't get those specifics going. I'm not an expert of those specific areas of how they target certain segments of the population. That's more of a data thing. Q Who drafts those ads? A The marketing department. Q The people you mentioned? A Yeah, yeah. Q And who reviews the ads? A The marketing department is responsible for the ads. Q Okay. Do you review the ads? A No. That's a granular level. Q Okay. And who approves the ads? A Marketing does the ads. And so, I mean, I think what's the question exactly, so I can answer	6 7 8 9 10 11 12 13 14 15 16 17 18 19 20 21 22 23	And they were working on something that some of the systems weren't ready to spend all the money, so that's all I know. I don't think they spent the whole amount last month. Q Okay. Do you preserve all the ads? A They should have it, they should have the information. Q Have you reviewed any of the ads for REIT II? A No, it's not my role to review the ads. I'm not the compliance officer. And again, when you hire someone and you pay someone a couple hundred thousand dollars, you don't micromanage them in that position. You hire them for their skill set. They should be an expert in that area. And I just have to make sure that they're doing the job properly and that it's cost effective for the business. Q Okay. And are REIT II are investors
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	Page 89		Page 91
1	what form or manner specifically, I'm not a hundred	1	list?
	percent sure. But I know they use social media, so	2	A That same group.
	that's a good I could say with confidence that	3	Q Okay. I think you mentioned word of mouth,
	we're most likely using social media to push push		talking to investors. Do you use scripts to talk to
5	solicitation, I guess, is the word.	5	
6	Q Okay. And who drafts the contents for	6	A We don't personally talk to any investors.
	social media?		The communication is usually done through email and
8	A That would be the chief marketing officer	8	
	and his team, so it would be whoever whether	9	Q How are communications done through
	that's him sometimes, the marketing manager, or the		Zendesk?
	content manager. They're a team, so I believe they	11	A I'm not a hundred percent a Zendesk expert
	all are helping each other out.		here. So I believe there's chats and there's emails
13	Q Okay. And who reviews the social media	1	going back and forth. That's to the best of my
	accounts?		knowledge on how that works. But it collects all
15	A It would be that same team, so		that information, all the correspondence going back and forth.
	Q Who had final approval for the social media accounts?		
18	A The CMO is the top of the division, so he'd	17 18	Q Who is in charge of the Zendesk?A The overall higher up would be our COO,
	have final approval.		controls the whatever you call them, customer
20	Did he grant that to somebody else? That		customer success manager. And that's really a fancy
	would be, you know, his decision at the end of the		word for customer support and customer service.
	day.	22	Q Do you use text messages to solicit
23	Q Do you preserve all social media content?		investors?
24	A I believe you could find it all. So I	24	A I don't believe we've ever I think we
	don't know if you could really delete it once it's		tried it out. I'm not positive we ever kind of got
	Page 90		Page 92
1	Page 90 out there.	1	Page 92 that involved, which I'd like to be involved, but I'm
1		1	-
2	out there. So do we have a process set up? I don't know if we specifically have a process up. But I'm	2	that involved, which I'd like to be involved, but I'm
2 3 4	out there. So do we have a process set up? I don't know if we specifically have a process up. But I'm sure they're saving most ads to look at to see what	2	that involved, which I'd like to be involved, but I'm not really sure if they've ever figured out how to
2 3 4	out there. So do we have a process set up? I don't know if we specifically have a process up. But I'm	2 3 4	that involved, which I'd like to be involved, but I'm not really sure if they've ever figured out how to use text messages. Q How about mail, did you ever send like mail?
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	Page 93		Page 95
1 A Yeah. H	le should be checking out all the	1	them to do their job all the time, I don't bring a
	se it's all it's call connected to		chief marketing officer to tell him what to do. I
3 each other. It's	all connected to branding. You		just need to see the results from them and to make
	ure it's all consistent, it's all the		sure that I mean, from a high, high level, is that
	s, everything's done, right. So that's		person is consistently making sure the branding is
-	have you should have some final say		consistent, the messaging is consistent, everything
	place to make sure that it's		is consistent across the board.
· ·	what he wants to be pushed out.	8	And he should be talking to the various
	And you mentioned the website,	-	parties across the company that he would need to talk
10 what's the webs	-		to about whatever he needs to talk about if anything
	/ersyfund.com.		is outside his scope and knowledge.
	any other website addresses?	12	Q How often do you review the website?
	to my knowledge, there's any kind	13	A Not too often.
14 of other URLs t		14	Q Can you be a little bit more precise?
	on the website?	15	A Geez, I mean, exactly? Not too often. I
	on the website itself? I mean, I		can say I don't know if it's once a month or once
	prief overview. I don't have it		every other month. I'm more looking at the numbers
	hy head what's on the site, and I don't		behind the scenes than the actual site itself. So
19 have any scree	-	-	I'm always constantly looking at the numbers.
	as about the offering that is	20	Q In the last two months, have you reviewed
	e, and it also talks about it has		the website?
	I think it has areas where it talks	22	A Like two or three times maybe.
-	a little bit, educational material of	23	Q Who has final approval of the content on
	of course, contact information of		the website?
	sclosures of course.	25	A Again, that's the chief marketing officer.
-	Page 04		Page 06
	Page 94	1	Page 96 Q And who provides information that is used
1 Q Okay. /	Page 94 And what is the offering that's	1	Q And who provides information that is used
1 Q Okay. / 2 current?	And what is the offering that's	2	Q And who provides information that is used on the website?
1 Q Okay. A 2 current? 3 A The curr	And what is the offering that's rent the last offering, REIT II.	2 3	Q And who provides information that is used on the website?A The information comes from various parties,
1 Q Okay. A 2 current? 3 A The curr 4 Q Okay. N	And what is the offering that's	2 3 4	Q And who provides information that is used on the website?A The information comes from various parties, and it's up to them whether I need to get it from the
1 Q Okay. A 2 current? 3 A The curr 4 Q Okay. N 5 website?	And what is the offering that's rent the last offering, REIT II. Who is the intended audience for the	2 3 4 5	Q And who provides information that is used on the website?A The information comes from various parties, and it's up to them whether I need to get it from the real estate team, the chief investment officer, from
1 Q Okay. A 2 current? 3 A The curr 4 Q Okay. V 5 website? 6 A The cus	And what is the offering that's rent the last offering, REIT II. Who is the intended audience for the tomer, at the end of the day.	2 3 4 5 6	 Q And who provides information that is used on the website? A The information comes from various parties, and it's up to them whether I need to get it from the real estate team, the chief investment officer, from product, from operations. I mean, they all have to
1 Q Okay. A 2 current? 3 A The curr 4 Q Okay. V 5 website? 6 A The cus 7 Q Is it use	And what is the offering that's rent the last offering, REIT II. Who is the intended audience for the tomer, at the end of the day. d for current customers current	2 3 4 5 6 7	 Q And who provides information that is used on the website? A The information comes from various parties, and it's up to them whether I need to get it from the real estate team, the chief investment officer, from product, from operations. I mean, they all have to coordinate together to get that stuff on the site for
1 Q Okay. A 2 current? 3 A The curr 4 Q Okay. A 5 website? 6 A The cus 7 Q Is it use 8 investors and p	And what is the offering that's rent the last offering, REIT II. Who is the intended audience for the tomer, at the end of the day. d for current customers current rospective investors?	2 3 4 5 6 7	Q And who provides information that is used on the website? A The information comes from various parties, and it's up to them whether I need to get it from the real estate team, the chief investment officer, from product, from operations. I mean, they all have to coordinate together to get that stuff on the site for whatever reason they need to get stuff on the site.
1 Q Okay. A 2 current? 3 A The curr 4 Q Okay. A 5 website? 6 A The cus 7 Q Is it use 8 investors and p 9 A Yeah, I	And what is the offering that's rent the last offering, REIT II. Who is the intended audience for the tomer, at the end of the day. d for current customers current rospective investors? would say between the age of 18 and	2 3 4 5 6 7 8 9	Q And who provides information that is used on the website? A The information comes from various parties, and it's up to them whether I need to get it from the real estate team, the chief investment officer, from product, from operations. I mean, they all have to coordinate together to get that stuff on the site for whatever reason they need to get stuff on the site. So you have one person at the end of the
1 Q Okay. A 2 current? 3 A The curr 4 Q Okay. M 5 website? 6 A The cus 7 Q Is it use 8 investors and p 9 A Yeah, I 10 65, sound, bod	And what is the offering that's rent the last offering, REIT II. Who is the intended audience for the tomer, at the end of the day. d for current customers current rospective investors?	2 3 4 5 6 7 8 9 10	Q And who provides information that is used on the website? A The information comes from various parties, and it's up to them whether I need to get it from the real estate team, the chief investment officer, from product, from operations. I mean, they all have to coordinate together to get that stuff on the site for whatever reason they need to get stuff on the site. So you have one person at the end of the day who's a facilitator to make sure all that
1QOkay.A2current?3AThe current?4QOkay.N5website?6AThe cusrent7QIs it use8investors and p9AYeah, I1065, sound, bod11investors fit that	And what is the offering that's rent the last offering, REIT II. Who is the intended audience for the tomer, at the end of the day. d for current customers current rospective investors? would say between the age of 18 and y and mind is nonaccredited t criteria. And then we have also	2 3 4 5 6 7 8 9 10 11	Q And who provides information that is used on the website? A The information comes from various parties, and it's up to them whether I need to get it from the real estate team, the chief investment officer, from product, from operations. I mean, they all have to coordinate together to get that stuff on the site for whatever reason they need to get stuff on the site. So you have one person at the end of the day who's a facilitator to make sure all that happens, that's the CMO, the chief marketing officer,
 Q Okay. A current? A The current? A The current? Q Okay. A website? A The cuse A The cuse	And what is the offering that's rent the last offering, REIT II. Who is the intended audience for the tomer, at the end of the day. d for current customers current rospective investors? would say between the age of 18 and y and mind is nonaccredited t criteria. And then we have also hed a core group of those of that	2 3 4 5 6 7 8 9 10 11 12	Q And who provides information that is used on the website? A The information comes from various parties, and it's up to them whether I need to get it from the real estate team, the chief investment officer, from product, from operations. I mean, they all have to coordinate together to get that stuff on the site for whatever reason they need to get stuff on the site. So you have one person at the end of the day who's a facilitator to make sure all that happens, that's the CMO, the chief marketing officer, should be facilitates the whole thing. That's why
1QOkay.2current?3AThe current?4QOkay.5website?6AThe cusrents7QIs it use8investors and p9AYeah, I1065, sound, bod11investors fit tha12kind of establis13part of that and	And what is the offering that's rent the last offering, REIT II. Who is the intended audience for the tomer, at the end of the day. d for current customers current rospective investors? would say between the age of 18 and y and mind is nonaccredited t criteria. And then we have also	2 3 4 5 6 7 8 9 10 11 12 13	Q And who provides information that is used on the website? A The information comes from various parties, and it's up to them whether I need to get it from the real estate team, the chief investment officer, from product, from operations. I mean, they all have to coordinate together to get that stuff on the site for whatever reason they need to get stuff on the site. So you have one person at the end of the day who's a facilitator to make sure all that happens, that's the CMO, the chief marketing officer,
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1 A I'll answer your question, but I think you	1 responsibility to make changes. It all should go
2 mean something different. It's like all you have to	2 through one point of contact and he'll assign the
3 go is is you just they should be going the	3 people to make those changes on the you know, the
4 CMO should be going to HR.	4 tactical level of actually making the changes. He
5 MR. BHANDARI: Craig, let me just stop you.	5 might tell one person to do one thing and someone
6 If you don't know what Will is asking, he doesn't	6 else to maybe one person to write and one person
7 let's let him ask it again. There's no point in you	7 to put it up there. But that's their decision.
8 talking about something he's not interested in	8 Q Okay. Does the chief marketing officer
9 hearing about.	9 have final approval for changes to the website?
10 THE WITNESS: Okay. Can you clarify	10 A Yes.
11 Q (By Mr. Rosenthal) You said	11 Q And how often does the website get changed?
12 A the question?	12 A Well, it I don't know exactly how many
13 Q You said there's information about the team	13 times they're changing it, but it's a very it's a
14 on the website, correct?	14 dynamic thing in nature.
15 A Yes.	15 So in marketing, is they have the
16 Q Where did that information come from? Who	16 ability to change it whenever they believe it should
17 provided that information?	17 be changed to be to optimize the campaigns and
18 A The chief marketing officer should be	18 make things more efficient.
19 talking to HR to get the people in the organization	19 Q Okay. Can you save each version of the
20 on the site.	20 website?
21 Q And is there information about you in that	21 A Personally I don't know if it's being
22 portion that's about the team?	22 saved, the versions of the website, or not. Or when
A I believe I'm still up there, correct, yes.	23 we just edit it, it just goes away. I do not know
24 Q So where did that information about you	24 that, if marketing has some kind of technology that
25 come from?	25 saves the previous version.
Page 9	-
1 A I mean, originally, the information about	1 Q How are current REIT II investors
2 me was someone puts a bio together at one point in	2 communicated with?
3 time and, with that bio, I think the parties to be	3 A Current investors?
4 have been just updating it from here to there, I	4 Q Correct.
5 guess.	5 A Updates through email or through the portal
6 Q Did you did you provide that bio?	6 itself.
7 A No, I didn't write my own bio. Someone	7 Q Okay.
8 wrote that. Either took it off one of my social	8 A And we just started some push
9 media pages or someone else wrote it. I didn't write	9 notifications, so I'm not sure if they're actively
10 it.	10 getting that or not. It was just within the last
11 Q Do you know who wrote it?	11 30 days, so I'm not positive of what they received o
12 A Over the last five or six years, you have	12 not received.
13 various employees, so various people edited it.	13 Q Do you know, are those push notifications
14 Q Okay. Have you reviewed your bio?	14 preserved?
15 A On the site recently? No, I have not.	15 A I don't know the software specifically and 16 how where it is. I'm sure it's saved somewhere.
16 I've reviewed my bio on LinkedIn recently.	
17 Q Have you ever reviewed your bio on the	17 Q What documents do REIT II investors 18 receive?
18 website?	
19 A Yeah, I have.	19 A That's a broad question. So what do you 20 mean what part of the process, before or after
20 Q Did you review your bio before it was put	
20 Q Did you review your bio before it was put21 on the website?	21 they're an investor.
 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 	21 they're an investor.22 Q Before let's start with before. What
 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. 	 21 they're an investor. 22 Q Before let's start with before. What 23 documents do investors receive?
 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 	21 they're an investor.22 Q Before let's start with before. What

1	Page 101	1	Page 103
	offering before they sign up. So when they go		them their I know we're building out a lot of things right now, so I'm not certain what they're
	through let's just say they go to the website,		
	they have the ability to read all the offering	3 4	receiving right now or what's going on. Q So they review information about their
	documents and review them, sign off on them before		-
	they hook up their bank information to send money	5	investment on the portal?
	over.	6	A Correct.
7	Q Are the offering documents on the website?	7	Q And when you say the portal, what does that
8	A Yeah.	8	mean?
9	Q And then so once the investors make an	9	A You're going to go to the website and you
	investment, what documents do they receive?	10	log in and you just look at your account.
11	A Well, there's there should be the	11	Q Okay. What information about their accoun
	whole system should follow up with copies of the	12	, , , , , , , , , , , , , , , , , , , ,
	documents. It also should just send them some a	13	A I haven't been in recently to actually see
	welcome email. And after that, they've built out	14	, , , , , , , , , , , , , , , , , , ,
	some more things. There's communications they have	15	Q Do you know what information they
	set up with the investors. The specific details of	16	A I don't know. I don't know.
	how much communication, I do not know the exact	17	Q Okay. When did REIT II operations begin?
	wording of those details. I don't have the direct	18	A What do you mean by operations of REIT II
	information exactly what is being said, but there is	19	Q REIT II's operations.
	various points where they're getting a lot of emails	20	A Do you mean
21	and connections.	21	MR. BHANDARI: Objection; vague. He just
22	Q Okay. When someone makes an investment,	22	5
23	what documents do they receive?	23	operations.
24	A I'll be guessing. Just make an assumption.	24	Q (By Mr. Rosenthal) Okay.
25	So it's really hard for me to	25	MS. LEVIN: When was the first time REIT II
20		20	
20	Page 102	20	Page 104
1	· · · · · · · · · · · · · · · · · · ·	1	Page 104 invested in a property?
	Page 102		Page 104 invested in a property? THE WITNESS: Within the where are we
1	Page 102 Q Don't guess. If you know the answer.	1	Page 104 invested in a property? THE WITNESS: Within the where are we today? I don't know the exact date. I believe it
1 2 3	Page 102 Q Don't guess. If you know the answer. A Yeah. I mean, off my head, I'm not to	1	Page 104 invested in a property? THE WITNESS: Within the where are we today? I don't know the exact date. I believe it was just two properties over the last six months.
1 2 3	Page 102 Q Don't guess. If you know the answer. A Yeah. I mean, off my head, I'm not to get the specific document. I don't know a hundred	1 2 3 4 5	Page 104 invested in a property? THE WITNESS: Within the where are we today? I don't know the exact date. I believe it
1 2 3 4	Page 102 Q Don't guess. If you know the answer. A Yeah. I mean, off my head, I'm not to get the specific document. I don't know a hundred percent.	1 2 3 4	Page 104 invested in a property? THE WITNESS: Within the where are we today? I don't know the exact date. I believe it was just two properties over the last six months.
1 2 3 4 5	Page 102 Q Don't guess. If you know the answer. A Yeah. I mean, off my head, I'm not to get the specific document. I don't know a hundred percent. Q Do investors receive an investor agreement?	1 2 3 4 5 6	Page 104 invested in a property? THE WITNESS: Within the where are we today? I don't know the exact date. I believe it was just two properties over the last six months. MS. LEVIN: Okay.
1 2 3 4 5 6 7	Page 102 Q Don't guess. If you know the answer. A Yeah. I mean, off my head, I'm not to get the specific document. I don't know a hundred percent. Q Do investors receive an investor agreement? A I would be guessing	1 2 3 4 5 6	Page 104 invested in a property? THE WITNESS: Within the where are we today? I don't know the exact date. I believe it was just two properties over the last six months. MS. LEVIN: Okay. Q (By Mr. Rosenthal) When did REIT II sales
1 2 3 4 5 6 7	Page 102 Q Don't guess. If you know the answer. A Yeah. I mean, off my head, I'm not to get the specific document. I don't know a hundred percent. Q Do investors receive an investor agreement? A I would be guessing MR. BHANDARI: Will, I think he just told	1 2 3 4 5 6 7	Page 104 invested in a property? THE WITNESS: Within the where are we today? I don't know the exact date. I believe it was just two properties over the last six months. MS. LEVIN: Okay. Q (By Mr. Rosenthal) When did REIT II sales start?
1 2 3 4 5 6 7 8	Page 102 Q Don't guess. If you know the answer. A Yeah. I mean, off my head, I'm not to get the specific document. I don't know a hundred percent. Q Do investors receive an investor agreement? A I would be guessing MR. BHANDARI: Will, I think he just told you he can't answer these questions.	1 2 3 4 5 6 7 8 9	Page 104 invested in a property? THE WITNESS: Within the where are we today? I don't know the exact date. I believe it was just two properties over the last six months. MS. LEVIN: Okay. Q (By Mr. Rosenthal) When did REIT II sales start? A I don't have the exact date when it went
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			Page 107
1	THE WITNESS: there none of the	1	Would you mind a five-minute break?
	capital has been none of the capital has been	2	MR. ROSENTHAL: Sure.
3	deployed in any assets with REIT II.	3	Off the record at 2:14 p.m.
4	MS. LEVIN: No, what I'm asking was, when	4	(Recess from 2:14 p.m. to
5	was the last time an investor invested in REIT II?	5	2:26 p.m.)
6	THE WITNESS: That would be up to, I	6	MR. ROSENTHAL: On the record at 2:26 p.m.
	···· ,	7	Q (By Mr. Rosenthal) I'm going to pull up
8	Q Do you know that for sure or what are		Exhibit Number 7. Again, this is Form 1-SA,
9	you basing that on? Let me reask that a different way.		semiannual report pursuant to Regulation A, DF Growth REIT II, LLC.
11	Why are you basing it on the 26th of	11	I'm going to scroll through it. Certainly
	January?	1	I'll give you time to review it if you'd like. I'm
13	A It's around that date, I'm pretty sure.		just going to ask you if you recognize this document
	It's plus or minus two days around that date.		once you have time to review it?
15	Q How do you know that?	15	I'll scroll back to the beginning.
16	A Through communication with my chief	16	Have you had a chance to review it?
	investment officer.	17	A Yeah. I've seen that document.
18	Q Okay. Were there any other periods when	18	Q What is it?
	REIT II sales stopped?	19	A The Growth REIT document? Is this the
20	A Excuse me? It was choppy.	1	
21	Q Were there any other periods when REIT II	21	Q What is your understanding of this
	sales stopped?		document?
23	A During this process, there have been a	23	A Well, like it says, it's a semi annual
	couple of pauses. The exact dates was just it	1	report that we filed.
	was our chief investment officer and counsel	25	Q I'm going to go back to the end. Did you
	Page 106		
1	Page 106 decide those dates. They have the specific dates.	1	Page 108
	decide those dates. They have the specific dates.	1	Page 108 sign this document electronically?
	decide those dates. They have the specific dates. Not me.	1 2 3	Page 108 sign this document electronically? A I don't remember signing this document to
2	decide those dates. They have the specific dates. Not me. Q Why were there those pauses?	3	Page 108 sign this document electronically? A I don't remember signing this document to be honest. I must have signed the document, but I
2 3	decide those dates. They have the specific dates. Not me. Q Why were there those pauses? MR. BHANDARI: Can you answer without	3	Page 108 sign this document electronically? A I don't remember signing this document to be honest. I must have signed the document, but I don't remember signing the document.
2 3 4	decide those dates. They have the specific dates. Not me. Q Why were there those pauses? MR. BHANDARI: Can you answer without invading privilege, Craig?	3 4 5	Page 108 sign this document electronically? A I don't remember signing this document to be honest. I must have signed the document, but I don't remember signing the document. Q Okay. It says, "Pursuant to the
2 3 4 5 6	decide those dates. They have the specific dates. Not me. Q Why were there those pauses? MR. BHANDARI: Can you answer without invading privilege, Craig? THE WITNESS: Yeah, I don't know. That	3 4 5 6	Page 108 sign this document electronically? A I don't remember signing this document to be honest. I must have signed the document, but I don't remember signing the document. Q Okay. It says, "Pursuant to the requirements of Regulation A, the issuer has duly
2 3 4 5 6	decide those dates. They have the specific dates. Not me. Q Why were there those pauses? MR. BHANDARI: Can you answer without invading privilege, Craig?	3 4 5 6 7	Page 108 sign this document electronically? A I don't remember signing this document to be honest. I must have signed the document, but I don't remember signing the document. Q Okay. It says, "Pursuant to the
2 3 4 5 6 7 8	decide those dates. They have the specific dates. Not me. Q Why were there those pauses? MR. BHANDARI: Can you answer without invading privilege, Craig? THE WITNESS: Yeah, I don't know. That was that was a decision that was outside my scope.	3 4 5 6 7	Page 108 sign this document electronically? A I don't remember signing this document to be honest. I must have signed the document, but I don't remember signing the document. Q Okay. It says, "Pursuant to the requirements of Regulation A, the issuer has duly caused this report to be signed on its behalf by the
2 3 4 5 6 7 8 9	decide those dates. They have the specific dates. Not me. Q Why were there those pauses? MR. BHANDARI: Can you answer without invading privilege, Craig? THE WITNESS: Yeah, I don't know. That was that was a decision that was outside my scope. Q (By Mr. Rosenthal) Okay. I'm going to be	3 4 5 6 7 8 9	Page 108 sign this document electronically? A I don't remember signing this document to be honest. I must have signed the document, but I don't remember signing the document. Q Okay. It says, "Pursuant to the requirements of Regulation A, the issuer has duly caused this report to be signed on its behalf by the undersigned thereby duly authorized."
2 3 4 5 6 7 8 9	decide those dates. They have the specific dates. Not me. Q Why were there those pauses? MR. BHANDARI: Can you answer without invading privilege, Craig? THE WITNESS: Yeah, I don't know. That was that was a decision that was outside my scope. Q (By Mr. Rosenthal) Okay. I'm going to be showing you a document. I'm going to pull it up on	3 4 5 6 7 8 9	Page 108 sign this document electronically? A I don't remember signing this document to be honest. I must have signed the document, but I don't remember signing the document. Q Okay. It says, "Pursuant to the requirements of Regulation A, the issuer has duly caused this report to be signed on its behalf by the undersigned thereby duly authorized." And it has your name, Craig Cecilio,
2 3 4 5 6 7 8 9 10 11	decide those dates. They have the specific dates. Not me. Q Why were there those pauses? MR. BHANDARI: Can you answer without invading privilege, Craig? THE WITNESS: Yeah, I don't know. That was that was a decision that was outside my scope. Q (By Mr. Rosenthal) Okay. I'm going to be showing you a document. I'm going to pull it up on the screen. It's been marked as Exhibit Number 7.	3 4 5 6 7 8 9 10	Page 108 sign this document electronically? A I don't remember signing this document to be honest. I must have signed the document, but I don't remember signing the document. Q Okay. It says, "Pursuant to the requirements of Regulation A, the issuer has duly caused this report to be signed on its behalf by the undersigned thereby duly authorized." And it has your name, Craig Cecilio, correct.
2 3 4 5 6 7 8 9 10 11	decide those dates. They have the specific dates. Not me. Q Why were there those pauses? MR. BHANDARI: Can you answer without invading privilege, Craig? THE WITNESS: Yeah, I don't know. That was that was a decision that was outside my scope. Q (By Mr. Rosenthal) Okay. I'm going to be showing you a document. I'm going to pull it up on the screen. It's been marked as Exhibit Number 7. It's a multiple-page document. I'll describe for the	3 4 5 6 7 8 9 10 11 12	Page 108 sign this document electronically? A I don't remember signing this document to be honest. I must have signed the document, but I don't remember signing the document. Q Okay. It says, "Pursuant to the requirements of Regulation A, the issuer has duly caused this report to be signed on its behalf by the undersigned thereby duly authorized." And it has your name, Craig Cecilio, correct. Q And then, again, at the bottom, right below
2 3 4 5 6 7 8 9 10 11 12	decide those dates. They have the specific dates. Not me. Q Why were there those pauses? MR. BHANDARI: Can you answer without invading privilege, Craig? THE WITNESS: Yeah, I don't know. That was that was a decision that was outside my scope. Q (By Mr. Rosenthal) Okay. I'm going to be showing you a document. I'm going to pull it up on the screen. It's been marked as Exhibit Number 7. It's a multiple-page document. I'll describe for the record.	3 4 5 6 7 8 9 10 11 12 13	Page 108 sign this document electronically? A I don't remember signing this document to be honest. I must have signed the document, but I don't remember signing the document. Q Okay. It says, "Pursuant to the requirements of Regulation A, the issuer has duly caused this report to be signed on its behalf by the undersigned thereby duly authorized." And it has your name, Craig Cecilio, correct. A Correct. Q And then, again, at the bottom, right below that, "Pursuant to the requirements of Regulation A
2 3 4 5 6 7 8 9 10 11 12 13	decide those dates. They have the specific dates. Not me. Q Why were there those pauses? MR. BHANDARI: Can you answer without invading privilege, Craig? THE WITNESS: Yeah, I don't know. That was that was a decision that was outside my scope. Q (By Mr. Rosenthal) Okay. I'm going to be showing you a document. I'm going to pull it up on the screen. It's been marked as Exhibit Number 7. It's a multiple-page document. I'll describe for the record. (SEC Exhibit No. 7 was introduced.)	3 4 5 6 7 8 9 10 11 12 13 14	Page 108 sign this document electronically? A I don't remember signing this document to be honest. I must have signed the document, but I don't remember signing the document. Q Okay. It says, "Pursuant to the requirements of Regulation A, the issuer has duly caused this report to be signed on its behalf by the undersigned thereby duly authorized." And it has your name, Craig Cecilio, correct. A Correct.
2 3 4 5 6 7 8 9 10 11 12 13 14	decide those dates. They have the specific dates. Not me. Q Why were there those pauses? MR. BHANDARI: Can you answer without invading privilege, Craig? THE WITNESS: Yeah, I don't know. That was that was a decision that was outside my scope. Q (By Mr. Rosenthal) Okay. I'm going to be showing you a document. I'm going to pull it up on the screen. It's been marked as Exhibit Number 7. It's a multiple-page document. I'll describe for the record. (SEC Exhibit No. 7 was introduced.) Can you see the document?	3 4 5 6 7 8 9 10 11 12 13 14 15	Page 108 sign this document electronically? A I don't remember signing this document to be honest. I must have signed the document, but I don't remember signing the document. Q Okay. It says, "Pursuant to the requirements of Regulation A, the issuer has duly caused this report to be signed on its behalf by the undersigned thereby duly authorized." And it has your name, Craig Cecilio, correct. A Correct. Q And then, again, at the bottom, right below that, "Pursuant to the requirements of Regulation A this report has been signed by the following person
2 3 4 5 6 7 8 9 10 11 12 13 14 15 16	decide those dates. They have the specific dates. Not me. Q Why were there those pauses? MR. BHANDARI: Can you answer without invading privilege, Craig? THE WITNESS: Yeah, I don't know. That was that was a decision that was outside my scope. Q (By Mr. Rosenthal) Okay. I'm going to be showing you a document. I'm going to pull it up on the screen. It's been marked as Exhibit Number 7. It's a multiple-page document. I'll describe for the record. (SEC Exhibit No. 7 was introduced.) Can you see the document? A Form 1-SA, yes.	3 4 5 6 7 8 9 10 11 12 13 14 15	Page 108 sign this document electronically? A I don't remember signing this document to be honest. I must have signed the document, but I don't remember signing the document. Q Okay. It says, "Pursuant to the requirements of Regulation A, the issuer has duly caused this report to be signed on its behalf by the undersigned thereby duly authorized." And it has your name, Craig Cecilio, correct. A Correct. Q And then, again, at the bottom, right below that, "Pursuant to the requirements of Regulation A this report has been signed by the following person in the capacities and on the dates indicated." And
2 3 4 5 6 7 8 9 10 11 12 13 14 15 16 17	decide those dates. They have the specific dates. Not me. Q Why were there those pauses? MR. BHANDARI: Can you answer without invading privilege, Craig? THE WITNESS: Yeah, I don't know. That was that was a decision that was outside my scope. Q (By Mr. Rosenthal) Okay. I'm going to be showing you a document. I'm going to pull it up on the screen. It's been marked as Exhibit Number 7. It's a multiple-page document. I'll describe for the record. (SEC Exhibit No. 7 was introduced.) Can you see the document? A Form 1-SA, yes. Q Yeah. So Form 1-SA, semiannual report	3 4 5 6 7 8 9 10 11 12 13 14 15 16	Page 108 sign this document electronically? A I don't remember signing this document to be honest. I must have signed the document, but I don't remember signing the document. Q Okay. It says, "Pursuant to the requirements of Regulation A, the issuer has duly caused this report to be signed on its behalf by the undersigned thereby duly authorized." And it has your name, Craig Cecilio, correct. A Correct. Q And then, again, at the bottom, right below that, "Pursuant to the requirements of Regulation A this report has been signed by the following person in the capacities and on the dates indicated." And it has your name, correct?
2 3 4 5 6 7 8 9 10 11 12 13 14 15 16 17	decide those dates. They have the specific dates. Not me. Q Why were there those pauses? MR. BHANDARI: Can you answer without invading privilege, Craig? THE WITNESS: Yeah, I don't know. That was that was a decision that was outside my scope. Q (By Mr. Rosenthal) Okay. I'm going to be showing you a document. I'm going to pull it up on the screen. It's been marked as Exhibit Number 7. It's a multiple-page document. I'll describe for the record. (SEC Exhibit No. 7 was introduced.) Can you see the document? A Form 1-SA, yes. Q Yeah. So Form 1-SA, semiannual report pursuant to Regulation A for the semiannual period	3 4 5 6 7 8 9 10 11 12 13 14 15 16 17	Page 108 sign this document electronically? A I don't remember signing this document to be honest. I must have signed the document, but I don't remember signing the document. Q Okay. It says, "Pursuant to the requirements of Regulation A, the issuer has duly caused this report to be signed on its behalf by the undersigned thereby duly authorized." And it has your name, Craig Cecilio, correct. A Correct. Q And then, again, at the bottom, right below that, "Pursuant to the requirements of Regulation A this report has been signed by the following person in the capacities and on the dates indicated." And it has your name, correct? A Yeah, correct. Q So did you sign this document
2 3 4 5 6 7 8 9 10 11 12 13 14 15 16 17 18	decide those dates. They have the specific dates. Not me. Q Why were there those pauses? MR. BHANDARI: Can you answer without invading privilege, Craig? THE WITNESS: Yeah, I don't know. That was that was a decision that was outside my scope. Q (By Mr. Rosenthal) Okay. I'm going to be showing you a document. I'm going to pull it up on the screen. It's been marked as Exhibit Number 7. It's a multiple-page document. I'll describe for the record. (SEC Exhibit No. 7 was introduced.) Can you see the document? A Form 1-SA, yes. Q Yeah. So Form 1-SA, semiannual report pursuant to Regulation A for the semiannual period ending June 30, 2021, DF Growth REIT II, LLC.	3 4 5 6 7 8 9 10 11 12 13 14 15 16 17 18	Page 108 sign this document electronically? A I don't remember signing this document to be honest. I must have signed the document, but I don't remember signing the document. Q Okay. It says, "Pursuant to the requirements of Regulation A, the issuer has duly caused this report to be signed on its behalf by the undersigned thereby duly authorized." And it has your name, Craig Cecilio, correct. A Correct. Q And then, again, at the bottom, right below that, "Pursuant to the requirements of Regulation A this report has been signed by the following person in the capacities and on the dates indicated." And it has your name, correct? A Yeah, correct. Q So did you sign this document
2 3 4 5 6 7 8 9 10 11 12 13 14 15 16 17 18 19	decide those dates. They have the specific dates. Not me. Q Why were there those pauses? MR. BHANDARI: Can you answer without invading privilege, Craig? THE WITNESS: Yeah, I don't know. That was that was a decision that was outside my scope. Q (By Mr. Rosenthal) Okay. I'm going to be showing you a document. I'm going to pull it up on the screen. It's been marked as Exhibit Number 7. It's a multiple-page document. I'll describe for the record. (SEC Exhibit No. 7 was introduced.) Can you see the document? A Form 1-SA, yes. Q Yeah. So Form 1-SA, semiannual report pursuant to Regulation A for the semiannual period ending June 30, 2021, DF Growth REIT II, LLC. And I will scroll through the document.	3 4 5 6 7 8 9 10 11 12 13 14 15 16 17 18 19	Page 108 sign this document electronically? A I don't remember signing this document to be honest. I must have signed the document, but I don't remember signing the document. Q Okay. It says, "Pursuant to the requirements of Regulation A, the issuer has duly caused this report to be signed on its behalf by the undersigned thereby duly authorized." And it has your name, Craig Cecilio, correct. A Correct. Q And then, again, at the bottom, right below that, "Pursuant to the requirements of Regulation A this report has been signed by the following person in the capacities and on the dates indicated." And it has your name, correct? A Yeah, correct. Q So did you sign this document electronically? A I don't recall signing the document. I mean, that's my honest answer. It looks like I
2 3 4 5 6 7 8 9 10 11 12 13 14 15 16 17 18 19 20	decide those dates. They have the specific dates. Not me. Q Why were there those pauses? MR. BHANDARI: Can you answer without invading privilege, Craig? THE WITNESS: Yeah, I don't know. That was that was a decision that was outside my scope. Q (By Mr. Rosenthal) Okay. I'm going to be showing you a document. I'm going to pull it up on the screen. It's been marked as Exhibit Number 7. It's a multiple-page document. I'll describe for the record. (SEC Exhibit No. 7 was introduced.) Can you see the document? A Form 1-SA, yes. Q Yeah. So Form 1-SA, semiannual report pursuant to Regulation A for the semiannual period ending June 30, 2021, DF Growth REIT II, LLC. And I will scroll through the document. If you want me to stop so you can take as much time as you want to review it. If you want me	3 4 5 6 7 8 9 10 11 12 13 14 15 16 17 18 19 20 21 22	Page 108 sign this document electronically? A I don't remember signing this document to be honest. I must have signed the document, but I don't remember signing the document. Q Okay. It says, "Pursuant to the requirements of Regulation A, the issuer has duly caused this report to be signed on its behalf by the undersigned thereby duly authorized." And it has your name, Craig Cecilio, correct. A Correct. Q And then, again, at the bottom, right below that, "Pursuant to the requirements of Regulation A this report has been signed by the following person in the capacities and on the dates indicated." And it has your name, correct? A Yeah, correct. Q So did you sign this document electronically? A I don't recall signing the document. I mean, that's my honest answer. It looks like I signed, I just don't remember signing it.
2 3 4 5 6 7 8 9 10 11 12 13 14 15 16 17 18 19 20 21	decide those dates. They have the specific dates. Not me. Q Why were there those pauses? MR. BHANDARI: Can you answer without invading privilege, Craig? THE WITNESS: Yeah, I don't know. That was that was a decision that was outside my scope. Q (By Mr. Rosenthal) Okay. I'm going to be showing you a document. I'm going to pull it up on the screen. It's been marked as Exhibit Number 7. It's a multiple-page document. I'll describe for the record. (SEC Exhibit No. 7 was introduced.) Can you see the document? A Form 1-SA, yes. Q Yeah. So Form 1-SA, semiannual report pursuant to Regulation A for the semiannual period ending June 30, 2021, DF Growth REIT II, LLC. And I will scroll through the document. If you want me to stop so you can take as much time as you want to review it. If you want me	3 4 5 6 7 8 9 10 11 12 13 14 15 16 17 18 19 20 21 22 23	Page 108 sign this document electronically? A I don't remember signing this document to be honest. I must have signed the document, but I don't remember signing the document. Q Okay. It says, "Pursuant to the requirements of Regulation A, the issuer has duly caused this report to be signed on its behalf by the undersigned thereby duly authorized." And it has your name, Craig Cecilio, correct. A Correct. Q And then, again, at the bottom, right below that, "Pursuant to the requirements of Regulation A this report has been signed by the following person in the capacities and on the dates indicated." And it has your name, correct? A Yeah, correct. Q So did you sign this document electronically? A I don't recall signing the document. I mean, that's my honest answer. It looks like I signed, I just don't remember signing it. Q Do you have any reason to doubt that you
2 3 4 5 6 7 8 9 10 11 12 13 14 15 16 17 18 19 20 21 22 23 24	 decide those dates. They have the specific dates. Not me. Q Why were there those pauses? MR. BHANDARI: Can you answer without invading privilege, Craig? THE WITNESS: Yeah, I don't know. That was that was a decision that was outside my scope. Q (By Mr. Rosenthal) Okay. I'm going to be showing you a document. I'm going to pull it up on the screen. It's been marked as Exhibit Number 7. It's a multiple-page document. I'll describe for the record. (SEC Exhibit No. 7 was introduced.) Can you see the document? A Form 1-SA, yes. Q Yeah. So Form 1-SA, semiannual report pursuant to Regulation A for the semiannual period ending June 30, 2021, DF Growth REIT II, LLC. And I will scroll through the document. If you want me to stop so you can take as much time as you want to review it. If you want me to stop at any place, please let me know. MR. BHANDARI: Can we take a short break right here? Something is going on downstairs in my 	3 4 5 6 7 8 9 10 11 12 13 14 15 16 17 18 19 20 21 22 23 24	Page 108 sign this document electronically? A I don't remember signing this document to be honest. I must have signed the document, but I don't remember signing the document. Q Okay. It says, "Pursuant to the requirements of Regulation A, the issuer has duly caused this report to be signed on its behalf by the undersigned thereby duly authorized." And it has your name, Craig Cecilio, correct. A Correct. Q And then, again, at the bottom, right below that, "Pursuant to the requirements of Regulation A this report has been signed by the following person in the capacities and on the dates indicated." And it has your name, correct? A Yeah, correct. Q So did you sign this document electronically? A I don't recall signing the document. I mean, that's my honest answer. It looks like I signed, I just don't remember signing it. Q Do you have any reason to doubt that you signed this?
2 3 4 5 6 7 8 9 10 11 12 13 14 15 16 17 18 19 20 21 22 23 24	 decide those dates. They have the specific dates. Not me. Q Why were there those pauses? MR. BHANDARI: Can you answer without invading privilege, Craig? THE WITNESS: Yeah, I don't know. That was that was a decision that was outside my scope. Q (By Mr. Rosenthal) Okay. I'm going to be showing you a document. I'm going to pull it up on the screen. It's been marked as Exhibit Number 7. It's a multiple-page document. I'll describe for the record. (SEC Exhibit No. 7 was introduced.) Can you see the document? A Form 1-SA, yes. Q Yeah. So Form 1-SA, semiannual report pursuant to Regulation A for the semiannual period ending June 30, 2021, DF Growth REIT II, LLC. And I will scroll through the document. If you want me to stop so you can take as much time as you want to review it. If you want me to stop at any place, please let me know. MR. BHANDARI: Can we take a short break 	3 4 5 6 7 8 9 10 11 12 13 14 15 16 17 18 19 20 21 22 23	Page 108 sign this document electronically? A I don't remember signing this document to be honest. I must have signed the document, but I don't remember signing the document. Q Okay. It says, "Pursuant to the requirements of Regulation A, the issuer has duly caused this report to be signed on its behalf by the undersigned thereby duly authorized." And it has your name, Craig Cecilio, correct. A Correct. Q And then, again, at the bottom, right below that, "Pursuant to the requirements of Regulation A this report has been signed by the following person in the capacities and on the dates indicated." And it has your name, correct? A Yeah, correct. Q So did you sign this document electronically? A I don't recall signing the document. I mean, that's my honest answer. It looks like I signed, I just don't remember signing it. Q Do you have any reason to doubt that you

	Page 109		Page 111
1 tru	th here. My cofounder used to be a corporate	1	money and making investments starting the second half
	curities attorney, so he has me signing a bunch of		of the year."
	cuments. I sign a lot of documents.	3	Is that statement accurate?
4	Most likely signed it. I don't remember a	4	A It wasn't on our site to Q3 or Q4. So if
	ndred percent sure. So a lot of I rely upon his	· ·	we're not having it on our site, we wouldn't be
	inions for all the documents that are assigned, or		actively putting money behind the solicitation.
	ive him the power to sign on my behalf.	7	MS. LEVIN: What wasn't on your site?
8	Q What was your role in this document?	8	THE WITNESS: The REIT II. We're talking
	A My role in the document?		about REIT II, right?
	Q In drafting the document.	10	MS. LEVIN: Yes. That's what I wanted to
	A I didn't really have a role in drafting the	11	clarify, okay. That's what I thought you were going
	cument. That was the chief investing officer and		to say. Just wanted to make sure.
	unsel put together the document. And that's not	13	THE WITNESS: Again, take a step back, and
	njay. Mark Roderick.		I'm not an expert in corporate securities. I rely
15	Q And the chief investment officer is Alan		upon my our counsel and I rely upon my cofounder
16 Le			who happens to be a corporate securities attorney to
	A Correct.		tell me what to do, because they're considered
18	Q So he drafted it with counsel?		experts. I'm not an expert in those areas. So,
	A With counsel, correct.		based on their opinion, I make the decisions, when
	Q Did you review this document before?		if it is my decision to make.
21	A No, I did not review that document. He	21	Q (By Mr. Rosenthal) Okay. So I'm going to
	he gives me high levels of what things are and I		scroll to page 2. The second sentence at the top, it
	in them based on his opinion.		says, "As of June 30th, 2021, the company had raised
24	Q Okay. Who reviewed the document then?		zero dollars."
25	A It to my understanding, it would be him	25	Is that statement accurate?
			Do no. 110
1 an	Page 110 d our attorney in this case, Mark Roderick, pot	1	Page 112
	d our attorney in this case, Mark Roderick, not	1	A Yes, it's accurate.
2 Sa	d our attorney in this case, Mark Roderick, not njay.	2	A Yes, it's accurate.Q Okay. So the first sale was sometime after
2 Sa 3	d our attorney in this case, Mark Roderick, not njay. Q Did you approve this document?	2 3	A Yes, it's accurate.Q Okay. So the first sale was sometime afterJune 30, 2021?
2 Sa 3 4	d our attorney in this case, Mark Roderick, not njay. Q Did you approve this document? A Just to I don't exactly remember	2 3 4	A Yes, it's accurate.Q Okay. So the first sale was sometime afterJune 30, 2021?A Yes, that's accurate. When money was
2 Sa 3 4 5 ap	d our attorney in this case, Mark Roderick, not njay. Q Did you approve this document? A Just to I don't exactly remember proving this document. My, I guess, chief	2 3 4 5	 A Yes, it's accurate. Q Okay. So the first sale was sometime after June 30, 2021? A Yes, that's accurate. When money was commenced, when money was received was cleared and
2 Sa 3 4 5 ap 6 inv	d our attorney in this case, Mark Roderick, not njay. Q Did you approve this document? A Just to I don't exactly remember proving this document. My, I guess, chief restment officer, my cofounder, he's got this area	2 3 4 5 6	 A Yes, it's accurate. Q Okay. So the first sale was sometime after June 30, 2021? A Yes, that's accurate. When money was commenced, when money was received was cleared and received.
2 Sa 3 4 5 ap 6 inv 7 of	d our attorney in this case, Mark Roderick, not njay. Q Did you approve this document? A Just to I don't exactly remember proving this document. My, I guess, chief restment officer, my cofounder, he's got this area expertise. And so what he tells me to sign, I	2 3 4 5 6 7	A Yes, it's accurate. Q Okay. So the first sale was sometime after June 30, 2021? A Yes, that's accurate. When money was commenced, when money was received was cleared and received. (SEC Exhibit No. 15 was introduced.)
2 Sa 3 4 5 ap 6 inv 7 of 8 sig	d our attorney in this case, Mark Roderick, not njay. Q Did you approve this document? A Just to I don't exactly remember proving this document. My, I guess, chief restment officer, my cofounder, he's got this area expertise. And so what he tells me to sign, I m. That's his area of expertise with his	2 3 4 5 6 7 8	 A Yes, it's accurate. Q Okay. So the first sale was sometime after June 30, 2021? A Yes, that's accurate. When money was commenced, when money was received was cleared and received. (SEC Exhibit No. 15 was introduced.) Q I'm showing you a document. It's been
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2 Sa 3 4 5 ap 6 inv 7 of 8 sig 9 ba 10 An	d our attorney in this case, Mark Roderick, not njay. Q Did you approve this document? A Just to I don't exactly remember proving this document. My, I guess, chief restment officer, my cofounder, he's got this area expertise. And so what he tells me to sign, I in. That's his area of expertise with his ckground. You guys are going to be talking to him. d so I signed what I'm supposed to sign, what he	2 3 4 5 6 7 8 9 10	A Yes, it's accurate. Q Okay. So the first sale was sometime after June 30, 2021? A Yes, that's accurate. When money was commenced, when money was received was cleared and received. (SEC Exhibit No. 15 was introduced.) Q I'm showing you a document. It's been premarked as Exhibit 15. This is an Excel spreadsheet. It appears to be a list of REIT II
2 Sa 3 4 5 ap 6 inv 7 of 8 sig 9 ba 10 An 11 tell	d our attorney in this case, Mark Roderick, not njay. Q Did you approve this document? A Just to I don't exactly remember proving this document. My, I guess, chief restment officer, my cofounder, he's got this area expertise. And so what he tells me to sign, I m. That's his area of expertise with his ckground. You guys are going to be talking to him. d so I signed what I'm supposed to sign, what he is me to sign.	2 3 4 5 6 7 8 9 10 11	A Yes, it's accurate. Q Okay. So the first sale was sometime after June 30, 2021? A Yes, that's accurate. When money was commenced, when money was received was cleared and received. (SEC Exhibit No. 15 was introduced.) Q I'm showing you a document. It's been premarked as Exhibit 15. This is an Excel spreadsheet. It appears to be a list of REIT II investors. And another tab there's a list of REIT I
2 Sa 3 4 5 ap 6 inv 7 of 8 sig 9 ba 10 An 11 tell 12	d our attorney in this case, Mark Roderick, not njay. Q Did you approve this document? A Just to I don't exactly remember proving this document. My, I guess, chief restment officer, my cofounder, he's got this area expertise. And so what he tells me to sign, I in. That's his area of expertise with his ckground. You guys are going to be talking to him. d so I signed what I'm supposed to sign, what he is me to sign. Q Who had final approval for this document?	2 3 4 5 6 7 8 9 10 11 12	A Yes, it's accurate. Q Okay. So the first sale was sometime after June 30, 2021? A Yes, that's accurate. When money was commenced, when money was received was cleared and received. (SEC Exhibit No. 15 was introduced.) Q I'm showing you a document. It's been premarked as Exhibit 15. This is an Excel spreadsheet. It appears to be a list of REIT II investors. And another tab there's a list of REIT I investors.
2 Sa 3 4 5 ap 6 inv 7 of 8 sig 9 ba 10 An 11 tell 12 13	d our attorney in this case, Mark Roderick, not njay. Q Did you approve this document? A Just to I don't exactly remember proving this document. My, I guess, chief restment officer, my cofounder, he's got this area expertise. And so what he tells me to sign, I in. That's his area of expertise with his ckground. You guys are going to be talking to him. d so I signed what I'm supposed to sign, what he is me to sign. Q Who had final approval for this document? A I would say I mean, the way we were set	2 3 4 5 6 7 8 9 10 11 12 13	A Yes, it's accurate. Q Okay. So the first sale was sometime after June 30, 2021? A Yes, that's accurate. When money was commenced, when money was received was cleared and received. (SEC Exhibit No. 15 was introduced.) Q I'm showing you a document. It's been premarked as Exhibit 15. This is an Excel spreadsheet. It appears to be a list of REIT II investors. And another tab there's a list of REIT I investors. This was produced by DiversyFund as Bates
2 Sa 3 4 5 ap 6 inv 7 of 8 sig 9 ba 10 An 11 tell 12 13 14 up	d our attorney in this case, Mark Roderick, not njay. Q Did you approve this document? A Just to I don't exactly remember proving this document. My, I guess, chief restment officer, my cofounder, he's got this area expertise. And so what he tells me to sign, I in. That's his area of expertise with his ckground. You guys are going to be talking to him. d so I signed what I'm supposed to sign, what he is me to sign. Q Who had final approval for this document?	2 3 4 5 6 7 8 9 10 11 12 13 14	A Yes, it's accurate. Q Okay. So the first sale was sometime after June 30, 2021? A Yes, that's accurate. When money was commenced, when money was received was cleared and received. (SEC Exhibit No. 15 was introduced.) Q I'm showing you a document. It's been premarked as Exhibit 15. This is an Excel spreadsheet. It appears to be a list of REIT II investors. And another tab there's a list of REIT I investors. This was produced by DiversyFund as Bates stamp DF-000915.
2 Sa 3 4 5 ap 6 inv 7 of 8 sig 9 ba 10 An 11 tell 12 13 14 up	d our attorney in this case, Mark Roderick, not njay. Q Did you approve this document? A Just to I don't exactly remember proving this document. My, I guess, chief restment officer, my cofounder, he's got this area expertise. And so what he tells me to sign, I in. That's his area of expertise with his ckground. You guys are going to be talking to him. d so I signed what I'm supposed to sign, what he ls me to sign. Q Who had final approval for this document? A I would say I mean, the way we were set , we would both have to approve the document for it be valid.	2 3 4 5 6 7 8 9 10 11 12 13 14 15	A Yes, it's accurate. Q Okay. So the first sale was sometime after June 30, 2021? A Yes, that's accurate. When money was commenced, when money was received was cleared and received. (SEC Exhibit No. 15 was introduced.) Q I'm showing you a document. It's been premarked as Exhibit 15. This is an Excel spreadsheet. It appears to be a list of REIT II investors. And another tab there's a list of REIT I investors. This was produced by DiversyFund as Bates stamp DF-000915. It may be a little hard to see. It's a
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1 1	Page 113	4	Page 115
1 (2 bott	Q I'm going to scroll down all the way to the	1	Q What paperwork did they sign to be in REIT II?
3	Do you see the last row there. It has an	2	A That would be the it would be the
	est date of 2/3/2022, February 3rd, 2022, and it	-	
	an amount of \$100 offering REIT II, first name		offering paperwork.
6 Jan	U	5	Q Okay. If someone signed up to be an
7	Do you see that?		investor in REIT I and they set up contributions to
	A Yes.		go into REIT I, did they then sign a separate
	Q Does that show that there was a sale on		agreement to have their contributions go into
-			REIT II?
10 Feb	ruary 3rd, 2022, for REIT II? MR. BHANDARI: Objection, no foundation.	10	A If they're in REIT II, they would have to
12	Witness has said he's not familiar with the	11	o 11
	ument, so he can't interpret what it means.		
	•		process was or how they were
	Q (By Mr. Rosenthal) Mr. Cecilio, can you	14	A The mechanics behind that team that's in
	Wer the question?		the weeds. The mechanics behind that, that's the
16			team. What's communicated to me is that anyone who's
17 que	A I don't know where this I haven't seen		in REIT II that was in REIT I signed the paperwork to be in there.
	document before. It's not something I look at.		
	5	19	MS. LEVIN: What would be sorry.
	Q (By Mr. Rosenthal) Did any sales take place		So who would be the best person to talk to
	February 3rd, 2022, of REIT II?		about how that operated? Who is the person in
	A Not to my knowledge. To my knowledge,		DiversyFund to talk to. THE WITNESS: Yeah. You can start with the
	rything was stopped on 1/26.	23	
24 (Q Okay. Did		chief investment officer, because he's also kind of
25	(UNREPORTABLE CROSSTALK.)	25	our compliance officer at the same time. And
	Page 114		Page 116
	Q I'm sorry, can you repeat that?	1	that's that's he's the one that we run him
	I said plus or minus, if that day I was	2	and counsel are the ones who decide on how the
3 off.	I said plus or minus, if that day I was I said that day was off by a couple days. Was	2 3	and counsel are the ones who decide on how the mechanics are done. Like, you know, mechanics
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Page 117 1 because there's AML and KYC checks and some money	Page 119
T because there's Ame and KTO checks and some money	
2 doesn't clear, and so I'd be doing a disservice to	2 cross-departmental. That's where I rely on him to
3 guess.	3 give me the accurate information.
4 Q Who would know that?	4 Q And do you track investor equity?
5 A We should be able to know that by clicking	5 A How much money someone's invested?
6 into a dashboard, it should give us that number. And	6 Q Yes. I mean, but there's other ways to
7 so it just I mean, you just knowing I don't	7 someone can have equity, correct?
8 think most of us know on the top of our head.	8 A We do we track it, yes.
9 They're going to click into the software programs and	9 Q How is that tracked?
10 give you a number.	10 A Clarify the question. I want to make sure
11 So it would just be requesting that	11 I'm answering it correctly.
12 information, and we'd be delivering that information.	12 Q Does each for REIT II, does each person
13 Various parties would be able to provide that	13 with an equity interest, do you track that?
14 information to you.	14 A Yes.
15 But, no, I don't think anyone knows at the	15 Q How?
16 top of their head. Everyone's looking at like these	16 A How do I explain this? Connecting all our
17 dashboards that because the numbers are very	17 systems together, this is the data and the coding and
	18 putting that all together, and then it all drills up
18 microinvesting. They always they move all the19 time.	19 to kind of a dashboard.
20 Q How do you track how much REIT II has 21 raised?	20 So it's multiple systems communicating with
	21 each other, and you have to do coding and you have to22 use your coding engineers, your tech team, you have
A Through the dashboard.Q So you internally have a dashboard? I	
24 guess can you explain that?	23 to use your data guy, your operations person. And
	24 the piece I'm talking about, the dashboard sits on25 top. You can see those numbers. And then you kind
	23 top. Tou can see those numbers. And then you kind
Page 118	Page 120
1 that sits on top of other pieces of software of data	1 of and you reconcile with finance. So it's
2 that you drill up, and it gives you an overall	2 multidepartmental, a lot of moving pieces here. This
3 tells you what's cleared in there. And cleared means	3 is where really the technology piece comes to play
4 is all the paperwork is signed, all the emails done,	3 is where really the technology piece comes to play4 together to connect everything together.
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1 California Bank & Trust now, in which we're moving	1 all your technologies to do that.
2 into another bank called Silicon Valley Bank, which	2 They have technology, that company has
3 is going to be our future bank.	3 technology and just live in a tech world within
4 So if I confused you, I can take you	4 tech world, they're always getting better and easier
5 through that step again.	5 to do. And we're building out some of our own
6 Q Um	6 technology as well.
7 A So a third party still holds it until it	7 Q Does all the do all all of investor
8 clears and then we let it build up to get to a	8 funds go through the DiversyFund website?
9 certain size, let a week go by. Because a lot of	9 A That, the website or the app.
10 these small investors, when it builds up. And we	10 Q Okay. And who has control over the escrow
11 know they're all cleared, we go in and click all	11 account?
12 these buttons, and that goes off into our REIT	12 A I guess clarify the question a little bit.
13 account, which is held by California Bank & Trust	13 Because there's control versus access. I'm just
14 today.	14 can you clarify the question so I can give you an
15 Q Who's responsible for that process?	15 accurate answer.
16 A It's a whole process. So our finance	16 Q So I guess who has access to the escrow
17 department is really the ones that who work with	17 account?
18 the let's call it the third-party custodian until	18 A I mean, the primary user would be Jonathan
19 it goes to our bank, and that would be	19 Neff, would be the primary. And his direct
20 administered supervised by our COO. And then you	20 supervisor is Fateh Kamal, our COO. So they're the
21 got our finance department with Jonathan Neff and	21 two main people that are in that.
22 Samantha Li.	22 Samantha Li is underneath Jonathan, so I'm
23 Q Okay. And so you said the third-party	23 sure she's in the software system, because they're
24 escrow company is Prime Trust?	24 it's only two people in the finance department. It's
25 A Yes.	25 not big.
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1 Q So what is the relationship between Prime	1 So I would say they're both probably in
1 Q So what is the relationship between Prime 2 Trust and REIT II?	1 So I would say they're both probably in 2 that.
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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 - wire 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 bretty much 9 admin rights. And Jonathan will have pretty much 9 close - a lot of rights, not full rights. 11 1 5 MR. BHANDARI: So it sounds like this 9 AlloIRA is trailows people to do self-directed 10 investments? 11 There's grades of permissions. So - 1 12 just say ther's full, you can do. 13 adventise with AlloIRA? 1 THE WITNESS: Correct. Yes. 12 O (By Mr. Rosenthal) Okay. Does DiversyFund 13 adventise with AlloIRA? 14 Imitations on what you can do. 15 A Most of the time it requires dual approval 16 for emails in the past, but nothing recent. 17 oC Okay. 1 THE WITNESS: Correct. Yes. 10 investments. Think we might have done a couple 16 of emails in the past, but nothing recent. 17 oQ Okay. Are you familiar with a company or 22 entity called AltoIRA? 1 1 THE WITNESS: So it sounds like this 2 advertise with AltoIRA? 11 Typing to be the top tech IRA custodian. 13 and versi 1 10 or stime and you develoe an agreement with REIT II? 13 advertise so it may approve or funds for 23 is where you can invest your money in, and ti will 24 have tike 20 different companies where you can invest 25 your money in. 24 1 trying to be the top tech IRA custodian. 15 through their platform, they show their customers 16 threi hat		Page 125		Page 127
2 ights, and he sets the rights for Samantha. So 2 you to move your -it's more -it's assier for you 3 there's a bunch of checks and balances there. But 4 there's a bunch of checks and balances there. But 5 has. And we just - we're going to move to another 6 their IRA versus someone else's IRA. 6 bask here soon, Silicon Valley Bank. And so, you MR. BHANDARI: Will, you're directed? 7 know, just to be the owners, Alan and I have admin 8 MR. BHANDARI: So i sound's like this 9 admin rights. And Jonathan will have pretly much 5 MR. BHANDARI: So i sound's like this 10 closes - a lot of rights, not full rights. MR. BHANDARI: So i sound's like this 11 There's grades of permissions. So - I 11 MR. WINNESS: Correct. Yes. 12 just asy there's full, you can do whatever you want, 13 advertise with AloIRA? 14 Imitations on what you can do. 10 investments. I think we might have done a couple 16 A More's not an agreement in place, but I 13 advertise with AloIRA? 14 MR don't think we've done any joint 15 advertise with AloIRA? 14 Q Most of the time it requires dual approval	1	-	1	-
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25AJust they claim to have better technology25DiversyFunds on there.It's not it's not a unique	2 3 4 5 6 7 8 9 10 11 12 13 14 15 16 17 18 19 20 21 22 3 24	trying to be the top tech IRA custodial custodian, sorry. Custodial is a verb. Q What is the relationship between AltoIRA and REIT II? A There's a third-party IRA custodian. So they have customers who have IRA accounts set up. And they their, I guess, claim to fame is lack of a better word, is that they're very tech oriented. It makes that process easier to move your funds from their IRA into an investment vehicle. One is us. They also have other customers out there, like you're going to go into oh, here's another one, a familiar one is Masterworks is art, that's being sold to nonaccredited investors, so they allow you through their platform, they show their customers here are some platforms that you can invest your money in through your IRA and do it through our our technology is more advanced than everyone else's to make your process easier to do, the transact. Q So it's a platform for investments and one of the platforms is REIT II? A It's an IRA. It's an IRA. It's an IRA custodian. Q IRA custodian, okay?	2 3 4 5 6 7 8 9 10 11 12 13 14 15 16 17 18 19 20 21 22 23 24	So Alto has that too. I think they call it considered an alternative investment marketplace. Q How did REIT II get on AltoIRA's platform? A Well, it was with the first REIT, how in the fin tech world, everyone kind of gets to know each other and do develops B2B relationships, partnerships with each other. That's the simplest way I can say it. And if we they reached out to us or we reached out to them. They're both looking for customers at the end of the day, because they make their money if you have an IRA account set up with them. Q Do the Alto if someone makes an investment through AltoIRA, do they still go through the DiversyFund website, or can they just do through AltoIRA? A We so part of their business model is to connect technology from their platform directly into your platform to make it easier for you to move your money. They have us, but they have a lot of different partners. Their idea is to have be hooked up to like I mean, if there's a great business, they'd love to have a thousand different

	Page 129		Page 131
1	relationship, a one-way street. It's like they would	1	information.
	love to have a thousand different types of investment	2	Q Okay. And do you know when those
	opportunities for their community that gives their	3	investments were made?
	company that's how they it gives their company	4	A We closed the Charleston transaction in
	value. The more choices they give their customers,	5	December.
	the more customers they believe they'll get. We're	6	Q December 2021?
	one of those people on their platform.	7	A Yes.
8	Q So REIT II received investor funds in	8	Q Sorry, just one of the properties is
9	January in the beginning of January 2022, correct?	9	
10	A REIT II received yes, it did receive	10	A I know for sure one is. The other one I'm
11	funds in January 2022.	11	not positive, a hundred percent positive.
12	Q Okay. Were those investor funds recorded	12	Q Where does the money for investments go to
13	in QuickBooks for REIT II?	13	when you make a real estate investment for REIT II?
14	A Recorded in QuickBooks? I don't know for	14	A Can you clarify the question? I understand
15	sure if they were or were not. They are recorded,	15	it, but just clarify.
16	but I don't know a hundred percent sure if it's	16	So the money leaving our account?
17	recorded in QuickBooks.	17	Q Where does it go?
18	Q Do you know how are they recorded?	18	A It goes directly to the escrow account.
19	A Well, you got the the Prime Trust	19	When close real estate, a title, a third-party title
20	account and then that pushes over into our system,	20	in escrow opened, so another third-party escrow holds
21	and it's that whole technology thing we just talked	21	those funds of that transaction.
22	about in the past and how we connect that, we're	22	Q And who's the third-party escrow?
23	putting that all together. And then it goes into our	23	A Each transaction is different.
24	department, and they could be still using Excel	24	Q Okay. And then so after if the
25	sheets. I'm not sure if it's in QuickBooks or not.	25	transaction is completed, the funds clear escrow,
	Page 130		Page 132
1	Page 130 But it's tracked along the whole process.	1	Page 132 right?
1	-	1 2	-
	But it's tracked along the whole process. Q Okay. How often are the QuickBooks updated?	2	right?
2	But it's tracked along the whole process. Q Okay. How often are the QuickBooks updated? A I don't have an exact answer.	2 3	right? A Since we're purchasing the property, they usually get delivered to the seller or to a bank to pay down a loan or something, whatever that piece is.
2 3 4 5	But it's tracked along the whole process. Q Okay. How often are the QuickBooks updated? A I don't have an exact answer. Q Do you have an estimate?	2 3	right? A Since we're purchasing the property, they usually get delivered to the seller or to a bank to
2 3 4 5 6	But it's tracked along the whole process. Q Okay. How often are the QuickBooks updated? A I don't have an exact answer. Q Do you have an estimate? A I know they're on top of things. I know	2 3 4 5	right? A Since we're purchasing the property, they usually get delivered to the seller or to a bank to pay down a loan or something, whatever that piece is.
2 3 4 5 6 7	But it's tracked along the whole process. Q Okay. How often are the QuickBooks updated? A I don't have an exact answer. Q Do you have an estimate? A I know they're on top of things. I know they're reconciling things, but I don't I know	2 3 4 5	right? A Since we're purchasing the property, they usually get delivered to the seller or to a bank to pay down a loan or something, whatever that piece is. Q Okay. So for like the Charleston property,
2 3 4 5 6 7 8	But it's tracked along the whole process. Q Okay. How often are the QuickBooks updated? A I don't have an exact answer. Q Do you have an estimate? A I know they're on top of things. I know they're reconciling things, but I don't I know they're doing their job properly, but I'm not sure	2 3 4 5 6 7 8	right? A Since we're purchasing the property, they usually get delivered to the seller or to a bank to pay down a loan or something, whatever that piece is. Q Okay. So for like the Charleston property, where did the funds go? A It would have went to a third-party escrow. Q And then after the escrow, where did they
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2 3 4 5 6 7 8 9 10 11 12	But it's tracked along the whole process. Q Okay. How often are the QuickBooks updated? A I don't have an exact answer. Q Do you have an estimate? A I know they're on top of things. I know they're reconciling things, but I don't I know they're doing their job properly, but I'm not sure like what their cadence is exactly. Right now it's tax time too. I know they're pretty busy. So I'm not a hundred percent positive of how often they're doing it.	2 3 4 5 6 7 8 9 10 11 12	right? A Since we're purchasing the property, they usually get delivered to the seller or to a bank to pay down a loan or something, whatever that piece is. Q Okay. So for like the Charleston property, where did the funds go? A It would have went to a third-party escrow. Q And then after the escrow, where did they go? A It depends what they're paying off, without any escrow statement. Q Do the individual investment properties
2 3 4 5 6 7 8 9 10 11 12 13	But it's tracked along the whole process. Q Okay. How often are the QuickBooks updated? A I don't have an exact answer. Q Do you have an estimate? A I know they're on top of things. I know they're reconciling things, but I don't I know they're doing their job properly, but I'm not sure like what their cadence is exactly. Right now it's tax time too. I know they're pretty busy. So I'm not a hundred percent positive of how often they're doing it. Q How has REIT II investor funds been used?	2 3 4 5 6 7 8 9 10 11 12 13	right? A Since we're purchasing the property, they usually get delivered to the seller or to a bank to pay down a loan or something, whatever that piece is. Q Okay. So for like the Charleston property, where did the funds go? A It would have went to a third-party escrow. Q And then after the escrow, where did they go? A It depends what they're paying off, without any escrow statement. Q Do the individual investment properties have bank accounts associated with them?
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2 3 4 5 6 7 8 9 10 11 12 13 14 15 16 17 18 19 20 21 22 3 24	 But it's tracked along the whole process. Q Okay. How often are the QuickBooks updated? A I don't have an exact answer. Q Do you have an estimate? A I know they're on top of things. I know they're reconciling things, but I don't I know they're doing their job properly, but I'm not sure like what their cadence is exactly. Right now it's tax time too. I know they're pretty busy. So I'm not a hundred percent positive of how often they're doing it. Q How has REIT II investor funds been used? A It's been deployed in a couple of properties. Q What are those properties? A I know one for sure. The other one I'm not positive. I know it's one of the Charleston properties. Q And those are both real estate investments? A Yeah, the multifamily investments. Q And how much has been invested in those 	2 3 4 5 6 7 8 9 10 11 12 13 14 15 16 17 18 19 20 21 22 23 24	right? A Since we're purchasing the property, they usually get delivered to the seller or to a bank to pay down a loan or something, whatever that piece is. Q Okay. So for like the Charleston property, where did the funds go? A It would have went to a third-party escrow. Q And then after the escrow, where did they go? A It depends what they're paying off, without any escrow statement. Q Do the individual investment properties have bank accounts associated with them? A We do. We do create individual bank accounts per properties that we own. They're all their own LLC. And I mean, there's and so when you're collecting the rents, you collect the rent in the name we gave examples, Summerlin LLC. You would be, okay, the rents come in, it goes into Summerlin, LLC. Summerlin LLC has expenses, right, it has a mortgage to pay, whatever expenses. Pays those off. Anything left over go up to the parent

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1 QuickBooks? 1 So just answer to the best of your abil	-
2 A I mean, I'm not going to make an 2 And if you don't know or you have to direct the second	nem to
3 assumption. I'm sure everything is recorded in 3 counsel or to Alan, just tell them where to go	.
4 QuickBooks. We use QuickBooks, everything's in 4 THE WITNESS: Yeah. I would say of	ur
5 QuickBooks. We are moving on to a new software 5 what year is it? We're 2022. It will be disclo	
6 system. It hasn't been executed yet. So everything 6 in our audit, our annual audit, where all the r	
7 is in QuickBooks. We have records of everything. 7 is. And we share that information with the	,
8 Q Do you know how those those transactions 8 investors. And we do our biannual financial	
9 involving the real estate properties are recorded in 9 statement as well.	
10 QuickBooks? 10 Q (By Mr. Rosenthal) Who's your audite	or?
11 A Not on a granular level. I mean, that's 11 A I believe it's Haynie.	
12 the accounting department does that. 12 Q Has any REIT II investor funds gone	to
13 Q And the who's the head of the accounting 13 REIT I?	
14 department? 14 A Into REIT I, no.	
15 A The COO sits on top of the financial, 15 Q Have any REIT II investor funds gone	into
16 Jonathan and Samantha. We also have that third-party 16 any REIT I accounts?	
17 auditor that audits us for filings every year. They 17 A A REIT I account, like a where it sa	VC
	ys
18 dive into they dive into every entity too on an 18 REIT I? No, not REIT I. 10 annual basis. We have to have these audited	into o
19 annual basis. We have to have those audited 20 financials	e mo a
20 financials. 20 joint account with REIT I?	
21 Q Are you familiar with an entity called MCP 21 A Not joint account.	
22 Dove? 22 Q Has REIT two made any loans? 22 A Nat to much data and	
23 A Yes. 24 Q W/set is it 2	
24 Q What is it? 25 A bit is bit is the state if the state if the state is the stat	
25 A I think it's I think it has to do with 25 DiversyFunds have there been any funds	
Page 134	Page 136
1 one of the properties. 1 II or DiversyFund or related entities?	
2 Q Do you know which property? 2 A No. No loans.	
3 A I'm not a hundred percent sure. I believe 3 Q Have REIT II made any investment in	n the
4 I know, but I'm not hundred percent certain. So 4 DiversyFund or related entities?	11 - 1
5 that's I kind of if I'm not hundred percent 5 A They made investments in properties	
6 certain, I probably shouldn't answer, but I kind 6 I believe the two properties that we talked at	
7 of 7 but I only know one for sure. So that would	be an
8 Q Does MCP Dove have a bank account? 8 affiliate property owned by DiversyFund.	
9 A I do not know. 9 Q Aside from those two real estate	
10 Q Does MCP Dove, has it had any operating 10 investments?	
11 income? 11 A No, the funds the funds are just in t	
12 A I don't know I don't know much about MCP 12 account. Yeah, they're just hanging out in th	e
13 Dove. Anything you need we can get for you, any of 13 account.	
14 that information. 14 MR. BHANDARI: Craig, can I pause y	ou tor a
15 Q Has REIT II disclosed all of its 15 second.	
16 investments to investors?16You guys can't speak over one another	
17 A I would 17 the court reporter is going to have a difficult	time.
18THE WITNESS: Sanjay, help me here. I'm18THE WITNESS: I apologize.	
19 not sure if we have to disclose anything quite19MR. BHANDARI: No problem. It's ge	LL:
20 because it's just so new.20 late and everybody relaxes a little bit. But le	-
	-
21 MR. BHANDARI: I'm sorry. I can't, 21 Will finish and then answer.	-
22 unfortunately. So look 22 Okay. Go ahead, Will.	-
22 unfortunately. So look22Okay. Go ahead, Will.23MS. LEVIN: We're not asking him.23MR. ROSENTHAL: Thank you.	t
22 unfortunately. So look 22 Okay. Go ahead, Will.	two

	Page 137		Page 139
1	investments in DiversyFund or related entities?	1	there's a capital call for hey, we had a
2	A No.		property like I'll talk about Summerlin. It's a
3	Q Are REIT I and REIT II businesses dependent		property we sold. It had a fire, and, you know, a
4	on each other?		whole unit burnt down.
5	A I would say everyone both REITs are	5	So what if that happens and you had to
	dependent upon the company being run to function		advance 200,000 to fix something? Well, if REIT I is
	properly.		closed and has no income coming in, where are you
8	Q By the company, you mean DiversyFund, Inc.?		going to get that income to cover that?
9	A Yeah, DiversyFund, Inc., because	9	An option can be REIT II could loan the
	DiversyFund, Inc. employs the people to manage the		property that money to finish that off and be a
	assets. As long as we're we have our systems in	11	coinvestor in that property. That would be an
	place, our business is in place, we're able to manage		indirect example of that.
	the assets and manage those funds. There's an	13	So, I mean, that's where I think the
	indirect relationship.		codependency would be, interconnectedness of the
15	Q So REIT II depends on DiversyFund, Inc.,		business.
	correct?	16	But I can't say that's that doesn't
17	A Well, DiversyFund, Inc. is the parent		not going to happen across all you're not going to
	company that pays the salaries of the managers and		get you know, stuff happens. There's acts of god
	the employees to run the real estate assets and to do		that happen. We just lived through one for the last
	the fund accounting and do the customer service, yes.		two or three years.
21	Q Okay. Does REIT I depend does REIT II	20	Q Would REIT II stopping sales irreparably
	depend on REIT I?		harm both REIT I and REIT II?
23	A REIT II depending on REIT I? I mean,	23	A REIT II stopping sales hurts the parent
	it's it's an indirect relationship, but there		company in a lot of different ways.
	could be a direct relationship. I can give you an	25	Q How? What are those ways?
-		_	
	D 400		
1	Page 138	1	Page 140
	example. I can say REIT I was our first fund, and	1	A The first way is I'm going to go
2	example. I can say REIT I was our first fund, and since we bought a lot of property, the brokers give	2	A The first way is I'm going to go 60 percent, maybe you know, this is a general
23	example. I can say REIT I was our first fund, and since we bought a lot of property, the brokers give us first look at properties, which give the REIT II	2 3	A The first way is I'm going to go 60 percent, maybe you know, this is a general number of our monthly expenses are based on
2 3 4	example. I can say REIT I was our first fund, and since we bought a lot of property, the brokers give us first look at properties, which give the REIT II customers really better options to invest in.	2 3 4	A The first way is I'm going to go 60 percent, maybe you know, this is a general number of our monthly expenses are based on building technologies to make things more efficient,
2 3 4 5	example. I can say REIT I was our first fund, and since we bought a lot of property, the brokers give us first look at properties, which give the REIT II customers really better options to invest in. So I think the REIT II customers benefit	2 3 4 5	A The first way is I'm going to go 60 percent, maybe you know, this is a general number of our monthly expenses are based on building technologies to make things more efficient, really doing the marketing, doing the customer
2 3 4 5	example. I can say REIT I was our first fund, and since we bought a lot of property, the brokers give us first look at properties, which give the REIT II customers really better options to invest in. So I think the REIT II customers benefit for REIT I being our first REIT. So there is	2 3 4 5 6	A The first way is I'm going to go 60 percent, maybe you know, this is a general number of our monthly expenses are based on building technologies to make things more efficient, really doing the marketing, doing the customer acquisition, building all those things out.
2 3 4 5 6 7	example. I can say REIT I was our first fund, and since we bought a lot of property, the brokers give us first look at properties, which give the REIT II customers really better options to invest in. So I think the REIT II customers benefit for REIT I being our first REIT. So there is relationships that exist between both entities.	2 3 4 5 6 7	A The first way is I'm going to go 60 percent, maybe you know, this is a general number of our monthly expenses are based on building technologies to make things more efficient, really doing the marketing, doing the customer acquisition, building all those things out. And your costs go down with time when
2 3 4 5 6 7 8	example. I can say REIT I was our first fund, and since we bought a lot of property, the brokers give us first look at properties, which give the REIT II customers really better options to invest in. So I think the REIT II customers benefit for REIT I being our first REIT. So there is relationships that exist between both entities. So there is it's an indirect	2 3 4 5 6 7 8	A The first way is I'm going to go 60 percent, maybe you know, this is a general number of our monthly expenses are based on building technologies to make things more efficient, really doing the marketing, doing the customer acquisition, building all those things out. And your costs go down with time when you're doing this stuff. This is more the tech
2 3 4 5 6 7 8 9	example. I can say REIT I was our first fund, and since we bought a lot of property, the brokers give us first look at properties, which give the REIT II customers really better options to invest in. So I think the REIT II customers benefit for REIT I being our first REIT. So there is relationships that exist between both entities. So there is it's an indirect relationship. So I'm trying to answer your question,	2 3 4 5 6 7 8 9	A The first way is I'm going to go 60 percent, maybe you know, this is a general number of our monthly expenses are based on building technologies to make things more efficient, really doing the marketing, doing the customer acquisition, building all those things out. And your costs go down with time when you're doing this stuff. This is more the tech industry, the marketing industry. And there's a lot
2 3 4 5 6 7 8 9 10	example. I can say REIT I was our first fund, and since we bought a lot of property, the brokers give us first look at properties, which give the REIT II customers really better options to invest in. So I think the REIT II customers benefit for REIT I being our first REIT. So there is relationships that exist between both entities. So there is it's an indirect relationship. So I'm trying to answer your question, but there is a relationship, and it has to do with	2 3 4 5 6 7 8 9 10	A The first way is I'm going to go 60 percent, maybe you know, this is a general number of our monthly expenses are based on building technologies to make things more efficient, really doing the marketing, doing the customer acquisition, building all those things out. And your costs go down with time when you're doing this stuff. This is more the tech industry, the marketing industry. And there's a lot of algorithms, Facebook, Google, all these guys
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	Page 141		Page 143
1		1	So there's a business reputation, a
2	being shut down on the overall business.	2	business harm that's produced with that. You're
3	Q So, I guess, can you explain how that would	3	going to get your costs will go up. Your chief
4		4	contractor who you pay for something will be more
5	A The one example I gave about what if you	5	expensive because they say these guys can't pay their
6	needed to what if something happened with one of	6	bills on time. And that will have an adverse effect
7	the properties, and it had a capital call and where	7	on you.
8	is that capital going to come from on that capital	8	So there's a general business harm due to
9	call? That's one example.	9	business reputation. And then if you can't get if
10	The other example is if the parent company	10	that's harm too, you don't have to liquidity
11	is not going to produce revenue and you're not going	11	standards, then the loans that you get today we're
12	to have a staff in place to manage the assets at the	12	getting you know, we get offered loans at 2, 3,
13	end of the day, to run to optimize those assets.	13	4 percent, very low. If you don't have those
14	You got to pay people you got to pay people well	14	liquidity standards, your loans are 7 percent and
15	if you want a good product being delivered. So	15	that difference there now who pays what's the
16	there's a relationship there.	16	difference there? Well, that difference in that
17	Where's the income coming from to run the	17	yield, 2 to 7, that money is benefited by the
18	operations organization? It comes from some of the	18	customer. That's part of their return they get.
19	fee structures we created.	19	So if you're paying more debt, that's more
20	•	20	expense the property, that would be when the rents
21		21	come in, it's more expense. If it was less expense,
	financing other investor money?		it's more profit. More profit goes to the fund and
23	, , ,	23	that goes directly to the consumers.
	You want to look at every option available. So	24	So it's all kind of connected to each
25	you're today we're in a great market today. So	25	other. It's yeah, it's it's not complicated.
	Page 142		Page 144
	today, there's lenders out there that can give you	1	Q You mentioned the operating income going to
2	today, there's lenders out there that can give you some loans on some of these properties. Sometimes	2	Q You mentioned the operating income going to the parent company. The parent company receives
2 3	today, there's lenders out there that can give you some loans on some of these properties. Sometimes they look at liquidity standards, what do you have	2	Q You mentioned the operating income going to the parent company. The parent company receives operating income from REIT I, correct?
2 3 4	today, there's lenders out there that can give you some loans on some of these properties. Sometimes they look at liquidity standards, what do you have liquid in the account. So they see that we have	2 3 4	Q You mentioned the operating income going to the parent company. The parent company receives operating income from REIT I, correct? A (Shakes head.)
2 3 4 5	today, there's lenders out there that can give you some loans on some of these properties. Sometimes they look at liquidity standards, what do you have liquid in the account. So they see that we have REIT II has cash in the account. They're like, okay,	2 3 4 5	 Q You mentioned the operating income going to the parent company. The parent company receives operating income from REIT I, correct? A (Shakes head.) Q No?
2 3 4 5 6	today, there's lenders out there that can give you some loans on some of these properties. Sometimes they look at liquidity standards, what do you have liquid in the account. So they see that we have REIT II has cash in the account. They're like, okay, we'll give you this loan. There needs to be	2 3 4 5 6	 Q You mentioned the operating income going to the parent company. The parent company receives operating income from REIT I, correct? A (Shakes head.) Q No? MR. BHANDARI: Sorry, Craig, you have to
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	Page 145		Page 147
1	operating income from REIT I?	1	Q I'm going to now show you a document that's
2	A No, it's not.		been marked as Exhibit Number 5. You can review the
3	Q When did it was it previously receiving		document while I describe it.
4	income from REIT I?	4	At the top it says Form 1-A. Regulation A
5	A No, it never received operating income, no.		offering statement. Part 2 offering circular,
6	Q I thought I understood you as saying that		Amendment Number 1, DF Growth REIT II, LLC. It's a
	the parent company depends on income from REIT II?		multipage document. It's a long document. It's 76
8	A From the fees. From the fees, from the fee		pages of a PDF. I'll scroll through it quickly. I'm
	structure.		going to ask you if you recognize this document.
10	Q What about from REIT I, does REIT I have a	10	If you want me to stop or review anything,
	fee structure?		you can let me know.
12	A REIT I is closed. No more fees coming in	12	A Go to the top again, because I wasn't sure.
	from REIT I.		I saw the word amended, but I don't know if this is
14	Q So after the money comes in, how does the		an amendment. It's an offering. It's not really an
	parent company continue to operate?		amendment, it's an offering circular, right?
16	A We're on REIT II, on the fees on REIT II,	16	Q I'm asking you, do you recognize this
	and then if we when you sell the property, if you		document?
	sell properties, we share in the profits when it hits	18	A Yeah, I recognize it. I kind of defer to
	a certain hurdle.		my cofounder on all the legal documents because he's
20	Q Okay. So if the REIT I properties sell		a corporate securities attorney.
	past a certain hurdle, REIT I would have income	20	Q What is this document?
	coming in or the parent company would have income	22	A It looks like the offering circular for the
	coming in from that; is that correct?		REIT I plus offering.
24	A Yeah. Which is anywhere from a three- to	24	Q I'm going to scroll down to the end of the
	five-year cycle.		last page, which is a signatures page. It appears to
			last page, milen le a signatares pager it appears to
	D (10		
1	Page 146 So if we did consecutive funds for four or	1	Page 148
1	So if we did consecutive funds for four or	1	have been signed by you.
2	So if we did consecutive funds for four or five years, you'd start seeing income coming in from	2	have been signed by you. Did you sign this document electronically?
2 3	So if we did consecutive funds for four or five years, you'd start seeing income coming in from other sources with	-	have been signed by you.Did you sign this document electronically?A I can't recollect signing this document. I
2 3 4	So if we did consecutive funds for four or five years, you'd start seeing income coming in from other sources with Q Is there a minimum amount that REIT II	2	 have been signed by you. Did you sign this document electronically? A I can't recollect signing this document. I just when my cofounder says, sign this, Craig, I
2 3 4 5	So if we did consecutive funds for four or five years, you'd start seeing income coming in from other sources with Q Is there a minimum amount that REIT II needs to raise?	2 3 4 5	have been signed by you. Did you sign this document electronically? A I can't recollect signing this document. I just when my cofounder says, sign this, Craig, I sign things on because he's you know, his
2 3 4 5 6	So if we did consecutive funds for four or five years, you'd start seeing income coming in from other sources with Q Is there a minimum amount that REIT II needs to raise? A Can you clarify that question? What do you	2 3 4 5 6	have been signed by you. Did you sign this document electronically? A I can't recollect signing this document. I just when my cofounder says, sign this, Craig, I sign things on because he's you know, his background being a corporate securities attorney, I
2 3 4 5 6 7	So if we did consecutive funds for four or five years, you'd start seeing income coming in from other sources with Q Is there a minimum amount that REIT II needs to raise? A Can you clarify that question? What do you mean by minimum amount?	2 3 4 5 6 7	have been signed by you. Did you sign this document electronically? A I can't recollect signing this document. I just when my cofounder says, sign this, Craig, I sign things on because he's you know, his background being a corporate securities attorney, I trusted him.
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1	Page 149		Page 151
1 I.	A Okay. Yeah.	1	that deploy the capital as quickly as possible. So
2	Q Is there any reason you would believe that		that's accurate as well.
3	you did not sign that?	3	Q How do you reconcile this statement with
4	A Yeah, like I don't I don't remember	-	stating that REIT II stopping sales might harm REIT I
5	-		and REIT II?
6	sign them on my behalf.	6	A Clarify the question one more time.
	MR. BHANDARI: Will, maybe we take a	7	
	five-minute coffee break and be back for the last		what's stating that REIT II stopping sales would harm
9	stretch.		REIT I and REIT II?
10	MR. ROSENTHAL: Can we go another five	10	A Well, that just says deploying the capital,
11	minutes and then take a break?		and we will do our best ability to deploy the capital
12	MR. BHANDARI: I'm fine with that.		within the metrics we put in place as quickly as
13	Is that all right with everyone?		possible. Whenever you change a business plan,
14	Q (By Mr. Rosenthal) What was your role with		it's you when you change things up, you might
15	,		have to change employees around, as you're there's
16	A Can you clarify the question, my role? Is.		just things involved with that.
17	Q Did you have a role with this document	17	o j
18			collect revenue so you can pay for your staff to
19	A Creating the document, no.	19	deploy the capital. Kind of self-explanatory. I
20	Q Who drafted this document?	20	don't really understand.
21	A It would be our corporate counsel, Mark	21	MS. LEVIN: Revenue is different than
22	Roderick, and our our cofounder, Alan Lewis.	22	investment by investors, capital invested by
23	Q Did you review this document before it was	23	investors, correct?
24	finalized?	24	THE WITNESS: Yeah, it's different.
25	A No, I did not.	25	MS. LEVIN: Okay. So this document says
	Page 150		Page 152
1	Q Who reviewed it?	1	that there's no minimum required, and you just
2	A Mark Roderick and Alan Lewis.		testified that that was accurate, correct?
3		-	
–		3	THE WITNESS. The offering has no minimum
4	Q Did you approve this document? A Lauess clarify that question Did L	3 4	THE WITNESS: The offering has no minimum amount correct. Yeah
4	A I guess clarify that question. Did I	4	amount, correct. Yeah.
5	A I guess clarify that question. Did I approve this document?	4 5	amount, correct. Yeah. MS. LEVIN: Right. So, hypothetically, if
5 6	A I guess clarify that question. Did Iapprove this document?Q This document this document has your	4 5 6	amount, correct. Yeah. MS. LEVIN: Right. So, hypothetically, if the offering only raised \$5, how is REIT I harmed?
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4	Page 153		Page 155
	involved in the funds raised in large dollar amounts		offering or something less, we believe the proceeds
	is revenue for the company to run the assets.		of the offering will satisfy our cash requirements.
3	,		If we raise less than 50 million, we will simply make
	says no minimum amount is required, which means that		fewer investments, although we might decide to raise
	it's possible that you would generate no fees from		more capital, we know of no reason why we would need
7	REIT II, isn't that a possibility?	7	to."
8	,		
9		8	
-	answer. If there are no investors in REIT II, then	9 10	3
11	no fees would be generated from REIT II; is that	11	
	correct?		investments, although we might decide to raise more
13			capital, we know of no reason we would need to."
	REIT II, then we wouldn't have we wouldn't have	14	
	any revenue to pay for staff, and then we'd have to	15	
	figure it out.		
17	MS. LEVIN: So you view the fees as		raise.
	revenue?	18	Q So is this statement accurate?
19		19	A In some forms it can be accurate, in some
	revenue.	20	
21	MS. LEVIN: Thank you.		your what's your business plan.
22	-	22	
	the offering circular, I'm going to what's been	23	-
	marked as what's listed on the page as page 58 of		assets that require \$10 million of equity per asset
	the offering.		and you raise \$5 million.
			· · · · · · · · · · · · · · · · · · ·
1	Page 154 MR. BHANDARI: Will, we talked about a	1	Page 156 Q Is that what REIT II's business plan is?
	five-minute letting you guys go on for five	2	
	minutes and then taking a pause. How about we do		contingent upon how much money we raised in REIT I,
	that now?		and so you said REIT I we raised north of 60 million,
5			-
			so you derceive yoursell to faise that same amount of
	minute or two.		so you perceive yourself to raise that same amount or more and put together a plan based on your prior
6	minute or two. MR. BHANDARI: All right.	6	more and put together a plan based on your prior
6 7	MR. BHANDARI: All right.	6 7	more and put together a plan based on your prior experience.
6 7 8	MR. BHANDARI: All right. Q (By Mr. Rosenthal) Mr. Cecilio, in the	6	more and put together a plan based on your prior
6 7	MR. BHANDARI: All right. Q (By Mr. Rosenthal) Mr. Cecilio, in the second paragraph down, it says, "The company is	6 7 8 9	more and put together a plan based on your prior experience. Q Is REIT II's business plan to raise a certain amount?
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6 7 8 9 10	MR. BHANDARI: All right. Q (By Mr. Rosenthal) Mr. Cecilio, in the second paragraph down, it says, "The company is	6 7 8 9 10	 more and put together a plan based on your prior experience. Q Is REIT II's business plan to raise a certain amount? A It's to max to maximize the offering, the full amount, is the business plan.
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	Page 157		Page 159
1	break.	1	generated from other properties?
2	MR. BHANDARI: Yeah, I'm not objecting to	2	THE WITNESS: The disposition of some
3	that, but I'm saying this one question, and then	3	properties. I believe we sold two properties.
	we're going to take a break.	4	MS. LEVIN: Which two properties were sold?
5	MR. ROSENTHAL: Correct. Yes.	5	THE WITNESS: Goshen and Summerlin.
6	Q (By Mr. Rosenthal) All right. You can	6	MS. LEVIN: And when were those sold?
7	answer the question.	7	THE WITNESS: Summerlin over the summer.
8	A What's the question again, one more time?	8	Goshen I think that was like Decemberish.
9	Q How do you reconcile this statement with	9	MS. LEVIN: December 2021?
-	stating that REIT II stopping sales would harm REIT I	10	THE WITNESS: Yeah.
11	and REIT II?	11	MS. LEVIN: Okay. And how are other parent
12	A I mean, I've talked about indirect		company operations funded in addition you know,
	relationships between entities in running a business,	13	beyond paying your employees? For example, you pay
	and so there is an indirect relationship there.		rents, you pay for software, technology license. How
15	You would adjust your business plan		are operations funded?
	accordingly based on how much money you raise. If	16	THE WITNESS: That's all that's where
	you're going after assets that require large down		the revenue comes from. That's all the revenue.
	payments or large equity investments, you would have	18	MS. LEVIN: So those same three sources?
	to reappropriate your business plan and make changes	19	THE WITNESS: Yeah.
	accordingly.	20	MS. LEVIN: Okay. And how are dividends
21	And so the only way that this could be	21	paid to REIT II investors?
	construed of not about a business plan is, in this	22	THE WITNESS: The dividends to REIT II
	case, if our REIT was shut down, which it is right		investors?
	now, in a case where we can't fulfill our	24	MS. LEVIN: Yes.
	obligations.	25	THE WITNESS: I mean there's really REIT
	obligationel		
	D 450		D
1	Page 158 So we have to readjust our husiness plan	1	Page 160
1	So we have to readjust our business plan		Il just opened up, so and now it's shut down, so
2	So we have to readjust our business plan accordingly, which would be laying the staff off.	2	II just opened up, so and now it's shut down, so I'm not really sure, wouldn't be able to do any
2 3	So we have to readjust our business plan accordingly, which would be laying the staff off. MR. ROSENTHAL: Off the record at 3:41 p.m.	2 3	Il just opened up, so and now it's shut down, so I'm not really sure, wouldn't be able to do any dividends. But that would be a question for our
2 3 4	So we have to readjust our business plan accordingly, which would be laying the staff off. MR. ROSENTHAL: Off the record at 3:41 p.m. (Recess from 3:41 p.m. to	2 3 4	Il just opened up, so and now it's shut down, so I'm not really sure, wouldn't be able to do any dividends. But that would be a question for our chief investment officer and how he does the dividend
2 3 4 5	So we have to readjust our business plan accordingly, which would be laying the staff off. MR. ROSENTHAL: Off the record at 3:41 p.m. (Recess from 3:41 p.m. to 3:53 p.m)	2 3 4 5	Il just opened up, so and now it's shut down, so I'm not really sure, wouldn't be able to do any dividends. But that would be a question for our chief investment officer and how he does the dividend equation based on the value-add asset class.
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Page 16	Page 163
1 A I don't know. I don't know if it has.	1 construction management fee, guaranty fees, other
2 Q Okay.	2 fees.
3 MS. LEVIN: Actually, I have another	3 Is this description of the fees for REIT II
4 follow-up question. I apologize, Mr. Cecilio.	4 accurate?
5 It sounds like you're the one who really	5 A Yeah, those if it's in the document,
6 handles finance; is that correct?	6 those are the fees. I would just go on to say, just
7 THE WITNESS: No, that's the the COO	7 because you charge those the fees in the document
8 handles the finance department. I like to be aware	8 doesn't mean those fees are charged. You just have
9 of the number of what's going on to make decisions.	9 to I'd have to get accounting to produce what fees
10 MS. LEVIN: To make decisions about what?	10 were charged.
11 THE WITNESS: Everything, in general. How	11 Q So the first fee is a reimbursement; is
12 the assets are performing, how you know, should we	
13 hire people, do we have revenue, all of those	13 A For which one?
14 high-level business decisions.	14 Q The first one. I just it has REIT II
15 MS. LEVIN: Okay. Thank you.	15 charge, reimbursement?
16 Q (By Mr. Rosenthal) What fees does REIT II	16 A And I think this says reimbursement, and it
17 charge?	17 says estimate on there. So you'd have to go to
18 A The fee structure of REIT II?	18 I'd have to go to my accounting department, which I
19 Q Yeah.	19 think you guys got the financials, and we could
20 A The specific details are an offering, and I	20 extrapolate that for you if you need that. And we
21 could just tell you well, technically speaking,	21 could get the financing, the actual numbers that we
22 today REIT II is not authorized to sell anything, so	22 charged and compare it against this document. It's
23 we're actually technically not charging any fees from	23 pretty easy.
24 that point of view.	24 But I don't have it off the top of my head.
25 But the way it was accepted, it's writing	25 I think that's pretty par for course. I don't think
Page 16	2 Page 164
Page 16 1 the offering itself that clearly delineates what the	Page 164 1 any human being would have it on top of their head.
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Page 165		Page 167
1 A Who is the who is the sponsor in this	1	fund level.
2 case? I just need to be clear on who the sponsor is.	2	Q The way that REIT II charges asset
3 Q Just asking a broader question. Has	3	management fees, has that changed?
4 REIT II reimbursed any expenses?	4	A Every fund is different. It has its own
5 A Yes. It has reimbursed expenses. The	5	unique fees, so I don't know I would say yes, to
6 exact amounts, I do not, but our accounting		answer the question, it would be every fund we
7 department does know and can produce those records.	7	have is different than the last fund.
8 And I believe we did send records to you	8	But nothing is we're not charging
9 guys as well, so you could have accurate information	9	anything that's not on this list. We're not
10 to see if it matches what the offering says versus	10	different. We're consistent with it, and we probably
11 the fees charged.	11	charge less fees than what are on this offering,
12 Q And what types of expenses has REIT II	12	which we could just kind of look at the QuickBooks
13 reimbursed?	13	files and just do a cross reference of: Here's the
14 A The specific details would be our	14	fees you can charge, here's the fees you collected,
15 accounting department. I don't have that memorized	15	and you do a cross reference to see what was approved
16 in my head.	16	by the SEC and what we're charging.
17 Q And so for what people or entities has REIT	17	Q What fees have been less?
18 II reimbursed the expenses?	18	A This would be speculation, you would just
19 A It would be you get a detailed list from	19	have to produce that through your accounting
20 our accounting department and it would specifically	20	department and overlap each other. Here's the fees
21 say does this specific dollar amount and specific	21	charged, here's what you can, just look at the
22 party that was reimbursed.	22	difference.
23 Q Okay. On the next page it lists an asset	23	Q And this sponsor fee, it says, "The sponsor
24 management fee. It states, "The sponsor will charge	24	will charge each project entity (or the company
25 each project entity an asset management fee equal to	25	itself if the company owns real estate directly) a
Page 166		Page 168
1 2 percent of the gross operating income, typically	1	sponsor fee between 6 percent and 8 percent of the
2 gross rental revenue of the real estate contract		total project cost, including both hard costs (e.g.,
2 gross rental revenue of the real estate contract3 owned by the project entity."	2	
	2 3	total project cost, including both hard costs (e.g.,
3 owned by the project entity."	2 3	total project cost, including both hard costs (e.g., the cost of property) and soft costs, (e.g., professional fees)." Has REIT II charged sponsor fees?
3 owned by the project entity."4 Is that statement accurate?	2 3 4	total project cost, including both hard costs (e.g., the cost of property) and soft costs, (e.g., professional fees)."
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 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 	2 3 4 5 6 7 8	total project cost, including both hard costs (e.g., the cost of property) and soft costs, (e.g., professional fees)." Has REIT II charged sponsor fees? A REIT II has charged fees. Specifically how that is sliced and diced, I'd have to go through the accounting department to know those those specific
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Page 169Page 1791 document.1 going to ask if you recognize it.2 MR. BHANDARI: 1 understand, but there's3 two different entities, the sponsor and the company.4 Who's the sponsor and who's the company?3 management fee. See, that's acquisition fee.4 Who's the sponsor and who's the company?4 Okay. Keep going down.5 Q (By Mr. Rosenthal) Mr. Cecilio, what's your5 Is go down a little bit more. Go up.6 understanding of who the sponsor and who the company?6 Go to the top. I'm missing something here.7 are?7 Keep going up. Okay. Go down. Stop right8 MR. BHANDARI: And if you need to read the9 Q Do you recognize this document?10 ask to read the document.10 A Yeah. It's the document that was that11 MS. LEVIN: Will, you can go to the cover11 Mark filed, and Alan, to adjust the fee structure.12 page if you want.12 Q Okay. So who drafted this document?13 BY MR. ROSENTHAL:13 A Mark Roderick.14 Q On the cover page it says,15 A He's our counsel, so he's technically the16 company organized under the laws of Delaware, which17 Q And did who provided information to18 to acquire interest in real estate assets in the19 A That'd be Alan Lewis, our chief investment10 United States."19 Q Did you review this document?20 So DF Growth REIT II is the company.21 Q Did you review this document?21 Wr. BHANDARI: All right. So the thing you22 A No, I did not, but I know the reason for
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5 5, 5,
23 to be charged by the sponsor, not by the company. 24 December 23 the document.
24 MR. ROSENTHAL: Okay. 24 Q Okay. Did you approve this document?
25 MS. LEVIN: I think he was just asking what 25 A I supported I I mean approve? I
Page 170 Page 17
1 was written in the document. 1 supported the document. I said okay. I didn't get a
2 MR. ROSENTHAL: Right. 2 chance to review the document. I just told we were
3 MR. BHANDARI: No, he asked whether REIT II 3 updating the fee structure, and we're going to
4 is going to charge any fees, and he referenced the 4 increase that's what I was told, and I said okay.
5 section says sponsor fees. 5 Q Who else approved this document?
6 REIT II is not implicated by something that 6 A You would look only Alan and I are the
7 says sponsor fees.7 only two on board of directors, so we'd only two have
8 MS. LEVIN: Why don't we just agree to 8 the rights to approve that document.
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	Page 173		Page 175
1	get at, so it would have to be	1	And it goes on to list several fees.
2	MS. LEVIN: Okay.	2	A Yes.
3	THE WITNESS: No one said	3	Q I'm not going into the specifics, but was
4	MS. LEVIN: That's not an answer.	4	that statement true, that the offering circular fees
5	THE WITNESS: (Inaudible) the actual truth	5	section was revised entirely?
6	in how it happened was, I'm filing this document,	6	A It was revised. Entirety would mean
7	okay, go ahead and file the document. It was a	7	yeah, it was changed. So I was every single thing
8	verbal okay from me. He said he was going to file	8	changed? I think you have to see them side by side.
9	this document, based on Mark, submitted to the SEC.	9	I wouldn't but it was there's material change
10	MS. LEVIN: So you gave a verbal okay to	10	here.
	Alan?	11	Q Okay. So was this intended to be a
12	THE WITNESS: Verbal, when he told yes,		complete replacement of the fee for REIT II from
	when he said I'm doing this, yes.		what's in the offering circular?
14	MS. LEVIN: Okay. So you both have final	14	A The original ones in REIT II are just like
	approval then?		REIT I.
16	THE WITNESS: Yes.	16	Again, the total fees were if you did a
17	MS. LEVIN: Thank you.		spreadsheet, it's the same fee charged, it flattens
18	BY MR. ROSENTHAL:		when we get the fee. So it was a little bit later on
19	Q So you said you understood		in the process, it just flattens it out across the
	that the fee structure was updated. Who		whole process
21		21	Q Okay.
22	A Alan updated the fee structure from	22	A or timeframe.
	after consulting with Mark Roderick, our securities	23	Q Is the description of REIT II fees in this
	attorney.		document accurate?
25	Q Okay. And why was the fee structure	25	A Yes, it looks accurate.
1	Page 174	4	Page 176
	updated?	1	Q And it mentions the expenses. Are the
2	updated? A The fee structure was updated for a variety	2	Q And it mentions the expenses. Are the expenses being reimbursed by REIT II expenses that
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2 3 4 5 6 7 8 9 10 11 12 13 14 15 16 17 18 19 20 21 22 23 24	updated? A The fee structure was updated for a variety of reasons. One, basically it's the same fee structure that we had before. It just flattens the fees out across the board. So if you really did put it the fees in an Excel spreadsheet and looked at how the fees were paid on REIT I, it's pretty much the same costs to customers on REIT II. They just come at different points in time in the process. So that was the reason behind it, the flattening flatten the fees coming to the company. Q Okay. Okay. A It wasn't an increase in fees, it just flattens the fees when they come in at what point in time. Q Okay. Was that the only reason or purpose, or were there any other reasons or purposes to update the fee structure? A No. That was the primary purpose, to flatten the fees when they came in. Q Do you see on that first page, it says	2 3 4 5 6 7 8 9 10 11 12 13 14 15 16 17 18 19 20 21 22 23	Q And it mentions the expenses. Are the expenses being reimbursed by REIT II expenses that were actually incurred? A Can you elaborate on the question or clarify that? Q How were the REIT II expenses? Are they when they're being reimbursed, are they expenses that have actually been incurred? A I mean I'm not going to guess. Just going through the financial records, and you can see that, you can see when an expense was created, and then you can see when the fee came in to pay for that expense. It would be all in the financial specifically. There's just so many expenses coming in. I can't put myself in a position to guess here what the facts would be, and the financials would show you exactly that, how it was paid. So I don't want to guess here, because I think there's like there's just so much stuff that there's a lot of costs and a lot of bills being paid, I just can't guess.

Page 177	Page 17
1 Q Yeah.	1 again to testify in this matter. We'll contact your
2 A I mean, overall the overall financial	2 counsel to arrange this.
3 department, how we operate that?	3 Although your testimony is being adjourned,
4 Q Yeah.	4 you remain under subpoena.
5 A We set a budget, and we allow our	5 Mr. Cecilio, do you wish to clarify
6 each certain people have authorization to manage	6 anything or add anything to the statements you have
7 their budgets accordingly. There's different	7 made today?
8 divisions, different departments, which are different	8 MR. BHANDARI: I can say that he doesn't.
9 from each other, so there's not a consistent process	9 THE WITNESS: No.
10 across each division.	10 MR. ROSENTHAL: Counsel, do you have do
11 And some are direct pays on credit cards,	11 you wish to ask any clarifying questions?
12 account cards.	12 MR. BHANDARI: No, thank you.
13 Some are are invoices that were	13 MR. ROSENTHAL: Okay. Off the record at
14 received. Some are manual invoices. Some are	14 4:23 p.m.
15 automated stuff. It's all the across the board.	15 (Whereupon, at 4:23 p.m., the examination
16 Really, if you look at the financials, will	16 was concluded.)
17 detail that at the level that you probably need to	17 ****
18 see at the end of the day. And I'm sure you guys	18
19 have all that information.	19
20 But, otherwise, I'd just be kind of	20
21 guessing, but it's just it's just a little bit	21
22 there's not one certain way how it's done.	22
23 And you've got that variety of you got	23
24 more the tech-oriented businesses and systematic	24
25 billing to maybe a contractor of a specific property	25
Page 178	, i i i i i i i i i i i i i i i i i i i
1 sends you an invoice, and it's all across the board.	1 PROOFREADER'S CERTIFICATE
2 Q Who oversees expenses?3 A We have our COO overseeing the expenses	
3 A We have our COO overseeing the expenses4 right now. He's running the financial departments.	3 In the Matter of: DIVERSYFUND, INC.
5 He sets the budgets.	4 Witness: Craig Cecilio 5 File Number: LA-05266-A
6 And then on the property level, that would	6 Date: Tuesday, March 15, 2022
7 be the head of real estate and in concert with our	7 Location: Los Angeles, California
8 chief investment officer, Alan Lewis.	8
9 Q So who approves expenses?	9 This is to certify that I, Christine Boyce,
10 A Depending on which level. So you have the	
11 level on to the property level, it would be the	10 (the understand), do hereby certify that the foregoing
12 chief investment officer. On the particular assets	10 (the undersigned), do hereby certify that the foregoing11 transcript is a complete, true and accurate transcription
13 that we're managing, on the parent level we just I	10 (the undersigned), do hereby certify that the foregoing11 transcript is a complete, true and accurate transcription12 of all matters contained on the recorded proceedings of
	11 transcript is a complete, true and accurate transcription
14 mean, we came to an agreement of the budget for	11 transcript is a complete, true and accurate transcription12 of all matters contained on the recorded proceedings of
14 mean, we came to an agreement of the budget for15 and our COO divides that up proportionally. So we	11 transcript is a complete, true and accurate transcription12 of all matters contained on the recorded proceedings of13 the investigative testimony.
• •	11 transcript is a complete, true and accurate transcription12 of all matters contained on the recorded proceedings of13 the investigative testimony.14
15 and our COO divides that up proportionally. So we	 11 transcript is a complete, true and accurate transcription 12 of all matters contained on the recorded proceedings of 13 the investigative testimony. 14 15
15 and our COO divides that up proportionally. So we16 have a fixed number.	 11 transcript is a complete, true and accurate transcription 12 of all matters contained on the recorded proceedings of 13 the investigative testimony. 14 15 16
15 and our COO divides that up proportionally. So we16 have a fixed number.17 Q Okay.	11 transcript is a complete, true and accurate transcription 12 of all matters contained on the recorded proceedings of 13 the investigative testimony. 14 15 16
 15 and our COO divides that up proportionally. So we 16 have a fixed number. 17 Q Okay. 18 MR. ROSENTHAL: Vicki, do you have 	11 transcript is a complete, true and accurate transcription 12 of all matters contained on the recorded proceedings of 13 the investigative testimony. 14 15 16
 15 and our COO divides that up proportionally. So we 16 have a fixed number. 17 Q Okay. 18 MR. ROSENTHAL: Vicki, do you have 19 questions? 20 MS. LEVIN: I don't have any more for 21 today. 	11 transcript is a complete, true and accurate transcription 12 of all matters contained on the recorded proceedings of 13 the investigative testimony. 14 15 16
 15 and our COO divides that up proportionally. So we 16 have a fixed number. 17 Q Okay. 18 MR. ROSENTHAL: Vicki, do you have 19 questions? 20 MS. LEVIN: I don't have any more for 21 today. 22 I'm sure we'll need to speak with you again, 	 11 transcript is a complete, true and accurate transcription 12 of all matters contained on the recorded proceedings of 13 the investigative testimony. 14 15 16 17 (Proofreader's Name) 3-28-2022 18 19 20
 15 and our COO divides that up proportionally. So we 16 have a fixed number. 17 Q Okay. 18 MR. ROSENTHAL: Vicki, do you have 19 questions? 20 MS. LEVIN: I don't have any more for 21 today. 22 I'm sure we'll need to speak with you again, 23 Mr. Cecilio. So I'll let Will wrap up for today. 	11 transcript is a complete, true and accurate transcription 12 of all matters contained on the recorded proceedings of 13 the investigative testimony. 14 15 16
 15 and our COO divides that up proportionally. So we 16 have a fixed number. 17 Q Okay. 18 MR. ROSENTHAL: Vicki, do you have 19 questions? 20 MS. LEVIN: I don't have any more for 21 today. 22 I'm sure we'll need to speak with you again, 	 11 transcript is a complete, true and accurate transcription 12 of all matters contained on the recorded proceedings of 13 the investigative testimony. 14 15 16 17 (Proofreader's Name) 3-28-2022 18 19 20 21 22 23 24

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1	REPORTER'S CERTIFICATE	
2	STATE OF UTAH)	
3	COUNTY OF SALT LAKE)	
4	I, Heidi Hunter, RPR, CCR, for the state	
	of Utah.	
6	That the foregoing proceedings were taken	
	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	
	but the truth.	
11	That I thereafter transcribed my said	
	•	
	shorthand notes into typing and that the typewritten	
	transcript of said deposition is a complete, true	
	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	
	nor am I a relative or employee of any of the	
	parties' attorney or counsel connected with the	
	action, nor am I financially interested in the	
	action.	
22	Llaidi Llumtan DDD COD	-
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

OS Received 06/03/2022

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4) File No. LA-05266-A	4	
5 DIVERSYFUND, INC.)	5 E	EXHIBITS: DESCRIPTION IDENTIFIED
6	6	Formal Orders of Investigation 13
7 WITNESS: Alan Lewis	7	1 Form 1662 13
8 PAGES: 8 through 198	8	2 Procedures for Testimony By Audiovisual Means 17
9 PLACE: Securities and Exchange Commission	9	5 Form 1-A Regulation A Offering Statement,
10 444 Flower Street, Suite 900	10	Part II - Offering Circular Amendment
11 Los Angeles, California 90071	11	Number 1 DF Growth REIT II, LLC 150
12 DATE: Thursday, April 21, 2022	12	6 Offering Circular Supplement Number 1.
13	13	Date of Original Offering Circular,
14 The above-entitled matter came on for hearing,	14	January 19, 2021. August 26, 2021,
15 via WebEx, pursuant to notice, at 9:39 a.m. Pacific Time.	15	DF Growth REIT II 163
16	16	7 Form 1-SA Semiannual Report Pursuant to
17	17	Regulation A for the Semiannual Period
18	18	Ended June 30, 2021, DF Growth REIT II, LLC 102
19	19	10 11-22-21 Diversyfund.com Web Capture,
20	20	REIT I Versus REIT II Investments 147
21	21	11 Sep 2021 Diversyfund.com Web Capture,
22	22	The Path to Financial Freedom 173
23	23	12 Nov 2021 Diversyfund.com Web Capture,
24 Diversified Reporting Services, Inc.	24	REIT II Fee Structure 182
25 (202) 467-9200	25	
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1 APPEARANCES:	1	C O N T E N T S(CONT.)
2	2	
3 On behalf of the Securities and Exchange Commission:		EXHIBITS DESCRIPTION IDENTIFIED
4 WILLIAM ROSENTHAL, ESQ.	4	14 Nov 2021 Diversyfund.com Web Capture, Why
5 VICTORIA A. LEVIN, ESQ.	5	Was My First Dividend Lower Than I Expected 192
6 STEPHEN KAM, ESQ.	6	15 List of Investors for REIT I and REIT II,
7 JENNIFER BARRY, ESQ.	7	DF-000915 107
8 Securities and Exchange Commission	8	17 1-26-22 Letter, Rosenthal to Lewis,
9 444 Flower Street, Suite 900	9	with Subpoena 18
10 Los Angeles, California 90071	10	18List of Dividends Paid, DF-001314194
11 (323) 965-3998	11	
	12	
13 On behalf of the Witness:	13	
14 SANJAY BHANDARI, ESQ.	14	
15 Buchalter	15	
16 655 West Broadway, Suite 1600	16	
17 San Diego, California 92101-8494	17	
18 (619) 219-5335	18	
19 sbhandari@buchalter.com	19	
20	20	
20 21	21	
20 21 22	21 22	
20 21 22 23	21 22 23	
20 21 22	21 22	

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1 PROCEEDINGS	1 A Yes.
2 MR. ROSENTHAL: On the record at 9:39 a.m. on	2 Q Do you have any questions about this exhibit?
3 April 21, 2022. Mr. Lewis, do you consent to taking an oath	3 A No.
4 to tell the truth remotely via Webex rather than in person?	4 Q Okay. Are you represented by counsel?
5 THE WITNESS: Yes, I consent.	5 A Yes, I am.
6 MR. ROSENTHAL: Please raise your right hand.	6 MR. ROSENTHAL: Would counsel please identify
7 Whereupon,	7 themselves for the record and confirm that they are
8 ALAN LEWIS	8 representing Mr. Lewis?
9 was called as a witness by counsel for the SEC, and having	9 MR. BHANDARI: Sanjay Bhadari. I do represent
10 been first duly sworn, was examined and testified	10 Mr. Lewis.
11 as follows:	11 MR. ROSENTHAL: I'm sorry, can you repeat that?
12 EXAMINATION	12 MR. BHANDARI: Sure. Can you hear me now?
13 BY MR. ROSENTHAL:	13 MR. ROSENTHAL: (Shaking head.)
14 Q Please state and spell your full name for the	14 MR. BHANDARI: No.
15 record.	15 MR. ROSENTHAL: It's a little choppy.
16 A Alan Robertson Lewis, A-L-A-N, R-O-B-E-R-T-S-O-N,	16 MR. BHANDARI: Okay. How about now?
17 L-E-W-I-S.	17 MR. ROSENTHAL: Yes.
18 Q My name is William Rosenthal. I'm an attorney in	18 MS. LEVIN: (Nodding head.)
19 the Office of Enforcement, Los Angeles Regional Office, of the	19 MR. BHANDARI: Okay. I'm not sure what going on
20 United States Securities and Exchange Commission. With me	20 with the computer. I moved the setup because it was getting a
21 today is Assistant Regional Director Victoria Levin and trial	21 lot of sun in the back and I think it's overheating. So
22 counsel Jennifer Barry and Stephen Kam. We are all officers	22 hopefully it'll get a little bit better as we go along. But
23 of the Commission for the purposes of this proceeding.	23 yes, Sanjay Bhadari with the lawfirm of Buchalter. I do
24 This is an investigation by the United States	24 represent Mr. Lewis.
25 Securities and Exchange Commission in the matter of	25 MR. ROSENTHAL: Okay.
	, ,
Page 13	Page 15
Page 13 1 DiversyFund, Inc., LA-5266, to determine whether there have	· ·
, i i i i i i i i i i i i i i i i i i i	Page 15
1 DiversyFund, Inc., LA-5266, to determine whether there have	Page 15 1 BY MR. ROSENTHAL:
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Page 16Page 161 your responses to our questions before we ask the next1MR. BHANDARI: (Inaudible.)2 question. Do you understand that?2MR. ROSENTHAL: Sorry, we didn't3 A Yes.3MR. BHANDARI: Yes.44 Q Okay. And if you do not understand a question,5MR. BHANDARI: Yes.5 please tell us and we will try to rephrase it.5MR. BHANDARI: Yes.6 I will control the record and when the court6MR. ROSENTHAL: Thank you.7 reporter is on the record or off the record. If you with to7BY MR. ROSENTHAL: Thank you.8 go off the record at any time to take a break or to consult9else during the last 24 hours that may impair your ability to9 with your attorney, please indicate this to me and we will ask0the reporter to go off the record if it's an appropriate time11 to do so.11A Noact12Q And nothing else that would impair your ability to13Q So even though we are taking your testimony via13remember facts and events?14Webex today, you should consider yourself to be testifying in14A Correct.15(SEC Exhibit No. 17 was16identified for the record.)17testimony as evidence to a Court in a later proceeding. For18Q I'm just going to pull up on the screen a document19most complete and honest answers to our questions today.Do19that's been marked as Exhibit Number 17. It is a20you understand?20Your best answers to the questions that I ask.23Comment to the subpo
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22 Q Your best answers to the questions that I ask. 22 accompanying subpoena and attachment to the subpoena.
23 A Yeah. I'm committed to giving truthful and honest 23 To clarify for the record, when we show you exhibits
24 answers under the oath to the best of my recollection 24 today during your testimony via Webex, we are showing you
25 Q Okay. 25 electronic copies of the exhibits on the Webex screen. Plea
Page 17 Page
1 A at this time. 1 take whatever time you need to review these exhibits. I will
2 Q And if you have trouble hearing me at all at any 2 scroll through it. It's a long document. But if you'd like
3 point in time, please let me know. If we have bandwidth or 3 me to stop at any point, you can let me know.
4 technical issues, sometimes it helps if people switch their 4 A Okay.
5 cameras off. So we may need to do that, but for now I think 5 Q I'm just going to ask you after I scroll through it
6 we can leave them on and assess as it goes. 6 if you recognize the document.
7 So the transcript of your testimony via Webex may be 7 Mr. Lewis, do you recognize Exhibit Number 17.
8 used for all the routine uses set forth in SEC Form 1662, 8 A Yes.
9 which has been marked as Exhibit Number 1. Since you are 9 Q Is the subpoena in Exhibit 17 a copy of the subpoen
10 testifying via Webex today, there are some additional10 you are appearing pursuant to here today?
11 procedures that apply. 11 A I assume so.
12(SEC Exh bit No. 2 was12QOkay. Do you have any reason to believe it's not?
13identified for the record.)13AWell, I understood this to be a subpoena for the
14 BY MR. ROSENTHAL: 14 document requests, so I didn't read it closely about
15QPrior to the opening of the record you were provided15discovering the subpoena for the appearance today, but the
16 with a copy of the Securities and Exchange Commission's16 would make sense.
17 procedures for testimony by audiovisual means, which has been17QOkay. I will go to do you see on page 4 it says
18 marked as Exh bit Number 2. I'll put that on the screen18 you must testify before the officers of the Securities and
19 again. Mr. Lewis, do you agree to abide and understand the19 Exchange Commission at the place, date and time specified
20 procedures set sorry. Do you understand and agree to abide20 below?
21 by the procedures set forth in Exhibit Number 2?21AYeah, I see that now.
22AYes.22QOkay. So you understand that this is the subpoena
23 MR. ROSENTHAL: And, Counsel, do you understand and 23 you are appearing here today pursuant to?
24 agree to abide by the procedures as set forth in Exhibit24ACorrect.
25 Number 2? 25 Q Okay. And this this subpoena also calls for

Page 20	Page 2
1 documents to be produced. Have you tendered to the staff all	1 BY MR. ROSENTHAL:
2 documents called for by the subpoena?	2 Q So the first one, all documents concerning the
3 A Yeah, to the best of my understanding of the list of	3 receipt of investor funds by DF Growth REIT II, who conducted
4 requests.	4 the search for that?
5 MR. BHANDARI: And if I might just clarify	5 A That I don't recall if it was finance or we have
6 BY MR. ROSENTHAL:	6 a gentleman named Ryan Wagner who deals with our data. So it
7 Q Okay. Are there certain documents	7 would have come from one of those two.
8 MR. BHANDARI: If I might just clarify, as counsel	8 Q And when you say "finance" who do you mean by that?
9 we're working to provide all these documents. And they so	9 A We have two individuals in our finance division.
10 certainly Mr. Lewis has provided to us, I believe, at this	10 Jonathan Neff heads the finance division, and then Samantha Li
11 time everything that would be responsive. I think there will	11 works underneath him and she she just left on maternity
12 be a production coming up the end of this week that will take	12 leave.
13 care of the most of the remaining items. We've made a	13 Q Okay. Can you spell both of those names?
14 number of productions along the way, and then I think there	14 A Sure. Yeah. Jonathan, J-O-N-A-T-H-A-N, Neff,
15 will need to be one more additional production with some text	15 N-E-F-F. And then Samantha Li, S-A-M-A-N-T-H-A, then Li, L-I.
16 messages. But I believe as far as Mr. Lewis providing the	16 Q Okay. Thank you. And how about number 3, all
17 information to us, I think that process has been completed.	17 documents and communications concerning complaints received
18 MR. ROSENTHAL: Okay. Thank you, Counsel. We cal	
19 certainly follow up with you. I will note for the record that	19 A That one it was an export from our third-party
20 these requests remain outstanding.	20 customer service application. And I don't know who actually
21 BY MR. ROSENTHAL:	21 did the export, but someone likely in customer service would
22 Q Mr. Lewis, can you describe the search that you	22 have initiated that.
23 conducted for the documents and provide who conducted that	23 Q Okay. Is there someone in charge of the customer
24 search?	24 service?
25 A And do you are you referring just to the list on	25 A Yes, the gentleman in charge of customer service's
Page 21	
Page 21	Page 2
1 here or the other subpoenas for the REIT II and DiversyFund,	Page 2 1 name is Christopher Finlay.
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Dama 04	Darra 00
Page 24 1 documents including communications concerning REIT II? Who	Page 26 1 yesterday. He just mentioned, "Good luck. Get some rest."
2 conducted that search?	2 Q Was the substance of your testimony discussed?
3 A That was a combination of well, we handed over	3 A No.
4 our e-mails to a third party, I believe it's called	4 Q Okay. Did you speak with Craig Cecilio about his
5 "Intrepid," and they are currently conducting those searches	5 testimony?
6 still. And then we have submitted for a review of our text	6 A Yeah, we had a meeting with counsel after his
7 messages for additional communications, potential responsive	7 testimony.
8 communications. And so that's e-mails. And then Slack. We	8 MR. BHANDARI: Hold on, Alan. I'm sorry, Alan. You
9 use an internal program called "Slack" for intercompany	9 can't talk, and Will's not asking you to talk, about meetings
10 communications, and so that also has been turned over to	10 you might have had with counsel or anything discussed in
11 Intrepid for a search. And then we have a paralegal, Janice	11 meetings with counsel. So you should understand all of his
12 Deng, that's helping with that.	12 questions to exclude that.
13 Q Okay. Have you withheld any documents called for	13 Is that fair, Will?
14 the subpoena based on any claim of privilege?	14 MR. ROSENTHAL: Yes, that's correct.
15 A I don't I don't believe so.	15 MR. BHANDARI: So outside of any meetings with
16 Q Okay. Were any documents called for by the subpoena	16 counsel, have you
17 not produced for any reason other than privilege?	17 BY MR. ROSENTHAL:
18 A Could you could you clarify that question?	18 Q Aside from your meetings
19 Q Yeah, so were there any documents that were called	19 MR. BHANDARI: Go ahead. I'm sorry.
20 for by the subpoena that were responsive to the subpoena that	20 MR. ROSENTHAL: That's fine. Thank you, Sanjay.
21 were not produced for any reason other than privilege	21 BY MR. ROSENTHAL:
22 A No.	22 Q Aside from your meetings with counsel, what did you
23 Q that you held back?	23 discuss with Craig Cecilio about his testimony?
A Well, other than the ones that we're still working	24 A No discussions outside of the discussion with
25 to produce. But those will be produced shortly.	25 counsel.
	Page 27
Page 25 1 Q Okay. Do you know of any documents that are	Page 27 1 Q Okay. Did you review a transcript of Craig
Page 25	
Page 25 1 Q Okay. Do you know of any documents that are	1 Q Okay. Did you review a transcript of Craig
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	 Q Okay. Did you review a transcript of Craig 2 Cecilio's testimony?
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	 Q Okay. Did you review a transcript of Craig 2 Cecilio's testimony? 3 A No.
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1	Page 28 with the Ninth Circuit filing, and the other one prior to the	1	Page 30
	with the Ninth Circuit filing, and the other one prior to the	1	Q Have you used any social network accounts in the
	Ninth Circuit filing I don't know how to exactly describe it,		last three years?
	but one of the administrative proceedings regarding the SEC.	3	
4		4	
	birth?	5	A LinkedIn, linkedin.com. Let's see, I have a
6			Facebook account, I have an Instagram, and those are the I
7	Utah.		mean, I don't use Facebook much, but Instagram and LinkedIn
8	, , , , , , , , , , , , , , , , , , , ,	8	are the ones that are most active.
9	A United States of America.	9	Q Okay. And are the accounts in your name or do you
10	Q Have you ever been known by any other name?	10	have, like, a user name?
11	A No.	11	A I mean, I think I think it might be a
12	Q And what is your current marital status?	12	combination. I mean, the accounts I don't know if I
13	A Separated.	13	understand the question.
14	Q Okay. Were you previously married?	14	Q So okay. LinkedIn, is the name in your account
15	A Well, still still am married.	15	or is your account in your name or a different name?
16	Q Oh, okay. And for how long?	16	A Yes, it's in my name.
17	A I was married in June of 2000.	17	Q Okay. And Facebook, is your account in your name or
18	Q Okay. And what is your spouse's name?	18	a different name?
19	A Her name is Mary Maline Lewis.	19	A In my name.
20	Q Can you spell that, please?	20	Q And Instagram, is it your name or is it account name
21	A Yeah. Mary, M-A-R-Y, Maline, M-A-L-I-N-E, Lewis,	21	or user name?
22	L-E-W-I-S.	22	A It has a user name, but it's in my name.
23		23	
24		24	A I believe it's Alan double underscore Lewis.
	spell Valle is V-A-L-L-E.	25	Q Okay. Are there any websites or blogs that you
	-	-	
	Page 29		Page 31
1			established or had authority to control within the last three
	the last three years?		years?
3	57 5	3	
4		4	
5			institutions you have attended since high school?
	lived there I think at that point, yeah, I had moved here.	6	A I went to undergraduate started off at a junior
7	I've been here for about three years.		college called "College of DuPage." I attended there for one
8	Q Okay. What is your telephone number?	8	year. Next I went to
9		9	Q What
10	Q Is that a cell phone?	10	-
11	A Yes.	11	Q What year did you attend there?
12	Q Do you have any other phone numbers?	12	A Let's see. That would have been fall of 1994 to
13	A No.	13	spring of 1995.
14	Q What e-mail addresses do you use?	14	Q Okay. Any others?
15	A I have my work e-mail, which is alan, A-L-A-N,	15	A Yes. Then I attended Brigham Young University in
16	@diversyfund.com. There are several e-mails that are group	16	Provo, Utah. Don't quite remember the exact dates, but I
17	e-mails we use in the office that I I guess you'd say I'm a	17	believe it was from fall of '98 to spring of 2002
18	subscriber to, in addition to other employees. One of those	18	approximately.
19	is assetmanagement@diversyfund.com. Trying to think of any	19	Q Okay. And did you receive a degree from there?
	other work e-mails. That's that's the only other one I	20	
	have in my Outlook. And then a personal e-mail	21	Q And what was your degree in?
22		22	
23	Q Have you used any other e-mail addresses in the last		minor in business.
	three years?	24	
1	-		-
25	A No.	25	A Yes. Then I attended Columbia Law School from fall

Page 32			Page 34
1 of 2003 and graduated spring of 2006.	1	Q	And do you hold a Bar license?
2 Q And what degree did you receive?	2	Α	Yes.
3 A A juris doctor.	3	Q	Can you identify the state or location?
4 Q Okay. And did you have any specialties or	4	Α	Yeah, New York Bar license.
5 specialized focus areas in law school?	5	Q	Do you know your Bar number?
6 A No formal special designation, but took mostly	6	Α	l don't.
7 corporate and real estate finance-type classes and some tax.	7	Q	And when was that Bar license awarded?
8 Q Have you attended any other educational institutions	8	Α	I graduated in 2006. I think it would have been the
9 since high school?	9	begini	ning of 2007.
10 A No.	10	Q	Okay. And it's still current?
11 Q Have you taken any other securities, accounting, or	11	Α	Yes.
12 business-related courses since high school?	12	Q	And do you have any, like, specialties or
13 A When I was at the I worked in a law firm there	13	specia	alized practice areas for your Bar license?
14 was, you know, not only continuing education legal	14	Α	Like a special designation?
15 education requirement, which I tend to focus that I still	15	Q	Correct, yes.
16 maintain my Bar license in New York, and so I tend to focus	16	Α	No.
17 that continuing legal ed around corporate and finance and	17	Q	Have you ever had any disciplinary proceedings
18 securities and real estate-type courses at the law firm Davis,	18	agains	st you related to your Bar license, like a state Bar
19 Polk & Wardwell. By virtue of working in the corporate	19	Assoc	iation?
20 department, you know, we would have lots of training on real	20	Α	No.
21 estate and private equity and corporate legal work and	21	Q	Any other professional licenses you've ever held?
22 securities laws, those kinds of things.	22	Α	No.
23 Additionally, when I was at a broker-dealer as a	23	Q	Have you ever been a member of any professional or
24 licensed representative, our continuing legal ed also focused	24	busine	ess club or organization?
25 around securities laws and corporate finance.	25	Α	I think I may have belonged to something related to
Page 33			Page 35
1 Q Okay. Have you ever held any professional licenses?	1	the Ne	ew York Bar, like the state Bar Association. I don't
2 A Yes. I had several FINRA licenses when I was with	2		I believe our firm signed us up automatically.
3 the broker-dealer; a Series 7, and another one which was a	3	Q	Okay. Do you remember what it was?
4 multistate license, but I don't recall the number.	4	A	
5 Q Okay. And when did you receive those licenses?	1		Bar Association or New York something with New York
6 A That would have been around 2010, 2011, I believe.	6	State.	
7 I think I had a third license as well, Series 79, which was	7		Okay. Any other professional or business
8 investment banking.	8	organ	izations?
9 Q Do you still hold those licenses?	9	A	
10 A No. Those are all inactive. Now I currently have a	10	Q	Okay. What is your current occupation?
11 FINRA license for the registered investment advisor. I don't	11	A	Currently I am a member of the Board of Directors of
12 recall the number of the series.			
			syFund, Inc. and an officer of that company as well as
13 Q Do you know when those licenses were terminated or	13	the ch	ief investment officer.
14 ended?	13 14	the ch Q	ief investment officer. And how long have you held those positions?
14 ended? 15 A I believe I believe they terminate when I left	13 14 15	the ch Q A	ief investment officer. And how long have you held those positions? Since we started the company in August 2016.
 14 ended? 15 A I believe I believe they terminate when I left 16 the broker-dealer, which would have been end of 2014. 	13 14 15 16	the ch Q A Q	ief investment officer. And how long have you held those positions? Since we started the company in August 2016. Do you have a work address and phone number?
 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 	13 14 15 16 17	the ch Q A Q A	ief investment officer. And how long have you held those positions? Since we started the company in August 2016. Do you have a work address and phone number? Yes. We have a business office, which is 750 B
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Page 36	Page 38
1 independent contractors.	1 prepared for construction and negotiating those contracts.
2 Q And what was the broker-dealer?	2 And then I would help with investor relations just
3 A At the time it was called Brill, B-R-I-L-L, Brill	3 communicating updates on some of those projects as they
4 Securities, Inc. They were since acquired by a company, I	4 proceeded after closing.
5 believe, called "Western" something.	5 Q And what were the dates that you worked there?
6 Q And when did you work there?	6 A Approximately the end of 2014 to July of 2016.
7 A I worked with Brill from maybe 2010 to approximately	7 Q Did you have any employment after that before
8 the end of 2014.	8 DiversyFund?
9 Q And where was that located?	9 A No. After that I went straight into forming
10 A That was in New York City.	10 DiversyFund with Craig.
11 Q What was your title.	11 Q Okay. And what about before the broker-dealer? Did
12 A Managing director in the investment banking	12 you have employment before that?
13 division.	13 A Yes, after law school I worked for a law firm,
14 Q Was that a legal role?	14 Davis, Polk & Wardwell, in New York City.
15 A No, it was strictly business.	15 Q And what dates were you there?
16 Q Okay. And what were your employment	16 A Yeah, I believe I started in September of 2006 and
17 responsibilities?	17 then ended March 2010, I believe.
18 A Well, I don't know if I was employed. I don't	18 Q And what was your title?
19 believe I was a W-2 employee.	19 A Associate attorney.
20 Q Okay. What was your job responsibilities?	20 Q And what were your responsibilities?
21 A We were conducting private placements. So I would	21 A I I was in the corporate division and rotated
22 try to source new investment banking clients that were looking	22 among several groups within the corporate division. Started
23 to raise capital from private equity or venture capital or	23 off in corporate tax for approximately six months and then
24 high net worth investors.25 And then once we engaged a client, then my	24 went into capital markets dealing with IPOs and other25 securities offerings, and then went into M&A doing mergers and
Page 37	Page 39
 responsibilities were to help prepare a pitch deck for potential investors, and then to research investors that would 	 acquisitions, and then ultimately ended in real estate doing a lot of real estate private equity and real estate development
3 be a good fit for the client, and then to research investors that would	3 work.
4 introductions and meetings and helping with the process of	4 Q Okay. Did any of those roles involve working with
 5 answering the investors' questions about the client, sometimes 	
	5 securities laws?
6 conducting onsite tours of the client's business with the	6 A Yes.
6 conducting onsite tours of the client's business with the7 potential investors, and then helping to structure the	6 A Yes.7 Q Can you describe which ones?
6 conducting onsite tours of the client's business with the7 potential investors, and then helping to structure the8 investment once an investor was ready to invest in the	 6 A Yes. 7 Q Can you describe which ones? 8 A Capital markets. I can't remember, I think
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Page 4	Page 42
1 DC, and Debevoice & Plimpton in New York.	1 you held in your name in the last three years?
2 Q Okay. Are you now or have you ever been an officer	2 A I have not held any securities in my name.
3 or director of any publicly held company?	3 Q Okay. So no
4 A No.	4 A Let me no public securities other than those
5 Q Have you ever been the beneficial owner of 5 percent	5 private ones we just went over
6 or more of any class of equities securities of any publicly	6 Q Okay. So no brokerage accounts
7 held company?	7 A I'd opened an account at E*Trade, but never had
8 A No.	8 purchased anything. It was more just to see what their back
9 Q Are you now or have you ever been a manager or	9 end looked like, you know, from a business comparison
10 member of any privately held company?	10 standpoint.
11 A Manager or member? I am a stockholder of	11 Q Okay. Have you had any control or direct or
12 DiversyFund, Inc. I guess when you say "member" I assume	12 indirect beneficial interest in any other securities or
13 you're referring to LLCs rather than a shareholder of a C	13 brokerage accounts in the last three years?
14 Corp.	14 A No.
15 Q Any any privately held company. Can you describe	15 Q Have you ever testified in any proceeding conducted
16 what you're what you mentioned?	16 by the staff of the SEC, a U.S. or foreign federal or state
17 A I'm a shareholder in DiversyFund, Inc	17 Agency, a U.S. or foreign federal or state court, a stock
18 Q Okay.	18 exchange, FINRA or any other self-regulatory organization, or
19 A and then if you're asking about and then in	19 any arbitration proceeding related to securities transactions?
20 if you're asking about membership interest in LLC, I have two	20 A No.
21 minority ownerships as a passive investor and some ownersh	p 21 Q Have you ever been deposed in connection with any
22 in some I guess you'd call it an LLC. It's a fund for some	22 court proceedings?
23 of our competitors, Fundrise and RealtyMogul.	23 A Yes.
24 Q Okay. Do you have any, like, management role with	24 Q What was that?
25 those?	25 A I was subpoenaed as a third-party witness for I
Page 4	Page 43
Page 4 1 A No.	1 believe it was a lawsuit against some shareholders against a
	 believe it was a lawsuit against some shareholders against a CFO of a client that or of CFO of a company that was an
1 A No.	 believe it was a lawsuit against some shareholders against a CFO of a client that or of CFO of a company that was an investment banking client. And so I was deposed as a
 A No. Q Okay. Have you ever been a beneficial owner of any 	 believe it was a lawsuit against some shareholders against a CFO of a client that or of CFO of a company that was an investment banking client. And so I was deposed as a third-party witness.
 A No. Q Okay. Have you ever been a beneficial owner of any privately held company? A I'm currently a beneficial owner of DiversyFund, Inc. and those other two: Hingeworx, and the other one's 	 believe it was a lawsuit against some shareholders against a CFO of a client that or of CFO of a company that was an investment banking client. And so I was deposed as a
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1 clients of an investment bank and they were trying to recover	1 like \$50,000 into a project into Washington, DC with a group,
2 their funds. And so I think they were going after the CFO	2 you know, called "Fundrise," which is now one of our
3 because he was a U.S. citizen, whereas it was I think they	
	3 competitors, that he had never met. And he showed me how he
4 were having difficulty trying to recover funds from the PRC	4 could do that within two minutes. And for me, I was just
5 company because they were located in China.	5 fascinated with how technology and the online interaction was
6 Q Have you ever been named as a defendant or	6 completely changing the way that capital could be could be
7 respondent in any action or proceeding brought by the SEC or	7 accessed.
8 any U.S. or foreign federal Agency, a state securities agency,	8 And so at that point I went to my then business
9 FINRA, an SRO or any exchange?	9 partners and asked them if they would be interested in
10 A No, other than this proceeding, I've not any	10 starting a business, and they said they weren't. So at that
11 well, we would the other we had another investigation by	11 point I started looking for a potential business partner to
12 the SEC about 18 months ago where I was named.	12 start that business. And so when Craig and I connected via
13 Q Have you ever been a defendant in any action	13 LinkedIn shortly thereafter, you know, that's when we really
14 alleging violations of federal securities laws?	14 started ta king through our potential business plan for
15 A Other than this investigation and the prior	15 starting DiversyFund, Inc.
16 investigation that involved DiversyFund, no.	16 Q Okay. So how did you meet Craig Cecilio?
17 Q Have you ever been a defendant in any criminal	17 A We met via LinkedIn. He had an intern that was
18 proceedings other than the one involving other than one	18 looking for a potential partner to start the business with,
19 involving a minor traffic offense?	19 and so I think he was reaching out to multiple people, myself
20 A No. I mean, other than other than these	20 included. And so we connected I believe it was some point
21 current this current investigation.	21 in 2015. It would have been shortly after my client had
22 Q Okay. This is a civil investigation, just to be	22 showed me that Fundrise on his cell phone.
23 clear.	23 And, let's see, I flew out after a number of
24 MR. ROSENTHAL: Does anyone Vickie or Stephen or	
25 Jen, do you have any questions right now?	25 go well, I flew out at least a couple times to San Diego
20 boll, do you have any queetione right new.	25 go well, Thew out at least a couple times to ball blego
Page 45	Page 47
1 MS. LEVIN: (Shaking head.)	1 talking through a potential business plan, you know, in terms
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1 Especially I had one client in particular that was a	1 third-party reports, either due diligence, helping to line up
2 multibillion dollar fund that did a lot of multifamily	2 a lender. All of our properties are financed with, you know,
3 apartment investing in particular.	3 some leverage, some debt, and then the remainder of the
4 And so from my from my perspective, you know,	4 purchase price is funded by equity, be it from, you know, the
5 from coming from a middle class family, I wanted to find a way	5 REITs or sometimes third parties also participate as equity
6 to take these investments that really seemed limited to, you	6 investors.
7 know, the top 1 percent, you know, these high net worth	7 And then once an asset is acquired in part of the
8 accredited folks, and bring them make them available to the	8 portfolio, then it goes into the asset management bucket,
9 everyday investor who may not fit an accreditation	9 which is executing on the business plan for that particular
10 qualification, and do that in an amount an investment	10 asset. Almost all of which in the REITs are multifamily
11 amount that is access ble to someone starting out like my	11 value-add business plans, which means we are purchasing
12 parents, you know, for an amount that would be reasonable.	12 apartment buildings that have existing tenants in them, are
13 So with DiversyFund we were able to use the Jobs	13 already collecting rents, and then we'll go in and try to add
14 Act, had a the Regulation A framework, which was brand-new	14 additional value to that asset through a couple of different
15 that allowed for you, at the time, to raise up to 15 million	15 mechanisms. One is performing renovations both on the
16 per issuer per year in order to aggregate capital. And a lot	16 exterior of the assets, paint and curb appeal and maybe
17 of it was to aggregate capital from whether it was	17 putting in some new amenities for the tenants, and then also
18 noncredited or credited didn't matter. And so we were able to	18 going in and doing interior renovations.
19 lower we always wanted to create a fund that would have a	19 You know, sometimes the properties vary in terms
20 very low minimum, so very access ble to an everyday American	20 of their state when we first acquire them. Sometimes they can
21 investor who is nonaccredited and allow them to participate in	21 be in really rough shape. For example, we just acquired last
22 these types of real estate offerings, you know, create a	22 year a property in San Antonio where when we acquired it
23 portfolio of real estate assets that would allow them to start	23 several of the buildings had not had hot water for over a
24 diversifying away from the stock market and away from	24 month. And so we have to go in and quickly fix those to take
25 concentration risk of having all your holdings in just one	25 care of the tenants and do right by them.
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1 public equities asset class.	And so the renovations allow you to then bump up the
2 And so that's that was always the goal from the	2 rents and which in turn not only creates additional cash
3 beginning, to get to that point where we could start a fund,	3 flow from the asset, but also the way that commercial real
4 have a portfolio offering that passed along all those benefits	4 estate such as apartment buildings are valued is you apply a
5 to a group of customers that are mainly not accredited.	5 cap rate a capitalization rate to the NOI, the net
6 Q Okay. And what is your current title with	6 operating income. So to the extent you can either increase
7 DiversyFund, Inc.?	7 rents or decrease expenses, that will lead to higher net
8 A Yeah, my title has always been, and currently is,	8 operating income, which leads to a higher asset value, in
9 chief investment officer.	9 addition to just experiencing general market appreciation that
10 Q Okay. And you're a director on the Board as well?	10 will tend to make real estate assets value go up as well based
11 A Yes.	11 on the cap rate compression as cap rates come down, which
12 Q And who else is on the Board of Directors?	12 we're seeing right now in the current environment environment,
13 A On the Board of Directors it's myself and Craig	13 for example.
14 Cecilio.	14 The other way we do value-add that I oversee as a
15 Q Has that always been the Board?	15 chief investment officer is by looking at the property manager
16 A Yes.	16 and how we could better manage the asset and the expenses
17 Q Okay. And what role do you play at DiversyFund,	17 associated with operating the asset. And so, you know, I help
18 Inc.?	18 to oversee at a very high level the execution of the business
19 A Yeah, so as the chief investment officer, I am in	19 plan, which constitutes both the renovation of the property
20 charge of all the investing to help create the structure for	20 keeping the construction on schedule and on budget, trying to
21 the fund that best aligns interests with the customer and the	21 limit the amount of change orders we get from the particular
22 sponsor, the parent co., overseeing the acquisition	22 general contractor conducting those renovations, and then
23 identification and acquisition of assets that the fund will	23 making judgment calls regarding the third-party property
24 invest in, and then overseeing the due diligence that goes	24 manager as to whether we need to push them to do a better job,
25 into closing acquisition in terms of, you know, various	25 or sometimes we even have to, after trying unsuccessfully
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1	several times to get them to perform the way we think they	1	our real estate division, and then I also supervise an
	should be performing on a particular asset, then we'll		investor relations/real estate paralegal Janice Deng.
	actually terminate our contract with them and hire a new	3	
	property manager in order to keep the assets trending the way		communicate with the people you supervise?
	they need to.	5	A Yeah, we use Slack, which is an internal
		-	
6	And then at the once an asset, we've held it and		communication software application. I would say that's for
	we've executed on the business plan and feel that given the		written communications that's probably our biggest medium
	market timing it makes sense, then we'll look at potential		internally. Obviously we use our work e-mails, but those tend
	disposition and run the analysis on that, whether that makes		to be more for when there's an outside-of-the-company party
	sense and what kind of return that will generate net to the		involved in the communication chain.
	customers in the REIT and look at that. So that's on the real	11	We also confer quite a bit on Google Meets video
	estate asset level.		chat. Slack also has a video application, a videoconferencing
13	And then I also deal with the REITs at a fund level		application, but most of our set meetings internally are
	in terms of, you know, looking at the overall portfolio,		through Google Meets. Isaac Dixon is here locally in
	trying to create maintain, rather, diversification across		San Diego, and so on rare occasion we don't really have
	various geographies. So there is a tension between when you		anyone going to the office very frequently, but on a rare
	have several assets in one location, there are some economies		occasion we'll meet in person at the office. Janice is
	of scale that create a cost savings, which ultimately leads to		located in Brooklyn, New York, so all of our meetings are
	better returns for the customer, but then you also are		through Google Meets.
	creating some concentration risk in that one particular	20	Q Okay. And how about Craig Cecilio? What forms of
	market. And so we're always dealing with that tension of		communication do you use to communicate with him?
	trying to have a few investments in one location for economies	22	A Yeah, a lot of Slack, a lot of Google Meets, some
	of scale, but not too many where the portfolio isn't		e-mail. We don't really text about substantive business, but
	diversified across multiple markets.		sometimes we'll text about, you know, "Hey, are you available
25	The other thing I try to do as chief investment	25	for a catchup call over the weekend?"
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	5		-
	officer with respect to the REIT portfolios is make sure that	1	Q Okay. What about other DiversyFund employees? What
2	officer with respect to the REIT portfolios is make sure that we also have a diversification in terms of the classes of	2	Q Okay. What about other DiversyFund employees? What methods do you use to communicate with them?
2	officer with respect to the REIT portfolios is make sure that we also have a diversification in terms of the classes of assets. Although we're primarily in both REITs focused on	2 3	Q Okay. What about other DiversyFund employees? What methods do you use to communicate with them?A It would be the same ones; Slack, Google Meets,
2 3 4	officer with respect to the REIT portfolios is make sure that we also have a diversification in terms of the classes of assets. Although we're primarily in both REITs focused on multifamily value-add projects, there's quite a range within	2 3 4	Q Okay. What about other DiversyFund employees? What methods do you use to communicate with them?A It would be the same ones; Slack, Google Meets,e-mail, in-person. There's a handful of the leadership team
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1 we hired him first or there was a real estate analyst named	1 the particular borrower entity structure, and so she'll help
2 Yuri. And I don't recall he was a young guy. I don't	2 the real estate team, I guess, on a part-time basis in that
3 recall his last name.	3 regard.
4 Q Can you spell the CMO's name?	4 Q Can you spell those names, Ginger's and Janice's?
5 A Yeah. Affif, A-F-F-I-F, Siddique. I believe it's	5 A Yeah, Janice is J-A-N-I-C-E, Deng, D-E-N-G. Ginger
6 spelled S-I-D-D-I-Q-U-E.	6 is G-I-N-G-E-R, V-Y-T-E-R-N-A.
7 Q Is he still an employee?	7 Q And how often does the investment committee meet?
8 A No.	8 A In general it's about every other week.
9 Q And, you know, the 19 to 20 employees, did they get	9 Q And how do you meet; in person or do you have
10 hired sort of in one batch or sort of at various points in	10 meetings?
11 time?	11 A Yeah, mostly because Fateh is up in the Bay Area,
12 A All various points in time.	12 mostly it'll be via Google Meet.
13 Q And does DiversyFund have departments?	13 Q How are DiversyFund employees compensated?
14 A You mean by, like, divisions? We have divisions.	14 A All DiversyFund employees have a salary. They are
15 Q Divisions, yes. Okay. And what are the divisions?	15 also given a stock award with a they're given a grant of X
16 A We have real estate, we have marketing, we have	16 number of shares depending on their position that vests over a
17 product, and we have tech, and we have customer service.	17 four-year period. Sometimes we'll make exception to that and
18 Q And do you interact with all those divisions?	18 go a little bit shorter if it's part of a higher level
19 A Very I interact on a very limited basis with	19 hire's negotiation of their compensation package.
20 marketing, with tech limited, customer service very limited.	20 We, just by virtue of just being constrained over
21 Since as a chief investment officer my side of the company is	21 the years, have rarely paid bonuses, but have done so, cash
22 the real estate and the investments, I tend to spend most of	22 bonuses on a limited basis just for really outstanding
23 my time focused on that side. But we have, for example, a	23 performers that we're trying to retain.
24 weekly town hall meeting via Google Meets where everyone's on	24 Q Okay. And are the salaries, are those paid
25 there, and so that certainly constitutes an interaction.	25 through a payroll company?
Page 57	Page 59
1 Q Okay. Does DiversyFund have committees?	1 A Yes. Currently it's a company called Justworks.
2 A Yeah, we have the investment committee. I don't	2 They're I believe they're I can't remember the name of
3 know if you if they're named committees, but there's	3 it, but it's employ like an EPO, I think. Something
4 probably other similar, you know, meeting groups. Like, for	4 employment, something organization. So they do the payroll.
5 example, I know tech and marketing or product rather and	5 And so actually on our employees what you would refer to as
6 marketing meet frequently and work closely together.	6 the W-2, it will actually say "Justworks" instead of
7 Q Okay. And who's on the investment committee?	7 "DiversyFund, Inc." It seems to be a fairly common practice.
8 A Investment committee is myself, Craig, our COO Fateh	8 But then they help share some of the liability in terms of the
9 Kamal, and Isaac Dixon, our head of real estate. And then as	9 employment insurance as an EPO.
10 needed we'll, you know, less frequently invite other folks	10 Q And the employees, they receive shares in
11 from the real estate team if they need to make a presentation,	11 DiversyFund, Inc.; is that correct?
12 you know, on any particular asset, whether it's a potential	12 A That's correct.
13 acquisition or an existing asset in the portfolio where we're	13 Q Do they receive an interest in any other entity?
14 trying to dig into its performance.	14 A No.
15 Q And how many people are on the real estate team?	15 Q Do you have an ownership interest in DiversyFund,
16 A Currently we have Isaac Dixon. Colin I'm	16 Inc.?
17 blanking on his last name. He's a new hire, analyst. Ginger	17 A I do. And actually on the last question, at one
18 Vyterna is our asset manager, and then we have a number of	18 point I just recalled at one point maybe a year or so ago
19 third-party vendors that support what we do such as a	19 the DiversyFund, Inc. on behalf of all the employees purchased
20 third-party construction manager, various property managers	20 for them a \$500 position in the REIT, the first REIT, just so
21 depending on the particular asset. Janice Deng will support	21 they could, all of them, experience the REIT as a customer,
22 the real estate team as needed. For example, when they're	22 especially for the marketing of the end product and tech
23 trying to acquire a property or close a loan in connection	23 folks, we wanted them to without having to ask them to
24 with a property, there's a lot of just getting, you know, like25 Delaware Good Standing Certificates or creating org charts for	24 invest their own money out of pocket, DiversyFund, Inc.25 purchased that for them so they could be shareholders of the

	Page 60	Page 62
1	REIT.	1 A Let's see, I had a salary increase last year around
2	Q Okay. And when was that?	2 I'd say August. It was a 285K salary. That was the only
3	A I believe about a year, maybe two years ago.	3 compensation I received from DiversyFund.
4	Q And do you know how many employees received an	4 Q So you didn't receive any other forms of
5	interest in the REIT?	5 compensation besides a salary?
6	A I think at that point we were maybe 15 people is my	6 A Yeah, not from my DiversyFund affiliate.
7	guess.	7 Q Okay. Did you have compensation from other sources
8	Q Okay. And they all received a they each received	8 last year besides from DiversyFund?
9	a \$500 position?	9 A Yes, I had some third-party legal clients just doing
10	A I believe so.	10 legal work, like, moonlighting on the side.
11	Q And that was the DF Growth REIT?	11 Q And what type of legal work?
12	A The first one, yeah, DF Growth REIT LLC.	12 A For one client I helped them set up a business and
13	Q Right, REIT I.	13 advised them on how to it was a PR company how to get
14	And what is your ownership level in DiversyFund?	14 negative business reviews removed. So helped them set up so
15	A I don't know I don't I haven't looked at the	15 they could do that for multiple clients. It was a colleague
16	exact percentage for a while, but something in, like, the 25	16 of mine. And then for the other client there's various
17	percent or so is my guess.	17 clients doing, like, PPN work, joint venture agreements,
18	Q Has it changed over time?	18 business contracts, stuff like that.
19	A Yes. Every time we raise additional equity at the	19 Q Okay. Are you self-employed for your legal work or
20	parent level, then all existing positions, mine included, are	20 do you work for a legal company?
21	diluted in terms of your percentage interest. So for that	A Yeah, self-employed in terms of, like, as a 1099.
22	reason it goes down over time.	22 Q Okay. And what was your total legal compensation
23	Q So when you started what was your ownership level?	23 last year?
24	A When we started it was Craig and I 50/50.	A I think it was around 40K for 2021.
25	Q Okay. And how many fund-raising rounds have you	25 Q And how many hours, like, in a given month would you
	Page 61	Page 63
1	done?	1 say you spend on legal on that on private legal work?
2	A We've for the parent co. we've raised capital	2 A It comes and goes in courts I loughly you know
3		2 A It comes and goes in spurts. Usually you know,
4	I don't know if I'd characterize it as rounds. Because unlike	3 one of the reasons I do the work is because I can get it done
- 1	I don't know if I'd characterize it as rounds. Because unlike a traditional venture capital raise where you are raising from	
5		3 one of the reasons I do the work is because I can get it done
	a traditional venture capital raise where you are raising from	3 one of the reasons I do the work is because I can get it done4 really quickly, just stay up late getting it turned quickly.
6	a traditional venture capital raise where you are raising from institutional venture capital investors and they're writing	 3 one of the reasons I do the work is because I can get it done 4 really quickly, just stay up late getting it turned quickly. 5 So I mean, there's many months where it would be zero and
6 7	a traditional venture capital raise where you are raising from institutional venture capital investors and they're writing you a check at one moment in time, and so that's a round, we	 3 one of the reasons I do the work is because I can get it done 4 really quickly, just stay up late getting it turned quickly. 5 So I mean, there's many months where it would be zero and 6 then some months where, you know, could be, I don't know,
6 7 8	a traditional venture capital raise where you are raising from institutional venture capital investors and they're writing you a check at one moment in time, and so that's a round, we have actually gone out and raised capital through high net	 3 one of the reasons I do the work is because I can get it done 4 really quickly, just stay up late getting it turned quickly. 5 So I mean, there's many months where it would be zero and 6 then some months where, you know, could be, I don't know, 7 anywhere from 10 to 40 depending on the project and how long
6 7 8 9	a traditional venture capital raise where you are raising from institutional venture capital investors and they're writing you a check at one moment in time, and so that's a round, we have actually gone out and raised capital through high net worth investors. And so it's been, you know, raising on an	 3 one of the reasons I do the work is because I can get it done 4 really quickly, just stay up late getting it turned quickly. 5 So I mean, there's many months where it would be zero and 6 then some months where, you know, could be, I don't know, 7 anywhere from 10 to 40 depending on the project and how long 8 it takes to get done.
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Page 64	Page 66
1 MR. BHANDARI: Are you looking for that, Will?	1 And so by virtue of being the chief investment officer at
2 THE WITNESS: I never received any loans from	2 DiversyFund, Inc., the REIT looks to DiversyFund, Inc. to head
3 DiversyFund or any DiversyFund-related entity.	3 the acquisitions of assets and the asset management of those
4 BY MR. ROSENTHAL:	4 assets and effectively run the portfolio and make the
5 Q Okay. And any you haven't received a car or	5 investment decisions regarding that portfolio. And so by
6 anything I ke that from DiversyFund?	6 virtue of being an officer of DiversyFund, Inc., I'm involved
7 A No.	7 with managing that portfolio that REIT I owns.
8 Q Okay. Have you ever loaned money to DiversyFund or	8 Q Okay. Do you oversee the investments for REIT I?
9 any related entity?	9 A Yes.
10 A No.	10 Q Okay.
11 Q And when was DF Growth REIT or REIT I, started?	11 A Yeah, the investments ultimately ultimately are
12 A DF Growth REIT I, I don't recall the exact date that	12 determined by the investment committee. And so by virtue of
13 we formed the LLC. It should have been somewhere around 2018.	13 having a seat at the investment committee table, I help with
14 Q Okay. And who came up with the idea for REIT I?	14 the other investment committee members to manage the decision
15 A The idea for REIT I was collectively between Craig	15 making regarding acquiring business plans, those kinds of
16 and myself. You know, from inception of DiversyFund, Inc. we	16 things.
17 wanted to ultimately migrate into a fund under the Reg A	17 Q Does REIT I have any employees?
18 framework that would allow us to make available real estate	18 A No.
19 investments to nonaccredited investors to give them access to	19 Q Okay. Do all the do all DiversyFund employees
20 them and help them build wealth away from the stock market.	20 work on REIT I?
21 So, yeah, then just over time we then hired counsel and were	21 A What do you mean by "work on"?
22 able to start to put together the structure for REIT I.	22 Q Do any work related to REIT I.
23 Q Okay. And what is the business of REIT I?	23 A I guess it depends on, you know, what you mean by
24 A Sorry, what was the question?	24 "work related." So, for example, certainly our real estate
25 Q What is the business of REIT I?	25 team, their work is related to both REITs, including REIT I.
	,
Page 65	Page 67
Page 65 1 A The business of REIT I is to was to initially	Page 67 1 I guess the question is, like, as a marketing person, you
Page 65 1 A The business of REIT I is to was to initially 2 acquire multifamily value-add properties and related	Page 67 1 I guess the question is, like, as a marketing person, you 2 know, do they they're not doing real estate or
Page 65 1 A The business of REIT I is to was to initially 2 acquire multifamily value-add properties and related 3 commercial real estate assets in order to create a curated	Page 67 1 I guess the question is, like, as a marketing person, you 2 know, do they they're not doing real estate or 3 investment-related work towards REIT I. Or the tech folks,
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1 MR. BHANDARI: Well, I think she's saying she can't	1 REIT I was nearing the end of its time raising capital and the
2 hear.	2 portfolio was to the level that we wanted it to be, it made
3 MR. ROSENTHAL: Okay.	3 sense to start looking at the next entity.
4 MR. BHANDARI: Would you like just want to dial	4 Q Okay. And what is the business of REIT II?
5 back in?	5 A The business of REIT II is very similar to REIT I.
6 MR. ROSENTHAL: Let's off the record at 11:31.	6 It primarily focuses on acquiring multifamily value-add assets
7 (Discussion off the record.)	7 with the ability to invest in other commercial-related assets.
8 MS. LEVIN: If we could just go back on briefly, and	8 And similar to REIT I, the value-add entails finding assets
9 I apologize. Let's go back on the record at 11:32 a.m.	9 that have some upside potential with respect to either
10 Sorry, I was disconnected. What I was trying to prevent was	10 conducting renovations on the property or improving the
11 from Mr. Lewis disclosing any possibly privileged information	11 management of that property in terms of saving on expenses.
12 relating to advice received from counsel. So that's what I	12 Or sometimes there's a component called "lost
13 was trying to do. So I don't know if you guys still need a	13 lease," which means without even conducting any renovations,
14 break or if you want to keep going.	14 the current owner and property manager of the property are no
15 MR. BHANDARI: It probably doesn't make sense to	15 renting out units at the current market rate. And so in those
16 break just yet, but maybe we should talk a little bit about	16 cases upon acquisition you can go in and immediately start
17 the lunch break. So I think we've been going 10 10:47	17 increasing rents to market rate without even having to perform
18 we came back on, Will. So may be a little early to break now	18 any renovations on those units. And so there is some upside
19 for lunch. What do you think?	19 for the customer that way.
20 MR. ROSENTHAL: Yeah, I think we can continue, if	20 Q Okay. Does REIT II have any employees?
21 that's all right with you.	21 A No.
22 MR. BHANDARI: Yeah, that's fine. Maybe another 45	22 Q And do you have an ownership interest in REIT II?
23 minutes or so, I ke 12:15, around then, 12:20.	23 A No.
24 MR. ROSENTHAL: Sure. Around then.	24 Q And how much money has REIT II raised?
25 MR. BHANDARI: Okay. That sounds good. Okay. Does	25 A Approximately \$10 million, I believe.
Page 69	Page 71
1 that work with everyone?	1 Q And how many investors does REIT II have?
2 THE WITNESS: Yeah.	2 A Not quite sure. My guess would be maybe
3 MR. ROSENTHAL: Yeah.	3 around 4,000.
4 BY MR. ROSENTHAL:	4 Q Okay. So these questions will continue to focus on
5 Q Okay. And, you know, thanks for the reminder. Just	5 DF Growth REIT II, which I'll refer to REIT II. So I'm just
6 we are not asking you to reveal any privileged information.	6 asking about REIT II. Do you understand that?
7 A Got it.	7 A Yes.
8 Q Does DF Manager have a bank account?	8 Q Okay. When did you start soliciting investors for
9 A No.	9 REIT II?
10 Q Does it receive any fees?	10 A What do you mean by "solicit"?
11 A No.	11 Q When did you solicit investors to invest in REIT II?
12 Q And how much money has REIT I raised from investors	
13 A I think approximately somewhere around 70 million.	13 when did we start offering the sale of securities for REIT II?
14 Q And how many investors does REIT I have?	14 Q Yes.
15 A I don't know the exact count breakdown between the	15 A Okay. So from my perspective, when we filed the
16 two REITs, but REIT I has at least at least 26,000.	16 offering statement and when the SEC qualified it, it
17 Q And those are, like, 26,000 unique or different	17 immediately was broadcast to the public that we are now
18 investors?	18 offering securities in REIT II. And so that would be when the
19 A Mm-hmm. Correct.	19 offering started was the moment it was qualified. And that
20 Q And for DF Growth REIT II LLC, which I'll refer to	20 was, I guess, the moment that the qualification filing was
21 as "REIT II," when did REIT II start?	21 published by the SEC on the sec.gov website.
22 A I don't recall the exact date we formed the entity,	
	22 You know, we've had in the past vendors reach us
23 but it would have been around the end of 2020 or early 2021.	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
 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? 	23 from just something as simple as a public filing coming on the

Page 72	Page 74
1 the conversation that leads to an investment in REIT II.	1 A Yeah, the main way this is really marketing,
2 Q Okay. And how are investors solicited for REIT II?	2 which I don't spend much time with, but my understanding is
3 A Multiple ways. We're always looking for	3 that the main way that they try to solicit investor retail
4 institutional investors who can write bigger checks. You	4 investors for either of the REITs has been by driving traffic
5 know, for example, could write, say, a 5 to \$10 million check,	5 to the website and then when someone comes to the website,
6 which, you know, will allow us to deploy that and increase the	6 they create an account, and then some choose to invest at that
7 portfolio size much quicker and accelerate that process.	7 time. Others will just create an account to kind of see what
8 We also solicit investors through the website.	8 the back-end portal experience looks like and learn more about
9 Those tend to be less you know, not institutional	9 DiversyFund and the REIT.
10 investors, but more of the nonaccredited or accredited	10 And so I do know that the marketing team will then
11 individual retail investors who will come through that	11 send out e-mails to folks who have created an account but
12 channel.	12 haven't invested for the purpose of trying to incentivize them
13 Q Does REIT II have any institutional investors?	13 to come back to the website and make an investment at a later
14 A We have not been successful to date getting any	14 date.
15 institutional investors yet for REIT II, but we'll	15 Q And who drafts those e-mails?
16 certainly certainly we'll always be interested in taking on	16 A I don't know. I don't know who on in marketing
17 institutional dollars when the offering's when an offering	17 does that.
18 is opened.	18 Q Okay. Do you review those e-mails?
19 Q Okay. And how about REIT I? Does REIT I have any	19 A No.
20 institutional investors?	20 BY MS. LEVIN:
21 A No, REIT I doesn't have any institutional investors	21 Q And just to go back briefly, how does marketing
22 either.	22 drive people to the website, like you said?
23 Q Okay. So back to REIT II, you mentioned investors	23 A I don't know. I mean, I I think they've done
24 are solicited through the website. Are there any other	24 various things over the years. What I do know is they use
25 methods used to solicit investors?	25 pay-per-click advertising, some
Page 73	Page 75
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Page 76Page 761 don't know to what extent it is being used, whether for 2 REIT II or just for general DiversyFund matters.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 cast 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.5 Q Okay. Do you use, like, PowerPoint presentations or 6 other materials like that?7 retail goes, they are not making any calls.7 A I don't think I don't recall creating any 8 Q Okay. And what about text messages to potential 9 investors?8 PowerPoint for REIT II. 1 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 and then just talking through the fact that 11 aretistutional investors for REIT II.13 A My role has been limited to just trying to solicit 14 institutional investors for REIT II.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 investors for REIT II?16 Q And current REIT II investors, how are they 17 A Yes.17 A Yes.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
 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? 18 Q About how many? 2 started that outreach, hadn't acquired any assets yet. So you 3 defer more to what your previous funds have done. In our cast 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 think it's more just walking 9 through, you know, REIT II. I think it's more just walking 9 through, you know, REIT II. I think it's more just walking 9 through, you know, REIT II. I think it's more just walking 9 through, you know, REIT II. I think it's more just walking 9 through, you know, REIT II. I think it's more just walking 9 through, you know, REIT II. I think it's more just walking 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,
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17AYes.17 communicated with?18QAbout how many?18AI mean, they're I don't know if they're getting
18 Q About how many? 18 A I mean, they're I don't know if they're getting
19 A To say for RETTIL, you know, maybe about live to 19 e-mails from marketing. Sometimes they it can into customer
20 ten celle
20 ten calls. 20 service if they have a question about their about the
21 Q Okay. And when did those calls occur? 21 website, about logging in and about the investment, how long 22 A I don't recell sworth when they accurred but it
22 A I don't recall exactly when they occurred, but it 22 is it going to take to get their money back. So there is some
23 would have been fairly early on after the qualification, which 24 would have been fairly early 0.024. That's when it was a start of the start of
24 would have been early February 2021. That's when it was 24 And I think customer service does the majority of 25 their exercise the average of the second service does the majority of 25 their exercise the second service does the majority of 25 their exercise the second service does the majority of 25 their exercise the second service does the majority of 25 their exercise the second service does the majority of 25 their exercise the second service does the majority of 25 their exercise the second service does the majority of 25 their exercise the second service does the majority of 25 the second service does the majority of 25 the second service does the majority of 25 the second service does the second service does the majority of 25 the second service does the service do
25 started. And just as time permits, you know, I would try to 25 their communication through e-mail and not through phone
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1 carve out time in my schedule for what I would term "capital 1 calls. I think from a scaling standpoint since we have so
2 outreach." 2 many investors, they try to handle almost all of their
3 Q And what type of institutional investors have you 3 communications through e-mail with customers. I assume on
4 been talking to? 4 rare occasion they'll probably pick up the phone if someone
5 A I would always look for any combination of, like, a 5 really is frustrated or needs is having a hard time
6 family office. Those are always good investors, although they 6 communicating through e-mail.
7 tend to take a longer investment horizon approach than the 7 There's communication done through the back-end
8 REIT. Some of them prefer ten years or longer whereas the 8 portal where, you know, a customer will get updates on, for
9 REIT's a shorter investment horizon. 9 example, when either REIT acquires additional property,
10And then the other institutional category would be10 sometimes there will be information on the respective
11 real estate private equity funds that could potentially 11 properties or the markets they're located in just in terms of,
12 invest. Sometimes we'd always be looking with Kevin12 you know, third-party data that we can put up there about
13 Mawby's help for ultra-high net worth investors who would be 13 market appreciation.
14 more in the family office category who are just able to write14And then just recently I think oh, we have an
15 a bigger check, you know, of at least 1 million, but in 15 app. We've had an app for a while, but we did an update
16 general I was targeting a 5 to \$10 million check from an16 recently and that allows some communication with the REIT
17 institutional investor. 17 customers as well. I believe we have some push notifications
18QOkay. And do you use any, like, marketing materials18in connection with the app for customer communications, too.
19 or other materials to communicate with institutional19QAnd when you talk about the communications portal,
20 investors? 20 can you describe what that is?
21 A For REIT II? 21 A Yes. So the if you go to diversyfund.com, what
22 Q For REIT II, yes. 22 you're initially seeing is, you know, like any typical
the state of the s
23AYeah, we'd start with the initial conversation and23front-end website.I believe ours is run on WordPress.And
23AYeah, we'd start with the initial conversation and23front-end website. I believe ours is run on WordPress. And24usually it's just more talking through what our investment24then once you log in to your account, then although you're25strategy is and sometimes talking through more of what REIT I25still on the diversyfund.com domain, my understanding from th

Page 80	Page 82
1 tech folks is that you're now once you log in you're now on	1 know, the amount and the date. That should be all displayed
2 the back-end portal, which is a different tech framework than	2 on the portal.
3 WordPress.	3 Q I think you mentioned that the RIA, client agreement
4 And that's where the investors' investment documents	4 and that being up and running. Can you describe that a little
5 are stored, tax documents are stored. That's where they'll	5 more?
6 see, for example, a statement about their investment, the date	6 A Yeah, it's just a a client agreement for the RIA
7 and amount of any investments they've made, updates on the	7 whereby someone would, you know, be investing their dollars
8 portfolio and underlying properties. That tends my	8 with the registered investment advisor. And there's a related
9 understanding is that that happens on the back-end portal for	9 ADV brochure that discloses potential fees from related
10 the most part.	10 parties. The RIA does not charge any fees by itself, but then
11 Q That information about the properties that REIT II	11 by virtue of the affiliation has to disclose all potential
12 has acquired, who drafts that information that investors see?	12 fees related to REIT II, for example.
13 A I'm not sure exactly who would draft that. It's	13 Q Okay. And does the the RIA is registered
14 most likely someone on the marketing side.	14 investment advisor, correct?
15 Q Okay. Do you communicate with the marketing team	15 A Correct.
16 about what information regarding properties to communicate to	16 Q Does the RIA have any current clients?
17 investors?	17 A Yes.
18 A Very rarely. They usually you know, marketing is	18 Q How many?
19 under Craig's side. And so my assumption I do know that at	19 A I don't know the exact number, but, you know,
20 times the real estate division, you know, might give them	20 several thousand.
21 if they're looking, for example and I don't even know that	21 Q When did those start?
22 this is what we're publishing on the portal, but if they	A That started in October when the RIA was approved.
23 wanted to know what was the occupancy rate at a certain	23 Q October 2021?
24 property, then they would have to reach out to someone in	24 A Yes.
25 real estate just to get that number.	25 Q Okay. And how do how do individuals decide to
Page 81	Page 83
1 Q And what documents do REIT II investors receive?	1 become an RIA client?
 Q And what documents do REIT II investors receive? A They receive the offering statement and the 	 become an RIA client? A Just all the all the folks going forward who come
 Q And what documents do REIT II investors receive? A They receive the offering statement and the 3 supplements and amendments. They receive a I call it a 	 become an RIA client? A Just all the all the folks going forward who come to the website and want to make an investment will become RIA
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Page 84 1 clients will say, you know, "On a monthly basis I want you to	Page 86 1 compliance manual, you know, make sure files are ready so that
2 take," say, "\$500 from my bank account and invest it in the	2 when we have our first examination, that we're ready to
3 REIT." And the one of the issues we were trying to solve	
	3 respond and have the appropriate customer documentation in
4 for is that, for example, when REIT I fills up, then you would	4 place for those purposes.
5 have to go without an RIA discretionary authority, you	5 Q Are there others that work on compliance for the
6 would have to go back to the client and sign a new paperwork	6 RIA?
7 in order to get them to move that auto-invest feature to the	7 A We have a our third-party firm called "Foreside,"
8 next offering, whatever that is. In our case it was REIT II.	8 and it's a service provider in the RIA space for compliance.
9 And so as the company was anticipating scaling over	9 And so because I'm not a I don't have a big compliance
10 the years, we wanted the ability to help build a more	10 background, we try to outsource as many of the compliance work
11 diversified portfolio for the customer so that in the future	11 to them, between them and just we have just specific RIA
12 when we anticipated having, say, five REITs and maybe even	12 counsel that also helps advise as regards to compliance.
13 some funds outside of real estate dealing with other	13 Q Okay. Who are the principals of the RIA?
14 alternative investments, to really create a very balanced	14 A Principals, I mean do you mean, like, owners?
15 alternative investment portfolio for customers, the goal was	15 Q Yes, who are the owners?
16 to, by virtue of the RIA's discretionary authority, be able to	16 A So the owner is of the RIA is DiversyFund, Inc.
17 take customer's auto-invest and based on the customer's input	17 DiversyFund, Inc. owns 100 percent of the RIA.
18 in their initial KYC questions be able to craft a very	18 Q Okay. Does the RIA have employees?
19 diversified portfolio with their auto-invested dollars without	19 A No well, I wouldn't classify myself as an
20 having to go back to them and bother them every time with	20 employee, but because I'm not receiving any wage from the
21 paperwork. Because our customers have always complained	21 RIA, but it's just myself.
22 anytime they have to sign stuff after the initial signing.	22 Q And who else does work for the RIA?
23 So	23 A No one at DiversyFund. Just myself with the support
24 BY MR. ROSENTHAL:	24 of Foreside.
25 Q Okay. And do the RIA clients, do they invest in	25 Q And does DiversyFund you mentioned it has a
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Page 88 1 coded. Product, you know, will use data to determine what	Page 90 1 MS. BARRY: I have a few if you don't mind.
2 customers like to see on the website. I think marketing plays	2 MR. ROSENTHAL: Sure. Go ahead.
3 a role with some of the materials on the website such as blog	3 BY MS. BARRY:
4 posts. I think some of the content that's on the website is	4 Q Mr. Lewis, you talked about when you're going
5 created by the marketing department.	5 when you're requesting or soliciting institutional investors
6 Q Okay. And who reviews the content on the website?	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 all the folks that would be part of reviewing that, I'm not9 familiar with that.	8 discussed or you said you may have reached out to 10 to 15
	9 institutional investors. Do you recall who they were?
10 Q Do you review what's on the website?	10 A I think I think it was more five to ten
11 A Very rarely. On a rare occasion I'll poke around,	11 Q Oh, sorry.
12 but I'm not part of the formal review process.	12 A but I don't recall the exact number either. I
13 Q Okay. How often would you say you review the	13 don't recall any at this time. I'd have to go look at
14 website?	14 records.
15 A Oh, I mean, not even less frequently than	15 Q Okay. And in terms of is it correct that there
16 monthly. It's very very rare. I'm pretty busy with the	16 are no institutional investors for REIT II? And also there
17 investment side, so	17 are no institutional investors in REIT I; is that right?
18 Q Okay. And who has final approval of the website	18 A To my knowledge, yeah. We there are some
19 content?	19 entities that have invested in both, so it's hard to say
20 A That I don't know. The probably differs depending	20 whether or not that's would be classified as an
21 on whether it's front end, blog post, portal. Depends on what	21 institutional investor, but I'm not aware of any, at least
22 division is dealing with that.	22 from my own outreach.
23 Q Okay. And who can make changes to the website?	23 Q And just to clarify, in terms of marketing, that is
24 A I think there is some I mean, the tech folks	24 not a division that you are overseeing?
25 certainly can. I think marketing I think there is some	25 A Correct.
Page 89	Page 91
Page 89 1 functionality where like, I think marketing can make a blog	Page 91 1 Q And is that something that Mr. Cecillio oversees?
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	Page 92		Page 94
1	escrow.	1	A I don't know if that's accurate. There it might
2	MR. ROSENTHAL: Okay. Stephen, did you have	2	be described elsewhere in the website. So I couldn't speak on
3	anything?	3	behalf of when a customer first learned about it.
4	MR. KAM: No, nothing.	4	Q Okay.
5	MR. ROSENTHAL: Okay. Off the record at 12:15 p.m.	5	A But certainly at least have to learn about it at
6	(Whereupon, at 12:15 p.m., a luncheon recess was	6	that point before completing an investment.
7	taken.)	7	Q Are there any places on the website that describe
8		8	the RIA?
9		9	A I'm not sure.
10		10	Q Okay.
11		11	BY MS. LEVIN:
12		12	Q Are there any places in the offering circular or in
13			an offering circular supplemental for REIT II that describe
14			the RIA?
15		15	A For REIT II? The REIT II
16		16	Q For REIT II.
17		17	A circular and supplements just describe the
18			REIT II securities offering.
19		19	Q Okay. Thank you.
20		20	BY MR. ROSENTHAL:
21 22		21	Q Okay. Aside from counsel, so not asking about
			counsel, did you receive advice on setting up the RIA from
23		23 24	anyone?
24 25		24 25	 A Not not aside from counsel. Q Okay. Did you talk with any compliance consultants
20		20	
1	Page 93 AFTERNOON SESSION	1	Page 95 prior to starting the RIA?
1		2	· · · · · · · · · · · · · · · · · · ·
2	(1:17 p.m.) EXAMINATION BY COUNSEL FOR THE SEC (RESUMED)		point in that process. I don't recall speaking to them about
4	MR. ROSENTHAL: On the record at 1:17 p.m.		setting it up, though. It was more just what services they
5	BY MR. ROSENTHAL:		could offer, and I don't recall if it was before or after the
6	Q Mr. Lewis, can you describe, how is the RIA		RIA was officially up and running.
-	the investor disclosed to clients?	7	Q Okay. Do you know when you started around when
8	A How is it disclosed to clients?		you started talking with Foreside?
9	Q Yes.	9	A I don't. I have to check records.
10	A What do you mean by that? L ke how does it	10	Q Okay. What's is there a full title for Foreside?
	disclose its fees or	11	A A title?
12	Q How do clients learn about the RIA?	12	Q The full name.
13	A Through the checkout process when they're determined	13	A I don't know the full name. It's just Foreside all
	to invest, you know, with DiversyFund, then they're presented	14	one word, F-O-R-E-S-I-D-E.
	with the RIA client agreement and the related documentation as	15	Q And who do you who have you communicated with at
	part of that checkout process.	16	Foreside?
17	Q And what is the related documentation?	17	A There's the lead liaison there is a woman by the
18	A The ADV brochure part 2, the form I can't	18	name of Lisa Evans.
19	remember the exact name the client relationship agreement,	19	Q And what role does Foreside play?
1	the client agreement itself for the RIA. And at the same time	20	A We we're trying to outsource as much of the
20		24	compliance as possible, so they maintain a compliance
	they're also presented with the offering statement for the	21	
21	they're also presented with the offering statement for the REIT II, the LLC agreement and subscription agreement for		calendar, they have, you know, reminders about recordkeeping
21 22		22	
21 22	REIT II, the LLC agreement and subscription agreement for	22 23	calendar, they have, you know, reminders about recordkeeping

Page 96	Page 98
1 Q Okay. And so when you say "outsource compliance,"	1 Q And that person's name is?
2 you're referring to the RIA compliance; is that correct?	2 A Escapes me right now. I'd have to go back.
3 A Yep.	3 Q Okay. Thank you.
4 Q Okay. And so the Foreside, they provide do they	4 BY MR. ROSENTHAL:
5 provide general compliance advice to the RIA?	5 Q And the RIA client agreement, did you review and
6 A I don't know what you mean by "advice." I would say	6 approve that document?
7 they provide compliance services.	7 A I reviewed it and made sure that to the best of my
8 Q Okay. So what are their services?	8 understanding, you know, it had the items that we needed in
9 A I would have to reference their menu of items that	9 there.
10 we have in our agreement with them.	10 Q And who drafted the compliance manual?
11 Q Okay. So you mentioned the compliance calendar.	11 A The compliance manual, I don't know to the extent
12 What's on the compliance calendar?	12 that Foreside worked with Carter and English, but I think
13 A I'd have to refer to it. I wouldn't want to speak	13 Foreside played a big role in preparing that.
14 without referring to it.	14 Q Do you conduct compliance reviews for the RIA?
15 Q Okay. Did Foreside provide advice on the client	15 A Yeah. Yeah, we're starting to do compliance
16 the RIA client agreement?	16 reviews.
17 A What do you mean by "advice"?	17 Q And who conducts those reviews?
18 Q Did they review the client agreement and, you know,	18 A I'm scheduled to do those with the help of the
19 recommend any changes or anything to the client agreement?	19 help of Foreside and McCarter.
20 A I don't believe so. I think that was all done with	20 Q When did REIT II begin operating?
21 RIA counsel.	21 A What do you mean by "operating"?
22 Q Okay. And does the Foreside, do they draft the form	22 Q When did it been its operations?
23 ADV or who drafted the ADV?	23 A Yeah, I just the issue is what do you mean by
24 A That was drafted by counsel.	24 "operations"? Do you mean purchasing securities? Do you mean
25 Q Did has Foreside reviewed the form ADV?	25 purchasing properties? Do you mean I just want to be clear
Page 97	Page 99
1 A I don't know if they reviewed it. It goes once	1 on
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1 A That I don't know, what date it first went up.	1 REIT II stopped?
2 Q Okay. Do you have a rough idea?	2 A I'm not sure. I know about the current stop.
3 A No, I don't, because there's so many different	3 (SEC Exhibit No. 7 was
4 avenues that REIT II could be mentioned, whether it's a blog	4 identified for the record.)
5 post or a website page or the back-end portal. I would have	5 BY MR. ROSENTHAL:
6 to defer to marketing and tech.	6 Q I'm going to show you a document that's been marked
7 Q Okay. So marketing and tech to have records of	7 as Exhibit 7. Can you see that on the screen?
8 that?	8 A Yeah, is it possible to make it a little bit larger?
9 A They might. I can't speak for them.	9 Or maybe I can do it on my end. One sec. Okay. Yes, I can
10 Q Okay. Thank you.	10 see
11 BY MR. ROSENTHAL:	11 Q Okay. So I'm going to describe the document. On
12 Q And when did REIT II sales start?	12 the top of the document it states, "Form 1-SA semiannual
13 A The first sale of security, I believe, was around	13 report pursuant to Regulation A for the semiannual period
14 the end of August or beginning of 20 or September 2021	14 ended June 30, 2021, DF Growth REIT II, LLC," and it's
15 would have been the first sale.	15 a 12-page document. I'm going to scroll through it. If you
16 Q And if this offering was qualified in January 2021,	16 want me to stop, you can let me know. You can take as much
17 why didn't sales start until August or September?	17 time as you want to review it. I'm going to ask you if
18 A We had our first sale, you know, at the end of	18 MR. BHANDARI: So in the interest of time because
19 August or beginning of September. As far as why, you'd have	19 it's very difficult to read the document, it's quite small,
20 to ask the institutional investors or other investors why they	20 maybe you can ask him a question. If he needs to look at
21 didn't invest prior to that.	21 something to get context, he'll let you know.
22 Q Okay. So what was before August what was being	22 MR. ROSENTHAL: Sure. Okay.
23 done to solicit investors?	23 BY MR. ROSENTHAL:
A I don't know what was being done as far as the	24 Q Did I describe this document accurately?
25 website. What I do know is that through my efforts with the	25 A Yeah, looks like Form 1-SA for the semiannual report
Page 101	Page 103
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 support of Kevin Mawby and I don't recall I can't speak for Craig, but I was certainly reaching out to potential institutional investors for a 5 to \$10 million check. Q And when did you first reach out to institutional investors about REIT II? A Yeah, we mentioned this earlier. I don't know the exact date. I'd have to check my records. Q Okay. Are sales of REIT II ongoing? A Right now the offering is currently stopped. Q When did REIT II sales stop? A I don't know the exact date, but around January 27. There may have been a couple of Q Okay. Did A that lagged behind that. Q And that's 2022? A Correct. Q Did any investors reach out to REIT II prior to August 2021? A What do you mean by "reached out to REIT II"? Q To inquire about investing in REIT II. A I don't know. You're talking about inbound unsolicited? Q Or in response to outbound. 	 ending June 30, 2021 for Growth REIT II. Q Do you recognize this document? A Yes. Q And what is it? A It's the semiannual report for the period ending June 30, 2021 for DF Growth REIT II. Q Okay. I'm going to scroll to the end. The last 8 page, the signatures, did you sign this document 9 electronically? A Yeah, what do you mean by signing electronically? Q Did you sign this document? A So we the process with our counsel is they would 13 prepare the document, draft it, and then I would look it over 14 and they would ask if it's ready to file. And so there's not 15 a formal signing process within that process. Q Okay. Did you agree to have your name signed to 17 this document? A I didn't make that explicit agreement. What I would 19 do is I would tell counsel it looks ready to file. Q Okay. So the document says, "Pursuant to the 21 requirements of Regulation A, this report has been signed by 22 the following persons in the capacity and on the dates

Page 104	Page 106
1 process. I agreed for it to be filed by counsel.	1 investments starting in the second half of the year." Is that
2 Q Okay. What was your role in this document	2 second sentence is that accurate?
3 MS. BARRY: Can I just ask one question to clarify?	3 A Well, it depends on what you mean by "the sentence."
4 BY MS. BARRY:	4 Q Is it accurate that the company had not yet
5 Q Mr. Lewis, you said that you agreed to have this	5 commenced its operations as of June 30, 2021?
6 document filed. Would it be safe to say that you agreed to	6 A If you mean by "operations" hadn't purchased any
7 have an electronic signature in your name when you understood	7 properties or completed a sale of securities, then yes, that
8 that that was what was required when you said that this is	8 type of operation had not been commenced. No sales had been
9 ready to be filed?	9 commenced at that point and no properties had been purchased
10 A That was not what I was contemplating at the time.	10 because no equity had been raised yet.
11 I just was focused on getting it filed. I'm not trying to be	11 BY MS. LEVIN:
12 difficult, I'm just trying to be accurate that that's what	12 Q So this is REIT II's document, right, that was
13 took place was just approving it to be filed.	13 filed. So why don't you tell us what was meant by that
14 MR. BHANDARI: If what you're looking for is whether	14 sentence.
15 he would accept that he it's his adopted statement, I think	15 A By the sentence?
16 we can work that out, and the answer is yes. He's just	16 Q Yes.
17 telling you the context for how these things get done.	17 A Yeah, it meant that as of the date June 30, 2021,
18 MS. BARRY: Okay.	18 the company had not yet completed a sale of any securities and
19 BY MR. ROSENTHAL:	19 it had because it had not completed any sale of securities,
20 Q And what was your role in this document?	20 it was not able to purchase or invest in any properties at
21 A Do you mean my role in preparing in document?	21 that point.
22 Q Yes.	22 Q Anything else that was meant by that sentence?
23 A So counsel would draft it and then they would send	23 A No. I mean, that's my understanding of that
24 it to me to review.	24 statement.
25 Q Did you review it?	25 Q Okay. Thank you.
Page 105	Page 107
1 A Yes, I did review it.	1 BY MR. ROSENTHAL:
 A Yes, I did review it. Q Did you approve it? 	 BY MR. ROSENTHAL: Q Okay. I'm pulling up another document. It's been
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 A Yes, I did review it. Q Did you approve it? A Yes, I informed counsel that it was ready to be filed. Q And who had final approval? A Final approval in what sense? Q Who had the who had the final approval to file 8 the document? A As far as filing it? Q The final approval that the document was final and was ready. A I don't know that I would characterize it as a final approvement. It's just I would look at it and tell counsel as far as I was concerned it looked good to file. And then it Craig had any input, you know, he could always make input as well. Q And who else approved this document? A I don't know that I would look at it, our finance people would look at it, counsel would look at it. Q And I scrolled to page 1 of this document and it says, "The company was formed on August 6, 2020 and qualified 	 BY MR. ROSENTHAL: Q Okay. I'm pulling up another document. It's been marked as Exhibit 15. I will put it on the screen in a minute and describe it for the record. (SEC Exhibit No. 15 was identified for the record.) BY MR. ROSENTHAL: Q This is Exhibit 15. It is a document produced by DiversyFund. It was Bates stamped DF-000915. Again, that's three zeros and then 915. It appears to be a list of investors in REIT I on one tab and a list of investors in REIT II on a second tab. Can you see the document? A Let me enlarge it. Q Yeah. A Can you scroll down, Will, so the header on the first row shows? Q Yeah. Let me see. Can you see that now? A No, I'm zoomed in, so oh, now I can see it. Q Do you recognize this document? A I believe so. It appears to be a document prepared by Ryan Wagner. Q Who is Ryan Wagner?
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1 representation of the number of REIT II investors?	1 that works with SaaSquatch.
2 A I have no idea.	2 Q And so this investment of \$100, was it made on
3 Q Is this document maintained in the normal course of	3 February 3?
4 business?	4 A It wouldn't be characterized as an investment
5 A I don't know much at all about how this is	5 because it was really a my understanding is that it's a
6 maintained, so I it's just not my side of the business.	6 referral bonus given by the parent co., DiversyFund, Inc., to
7 Q Okay. And for REIT II I'm going to scroll all the	7 the people involved with the referral. I don't know if it's
8 way to the bottom. Do you see the last row with X in it, in	8 the referee and the referrer, one or the other. I'm not sure.
9 the fourth column, column D, it says "Invest date" and the	9 But they are not putting in that \$100 or \$50.
10 invest date is 2/3/2022, so February 3, 2022?	10 Q Okay. I'm not sure I understand. Can you describe
11 A Yes.	11 that again or a little more?
12 Q Were there investments made in REIT II on	12 A Well, to be quite frank, I'm not sure I understand
13 February 3, 2022?	13 it either because I'm just going off of what limited
14 A What do you mean by "investments"?	14 information I have. But my understanding is that when someone
15 Q Did an investor invest money in REIT II on	15 comes in through the referral program, they that \$100, for
16 February 3?	16 example, by James, James did not put in that \$100.
17 A Referring to this James individual?	17 Q Did he did he receive \$100? Did James
18 Q Yes, or any investors.	18 receive \$100?
19 A I'm not sure. My understanding in looking at some	19 A Hundred dollars of cash?
20 of these amounts that came in after January 27, you'll notice	20 Q Or any other form.
21 that this one in particular is for \$100, and our site does not	A No, James is receiving \$100 worth of REIT II shares.
22 permit any sale of securities below the \$500 minimum. And so	22 Q I see. Okay. For his referral?
23 my understanding in talking with our head of product was that	23 A Yeah. That's my understanding. But we would need
24 any amounts on here that are less than 500 such as the ones	24 to clarify with someone from tech or marketing who set this
25 you see for 50 and 100, which encompass all the items listed	25 up.
Page 109	Page 111
1 on here after the 27th, are from a referral program that is	1 Q So then the amounts listed, are those amounts of
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1 into REIT II?	1 Q Okay. And how do you track investor equity?
2 A I don't know. I don't know how the tech and product	2 A What do you mean by "track"? Like track purchases?
3 folks rolled that out exactly.	3 Q How do you know how do you know who what
4 Q Did those investors have a choice to have their	4 who has equity in REIT II?
5 investment go into REIT II?	5 A That same those same records would encompass
6 A Yeah, they had a choice of either once REIT I was	6 that. So when the record shows that Joe Smith, for example,
7 full in our conducting an offering, it was either your	7 purchased \$500 worth of securities on a certain date, then
8 auto-invest will be turned off, right, so you'll know longer	8 that goes into PrimeTrust's record keeping. And then we
9 be having amounts auto-debited out of your checking account on	9 also when we move the money over and release it from escrow
10 a monthly basis, or you can choose to have your auto-invest	10 to REIT II, then REIT II's bank account will reflect the
11 amount applied to REIT II going forward.	11 dollar amounts, and REIT II has financials prepared by our
12 Q And was there, like, a document that they received	12 finance division that also reflect each customer's ownership
13 that informed them that?	13 amount.
14 A I don't know if I'd call it a document, but there	14 BY MS. LEVIN:
15 was certainly communication regarding it.	15 Q And as a quick question sorry to interrupt again,
16 Q In what form?	16 but is the finance division included in these leadership
17 A I don't know.	17 meetings that you described?
18 BY MS. LEVIN:	18 A To an not the individuals who are in the finance
19 Q So how do you know there was communication regarding	19 division. Fateh Kamal, our COO, supervises the finance
20 it?	20 division. So by virtue of his participation, that's how
21 A Just because I heard marketing talk about it in	21 finance is represented in leadership meetings.
22 leadership.	22 Q Understood. Thank you.
23 Q Who in marketing?	23 BY MR. ROSENTHAL:
24 A Navid Firoozi.	24 Q And when you said the finance department, they
25 Q Thank you.	25 maintain financials that track equity, what documents do you
Page 113	Page 115
 BY MS. BARRY: Q Can I just jump in here? Sorry. When you say 	1 mean? 2 A I have no idea. We'd have to ask finance.
3 "leadership" I've heard you say it a couple times. Can you	
4 just tell us who you're referring to when you say	
5 "leadership"?	4 when investors invest in REIT II, their money first goes5 through the escrow, correct?
6 A Certainly, yeah. When I say "leadership" I'm	6 A Correct.
7 referring to our weekly leadership meetings which involves	7 Q Does it go into one escrow account or are there
8 myself; Craig Cecilio; our COO Fateh Kamal; Navid Firoozi,	8 multiple escrow accounts?
9 who's the head of marketing; David Legacki, who's the head of	-
1 o milo o monora or marketing, David Legacki, who shie flead of	
10 product: and the interim head of tech, because we don't have a	
10 product; and the interim head of tech, because we don't have a 11 specific tech head at the current time; and then also Isaac	10 Q Okay. And who's responsible for managing the
11 specific tech head at the current time; and then also Isaac	10 Q Okay. And who's responsible for managing the 11 escrow?
11 specific tech head at the current time; and then also Isaac12 Dixon, who heads real estate.	 10 Q Okay. And who's responsible for managing the 11 escrow? 12 A PrimeTrust.
11 specific tech head at the current time; and then also Isaac	 Q Okay. And who's responsible for managing the escrow? A PrimeTrust. Q Who oversees the on DiversyFund's side the rescue
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1 A The process as I understand it is that they come	1 vendors such as we currently are going through our annual
2 into escrow, they have to go through an AML check, and the	2 audit, you know, for the annual REIT II filing. Legal counsel
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	4 REIT II vendors.
5 speak, in the escrow account. And then at some point I	5 Q The last property, could you repeat the name of that
6 believe someone in finance will on a somewhat regular basis,	6 one?
7 maybe weekly or every other week, would release in batches	7 A Yes. Are you referring to Swaying Oaks or Mission
8 those dollars that had been in escrow that had cleared the AMI	, , , , ,
9 and KYC processes.	9 Q Mission Villas.
10 Q And then the money that's cleared when it comes to	10 A Yeah.
11 REIT II, where does it get deposited or where does it go?	11 Q And when did those invest all three of those
12 A My understanding is it goes into REIT II's bank	12 investments, when were those made?
13 account.	13 A NCP Dove was made in December 2021. Swaying Oaks, I
14 Q And who has control of REIT II's bank account?	14 believe, just closed this past Friday. I don't know the date
15 A What do you mean by "control"?	15 exact date of the Mission Villas investment.
16 Q Who can move money in or out of REIT II's bank	16 Q And how do you decide what assets to target for
17 account?	17 REIT II?
18 A We have controls on the REIT bank accounts so that	18 A We start with our business plan, which is to create
19 it requires different people to set up and there are	19 a diversified portfolio of multi primarily multifamily
20 certain amounts that this applies to. My last understanding	20 value-add assets. We try to balance out economies of scale by
21 was that anything, say, over \$25,000 requires one person to	21 having more than one purchase in a potential market while also
22 set up a wire and then one person to or then two people to	22 trying to spread out assets, you know, across various markets
23 approve it in addition to the wire setup so that we have	22 if ying to spread out assets, you know, across various markets 23 in the U.S.
24 controls on any outgoing funds.	And we also in looking at a particular asset, we
25 Q Can that be any two people at DiversyFund?	25 will go in and the investment committee has formulated some
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1 A No, it's limited to the two folks in finance,	1 investment targets and underwriting assumptions. And so our
2 Jonathan Neff, Samantha Li, which Samantha Li is now on	2 acquisitions team will look for assets that meet those
2 Jonathan Neff, Samantha Li, which Samantha Li is now on3 maternity leave, Craig Cecilio, myself and Fateh Kamal, our	2 acquisitions team will look for assets that meet those3 criteria based on those underwriting assumptions being
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	Page 120		Page 122
1	is apartment buildings?	1	what the REIT REIT II is looking for is assets that have
2	A Yeah. When we when the offering statement talks	2	that potential. So at the other extreme, the REIT II is not,
3	about "multifamily value-add," "multifamily" is the industry	3	for example, interested in buying a brand-new asset that has
4	term for apartment buildings.	4	no need for renovation or really any upside from mismanagement
5	Q Okay. And are can you describe a little more	5	at the property management level. That would not have a
6	what type I mean, you mentioned some of the criteria, but	6	value-add return to it. That return profile is much lower and
7	are there other sort of factors or types of multifamily you're	7	not in line with the investment growth category that REIT II
8	looking at?	8	is focused on in terms of creating wealth for the REIT
9	A Certainly. Because the REIT is targeting what we	9	customers.
10	refer to as "multifamily value-add," it means that REIT II is	10	So when we're looking for value-add it means
11	looking at properties that have some upside potential, what we	11	typically these are assets that tend to be a little older.
12	call "forced appreciation." So as we're all familiar with,	12	Our oldest asset in REIT II would be Mission Villas. It's a,
13	when you buy, for example, your own home, a single-family	13	I believe, 1965 vintage or somewhere close to that. So, you
14	residence, if the market goes up like it's been going up,	14	know, there's certainly a need for heavy renovations. But
15	you're experiencing an increase in value of the asset that's	15	with the housing shortage in a market like San Antonio, as we
16	due to market appreciation just by virtue of pricing in that	16	fix up the units, there certainly is a need with the local
17	local market being bid up, which is the case in most markets	17	tenant population to have a nicer unit. They want a nicer
18	in the U.S. right now.	18	space. That way you can actually start to clean up a tenant
19	Forced appreciation also creates value at the asset	19	population and get rid of folks who might be drug users or
20	level, but it means that it's something that you as a sponsor	20	criminal activities on the property.
21	have control over. You can force that appreciation through	21	And so your core tenants, you know, who are working
22	execution of a business plan, whereas market appreciation you	22	class families with kids benefit from the fact that we're
23	have nothing to do with it, right? You're just subject to how	23	coming in, putting money into these properties that have been
24	the market pricing trends, and you can't really affect that on	24	neglected and dilapidated in some instances and really fixing
25	an individual sponsor basis.	25	up with lighting, with amenities, with playgrounds, cleaning
	Page 121		Page 123
1	So forced appreciation comes down to conducting	1	up a lot of the if there is crime on the property, cleaning
2	renovations both on the exterior of a property and on the	2	up the crime on the property so that the core tenants that we
3	interior of units. That allows you to then bump the rent.	3	want to keep there really feel it's a much safer and better-
4	So, for example, on the NCP Dove properties in North	4	kept environment for them.
5	Charleston, when we came in some of the rents we were able to	5	So that's been a big part of REIT II's mission is
6	after unit renovating a unit, we're able to bump the rent	6	not only to deliver this benefit to the REIT II customers
7	by 200 to \$250 per month from its prior rental amount. And by	7	financially, but in the meantime we're also trying to do a lot
8	virtue of increasing the rent, you're increasing the net	8	of good through just helping the tenant population's need for
9	operating income of the asset, which means that when you apply	9	mature assets have a much better living environment.
10	it to the existing cap rate in that market, that asset becomes	10	Q And you mentioned the age of the property. Is there
11	more valuable by virtue of the NOI increasing. And so that's	11	certain sort of age of the properties that you're targeting?
12	an example of forced appreciation.	12	A There's a wide range. Like I said, we're not the
13	Another example would be coming in and managing the	13	REIT II is not targeting any brand-new properties because that
14	asset better. That's something that a sponsor could control	14	would not fit into a growth or value-add investment profile as
15	by virtue of supervising the property manager. All of our	15	far as upside goes. So we really don't want to go much older
16	REIT I and REIT II properties have a third-party property	16	than the '60s. You start to have issues with plumbing needing
17	manager whose job it is to try to get the highest rents	17	to be replaced. And although that's not a deal breaker, and
18	possible for those units in that market, to keep the residents	18	we certainly have looked at properties that have those issues,
	happy, to oversee the maintenance calls that when someone		you want to look for a risk-adjusted play where you're trying
	moves out they're trying to turn the unit, as we say in the		to minimize your downside while increasing and maximizing your
	industry, as quickly as poss ble to minimize the downtime of		upside potential for your REIT customers.
	that unit between residents. And so by managing those things	22	So in general we've been focused on '80s and '90s
	well, it'll lead to better overall financial performance of		product, some newer in the 2000s, which are still almost 20
	the asset and increase that forced appreciation.		years old and in need of renovations. But yeah, as we get
25	So from a value-add standpoint, that's primarily	25	into older vintages, we're very wary of some of the unforeseen

Page 124	Page 126
1 renovation risk that goes into there. And so we're ordering	1 offering statement, they've checked the box
2 third-party due diligence reports such as a PCR, which is a	2 MR. BHANDARI: Actually can I pause you for a
3 property condition report, and those vendors will go in and do	3 second, Alan? I think that may not be Will's question.
4 a very thorough check of the asset, such as actually scoping	4 BY MR. ROSENTHAL:
5 out sewer and plumbing pipes. They'll send a scope inside the	5 Q Yeah, sorry, the property investments that REIT II
6 pipe to see if there's any degree of rot or structural damage	6 has made, I ke, for example, NCP Dove, can you walk me through
7 about to lead to extensive leakage. They'll check the roofs,	7 how that investment worked and where the money goes for that?
8 the integrity of the roofs. They'll look at check for	8 A Sure. Yeah. I apologize. I thought you were
9 pests like termites and stuff like that.	9 talking about the process of a REIT II customer.
10 They'll look at the zoning compliance to make sure	10 MR. BHANDARI: So you're basically running forward
11 it's compliant with the current density and zoning with the	11 from the closing statement forward, Will?
12 city or county. They'll basically just try to look at	12 MR. ROSENTHAL: I'm asking him just to describe the
13 everything from top to bottom. They'll do a mold check,	13 process
14 looking for all these things so we can quantify what is the	14 MR. BHANDARI: Okay.
15 potential cost of rehabbing those units. Because we never	15 MR. ROSENTHAL: of making an investment.
16 want to be surprised by a renovation cost that we didn't	16 MR. BHANDARI: Wherever you want to start.
17 foresee, because that's always affects the business plan.	17 THE WITNESS: Sure. Yeah. So well, I'll just
18 That said, we always, as most prudent real estate	18 sort of walk you through an example, because that might be
19 investors do, try to bake in a contingency reserve into the	19 more helpful. You know, with NCP Dove we identified the
20 overall capital expenditure budget so that we do have some	20 property. And sometimes there are deposits that are required
21 cushion for unforeseen renovation expenses. Or sometimes	21 to be made to in order to enter into escrow with the seller
22 there are instances where we'll have a general contractor	22 of the property. And so the investment committee will meet
23 provide a soft bid, and then once you finally have acquired	23 about the up-and-coming property that we're looking to
24 the asset and get down to hard bidding it through their	24 acquire. And initially first deposit is what we call a
25 subcontractors, pricing escalates, which we're certainly	25 refundable deposit. Typically right now in the market you
	25 Terundable deposit. Typically fight flow in the market you
Dama 400	Dara 497
Page 125	
1 seeing right now in some instances with pricing of materials	1 get you receive and this is always subject to
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	Page 128		Page 130
1	So at that point you, along with all the bidders,	1	advantage in that regard because we have the dollars ready and
	would you conduct your underwriting, you would run it		waiting to go. So at that point if we are picked as a winner
	through. And then for us, you know, once we've done our		bidder and our LOI revised LOI is accepted, then you're
	underwriting and it looks good, we give the thumbs up to write		going into the attorneys will then draft a PSA, a purchase
	an LOI, letter of intent. And within that piece document,		and sale agreement. Once the PSA is language is agreed
	you're saying here's the price we're willing to pay, here's		upon by both sides, then you are now entering into escrow.
	the terms on which we're willing to close. We want, for	7	What that means is that a third-party escrow agent,
	example, a 30-day due diligence window. Our initial suggested		usually associated with the title company that will be doing
	deposit, say, it's 100 grand, and then we want 30 days before		title insurance for us as the new owner/buyer and title
	that 100 grand becomes what's called a hard deposit where it		insurance for the lender, usually then they open escrow. The
11			REIT II will be required to deposit make its initial
12	And then you'll usually have a closing period after		deposit into escrow, and that's that first deposit I referred
	that initial 30 days of due diligence, another 30 days that		to earlier that is refundable during the first 30-day due
	you can extend for another month or two. Because usually it's		diligence period.
	the lender that's holding up the transaction. Sometimes it's	15	So if we go and start conducting due diligence
	the equity raise from the REIT itself. But at that point you		and at that point after signing the PSA and opening escrow, we
	are required so you put in your LOI. The seller will then		can always back out and retain and receive back the full
	usually go to best and final where they whittle it down to,		deposit that we put into escrow. After we get through the
	say, they're top three bids and they'll say, "Okay. We like		well, during that 30-day due diligence we're of course
	your terms, but can you sharpen your pencils and do a little		conducting due diligence. We'll visit the site, we'll talk
	bit better on price? We just want to let you know that this		with the potential property managers that we want to hire as
	other bidder is a little bit higher than you." Sometimes		we rarely keep the existing property manager.
	they'll tell you the price, sometimes they won't. Basically	23	And then we'll talk with general contractors to get
	it's the broker trying to get everyone to bid up their pricing		soft bids on what it'll take to renovate, and then work with
	a little bit playing the potential buyers off of each other.		brokers in the area to find comps, comparable assets that are
-			• • •
	Page 129		Page 131
1	Page 129 And so in that case we usually lead with a very	1	
	Page 129 And so in that case we usually lead with a very conservative number because we're if we can get an asset		comparable in vintage and just the state of the asset to have
2	And so in that case we usually lead with a very	2	
2 3	And so in that case we usually lead with a very conservative number because we're if we can get an asset for lower, then that's certainly beneficial to the REIT	2	comparable in vintage and just the state of the asset to have an idea what we'll be able to bump the rents up post renovation to then more accurately update our pro forma.
2 3 4	And so in that case we usually lead with a very conservative number because we're if we can get an asset for lower, then that's certainly beneficial to the REIT customers. So we usually have some room to increase our price	2 3 4	comparable in vintage and just the state of the asset to have an idea what we'll be able to bump the rents up post renovation to then more accurately update our pro forma. So during the course of the due diligence we're
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Page 132	Page 134
1 with the seller because the lender you know, the lenders	1 amounts that they received from the buyer and released to
2 are so slammed right now with multiple transactions because	2 seller and the amounts they received from lender, you know, so
3 there's so much acquisition activity that they're often	3 all those amounts are accounted for.
4 running behind their initial forecasted schedules.	4 BY MR. ROSENTHAL:
5 Once the lender is ready to close and we're ready to	5 Q Okay. So for, like, the NCP Dove example I think
6 close as a buyer because we feel good about the asset and	6 you said REIT II invested 5 million. Where did the 5 million
7 pulling the trigger, then at that point we will need the	7 go for that investment?
8 REIT II will need to wire in its equity amount. So just as an	8 A So the 5 million and the REIT I also invested 5
9 example, it's pretty common that we'll deploy 65 percent	9 million. They both invested approximately the same amount for
10 leverage from a lender. Which means that if you're buying	10 a total of 10. We had a joint venture partner on that one, a
11 a \$10 million asset, 65 percent of that means you're getting	11 group called "Yankee Capital" that also put in an additional 5
12 a \$6.5 million loan, and then the other additional 3 and a	12 million. So and then the group that brought the deal in, I
13 half million would come from the REIT, from REIT II equity.	13 think they put in under a million of equity. They just
14 Some lenders will require that let's say on that	14 couldn't initially they were trying to get the deal done
15 particular asset, of all the equity a million dollars is going	15 all by themselves and just didn't have the wherewithal to
16 to go towards renovations. Some lenders, but not all, will	16 raise that kind of capital. They were kind of bit off more
17 require a construction holdback whereby they'll park that	17 than they could chew, and that's why we came in and help
18 million dollars out of their loan proceeds and on a monthly	18 rescue the deal and get it done. It was a really attractive
19 basis or however often, once our GC construction team has	19 deal, so we were glad to be in a position to invest.
20 completed that month's worth of renovations, then they'll take	20 And so REIT II's 5 million got wired from REIT II's
21 their receipts and submit them to the lender's construction	21 bank account directly to that third-party escrow to be held in
22 holdback for reimbursement of those amounts, and then those	22 escrow and then released upon closing. It would be all the
23 amounts will be released from the holdback.	23 equity and the loan amounts would be released to the seller so
24 So as we get to closing, the REIT II will wire in	24 they could take their purchase price and run off into the
25 its portion equity amount, the lender will wire in to escrow	25 sunset.
Page 133	D 405
	Page 135
1 their loan amount. And then escrow, once they have all the	1 Q And who was the escrow company for that?
1 their loan amount. And then escrow, once they have all the 2 documentation signed and notarized, will say, "We are ready to	 Q And who was the escrow company for that? A I don't recall.
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1 after it was qualified?	1 A Yes. Yeah, REIT I invested in both Mission Villas
2 A I don't recall	2 and Swaying Oaks.
3 MR. BHANDARI: You know that's a Saturday and a	3 Q Did they invest the same amount as REIT II?
4 Sunday, right?	4 A For Swaying Oaks my understanding is that the dollar
5 THE WITNESS: Yeah.	5 amounts are very similar, you know, about 1.5 to 1.6 from each
6 MR. ROSENTHAL: Yes.	6 REIT for a total of 3 million and change. For Mission Villas
7 BY MR. ROSENTHAL:	7 REIT I put in, like, 3 or 4 million when it was acquired.
8 Q Can you answer, question?	8 REIT II's contribution to Mission Villas has been after the
9 A Yeah, I don't recall. I'd have to check records.	9 fact, after the acquisition. The acquisition happened last
10 Q Okay. What about the two business days after? What	10 year. So REIT II REIT II's investment into Mission Villas
11 action did you or anyone at DiversyFund take regarding	11 has been to fund ongoing capital improvements on the
12 REIT II?	12 renovation budget.
13 A Again, I would have to check records like calendar	13 Q Okay. And do each of those investment properties
14 and e-mails. And I could only speak for myself.	14 have a bank account associated with them?
15 Q Okay. And I think we will make a request regarding	15 A Yes. Yeah, at least one. It's common that the
16 the institutional investors you contacted, that you provide us	16 property manager will want to have several bank accounts to
17 information related to those investors and when you contacted	17 keep certain funds distinct from each other. For example,
18 them. I appreciate your answer that	18 every property in almost every state that I'm aware of,
19 MR. BHANDARI: Under what authority is your request,	19 whether it's required by the state or just good business
20 Will?	20 practices, we will have a separate account for the rent
21 MS. LEVIN: We can send a subpoena.	21 deposits.
22 MR. BHANDARI: Okay.	22 So, for example, someone signs a lease for 12
23 BY MR. ROSENTHAL:	23 months, they're going to put in unusually one month's worth of
24 Q Okay. The referral bonuses you mentioned, I just	24 rent as a security deposit and those need to be held
25 I want to make sure I'm not misunderstanding something, but	25 separately in trust, you know, so that when they move out
Page 137	Page 139
1 when and so please correct me if I'm wrong. When someone	1 they're given whatever deposit they maintain after deductions
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1	Page 140		Page 142
1	up and rents up.	1	what's been collected versus what is being accumulated on the
2	Q Does NCP Dove have multiple bank accounts?		balance sheet as a bad debt if someone is not paying their
3	A The two that I'm aware of is there are sometimes		rent. Certainly have some degree of that across the industry
4	lenders this is the exception to the rule, but times they	4	during COVID, for example.
5	will require a lockbox account. The technical term is a DACA,	5	And so then the property manager is maintaining
6	D-A-C-A, account. And what they'll do is they'll all the	6	books where they're tracking the rents, the revenue from
7	rents they'll require you under the terms of the loan	7	rents. They are tracking all the expenditures because they
8	agreement to place all collected rents the tenants will	8	handle directly the payment of invoices for the various
9	have to wire or rather ACH their dollars into that lockbox	9	property expenditures and the hiring of vendors, and signing
10	account such that if there's ever a default on the loan, then	10	those contracts. Sometimes our in-house asset manager who
11	the lender is able to press a button, so to speak, with the	11	supervises the property manager, Ginger Vyterna, sometimes
12	bank and it locks up the account so that the owner, the	12	she's having regular meetings with each property manager with
13	borrower, can no longer disburse funds. They're actually	13	each property. So she's involved there with making sure the
14	locked up. And then the lender will use those to cover loan	14	property manager is performing as expected.
15	amounts and interest.	15	And then the property manager will take those
16	If there's no default of the loan, then of course		financials at the end of a month at the end of a month and
17	those funds continue to go into the lockbox account and the		they will close them out for that month basically making sure
18	borrower, via the property manager, is able to release those		everything's recorded properly and accounted for, and that it
19	from the DACA account into an operating account that the		ticks and ties to the actual cash balances in the opex
20	property manager can then pay the property's expenses from.	20	account. And then they will send those closed-out financials
21	So NCP Dove in particular does have a lockbox	21	to our finance division, Jonathan Neff and Samantha Li, they
22	account and a separate operating account that those lockbox	22	will take a look at them.
23	rents are swept into. I don't know how frequently, monthly,	23	And then currently this is currently I believe
	weekly, but there's an operating account. I don't know, but I		our finance division then is having the property managers then
25	would assume based on just general practices that there is	25	add onto this their financials the any depreciation and
	Page 141		Page 143
	also, at the property manager's level, another account for the		amortization that needs to be accounted for, which is kind of
	rents and potentially the so the capex account as well.	2	the final step to completing the financials. And at that
3	O Okov Hee NCD Dave had any income?		
-	Q Okay. Has NCP Dove had any income?		point, once the property manager has added that and made an
4	A What do you mean by "income"? Do you mean rents?	4	adjustments that need to be that were missed in the closeout,
4 5	A What do you mean by "income"? Do you mean rents?Q Yes, in any form.	4 5	adjustments that need to be that were missed in the closeout, then our finance team, Jonathan which is just Jonathan Neff
4 5 6	A What do you mean by "income"? Do you mean rents?Q Yes, in any form.A Sometimes in the real estate business income can	4 5 6	adjustments that need to be that were missed in the closeout, then our finance team, Jonathan which is just Jonathan Neff at this point since Samantha is on maternity leave then
4 5 6 7	A What do you mean by "income"? Do you mean rents?Q Yes, in any form.A Sometimes in the real estate business income can mean different things. It can be applied to revenue or rents,	4 5 6 7	adjustments that need to be that were missed in the closeout, then our finance team, Jonathan which is just Jonathan Neff at this point since Samantha is on maternity leave then Jonathan will review those and then be able to record them on
4 5 7 8	A What do you mean by "income"? Do you mean rents?Q Yes, in any form.A Sometimes in the real estate business income can mean different things. It can be applied to revenue or rents, or sometimes people refer to it as net income, which is your	4 5 6 7 8	adjustments that need to be that were missed in the closeout, then our finance team, Jonathan which is just Jonathan Neff at this point since Samantha is on maternity leave then Jonathan will review those and then be able to record them on our side for the SPV and effectively finalize them is my
4 5 7 8 9	 A What do you mean by "income"? Do you mean rents? Q Yes, in any form. A Sometimes in the real estate business income can mean different things. It can be applied to revenue or rents, or sometimes people refer to it as net income, which is your NOI, your rents minus your operating expenditures, which is 	4 5 6 7 8 9	adjustments that need to be that were missed in the closeout, then our finance team, Jonathan which is just Jonathan Neff at this point since Samantha is on maternity leave then Jonathan will review those and then be able to record them on our side for the SPV and effectively finalize them is my understanding for purposes of that property's monthly
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Page 144	Page 146
1 A No.	1 offering statement that spoke to this that if REIT II is
2 Q Have you invested personally in any REIT I or	2 not able to raise, you know, the anticipated amount, 50
3 REIT II properties?	3 million, and raised a much small amount, which is the current
4 A No.	4 case at 10 million raised approximately so far in REIT II,
5 Q Are REIT I and REIT II dependent on each other?	5 then it limit's REIT II's ability to build a diversified
6 A What do you mean by "dependent"?	6 portfolio. What happens is you start to create a
7 Q Do they depend on each other.	7 concentration risk to the customers, whereas you can see we're
8 A I don't know what that means.	8 currently invested in three assets instead of 10 to 15, which
9 Q Does the success of REIT I depend on REIT II?	9 we would be able to do if REIT II's offering was open and we
10 A I'm not trying to be difficult, what do you mean by	10 could continue to raise capital and deploy that to build a
11 "success"?	11 portfolio on behalf of the REIT II customers.
12 Q Does whether however you define it. Does whether	12 So by limit by not having the ability to raise
13 REIT I succeeds depend on REIT II?	13 capital for REIT II, its business plan, it will not be able to
14 A I don't I don't know that you would apply that	14 be completed as expected where we can build a very diversified
15 term to REIT I, "success." REIT I's goal is to maximize	15 portfolio of assets in the range of 10 to 15 total across a
16 returns for its customers on a risk-adjusted basis, which	16 more diversified geography and additional markets. And so the
17 means REIT I wants to make investments and operate in such a	17 REIT II customers won't have the benefit of that of that
18 way where it's increasing the return to the customers without	18 investment strategy.
19 taking an inordinate amount of risk on, based on the amount of	19 Q Is there a minimum amount that REIT II needs to
20 upside potential that it's taking on.	20 raise?
21 There are a number of factors that affect that	21 A A minimal amount in terms of what?
22 return, one of which is and this is in the offering	22 Q In terms of anything. Is there a certain a
23 statement is for both REITs is their ability to access	23 certain minimal amount that REIT II needs to raise?
24 capital from any source if they're needed for capital	24 MR. BHANDARI: Objection, vague.
25 improvements or for other commitments that the existing	25 THE WITNESS: Sanjay, what was the objection?
Page 145	Page 147
Page 145 1 portfolios or existing properties in the REIT I portfolio	Page 147 1 MR. BHANDARI: Just vague. But you can answer,
1 portfolios or existing properties in the REIT I portfolio	1 MR. BHANDARI: Just vague. But you can answer,
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	Page 148		Page 150
1	A Yep.	1	Q And the second question says, "Will all my
2	Q Did you review this web page?	2	investments, REIT I and REIT II, be under the same five-year
3			term?" And the answer is, "No, REIT I and REIT II operate as
4	counsel?	4	separate investment vehicles. While they have similar
5	Q Yes.	1	investment strategies, they operate on their own five-year
6	A Yeah, I did not view it before seeing it from SEC to	6	investment term." So that answer that REIT I and REIT II
7	our counsel.	7	operate as separate investment vehicles, is that accurate?
8	Q Do you know who reviewed this web page before it was	8	A Well, it depends on what you mean by "separate
9	put up to the public?	9	investment vehicles."
10	A I do not.	10	Q I'm what do you when what do you take it to
11	Q Do you know who approved it?	11	mean, the statement on DiversyFund's website?
12	A I do not.	12	A Yeah, I understand that REIT I and REIT II are two
13	Q Do you see the second-to-last question on the page?	13	separate funds individual from each other. They were set up
14	It says, "Will launching REIT II impact my original REIT	14	on individual dates. They conduct separate that have
15	investment this any way?" And the answer is, "No, REIT I will	15	conducted separate security offerings on different dates.
16	not be impacted by REIT II in any way. The assets in REIT I	16	They have their own bank accounts, they have their own
17	will continue to be owned and operated by REIT I." Is that	17	QuickBook files, they have their own portfolios. Although
18	statement accurate?	18	they are co-invested in three similar properties, they still
19	A Which statement?	19	are their own funds. Each REIT will pay out different returns
20	Q The statement I just read.	1	to their customers. They have a different customer list. So
21	A The question or the sentence	21	there are many characteristics that would make them clearly
22	Q The answer.	1	separate funds.
23	A So I think it's important to look at the question.	23	(SEC Exhibit No. 5 was
	When I look at the question it's very qualified and narrow in	24	identified for the record.)
25	what's it's asking, and therefore the answer needs to be	25	BY MR. ROSENTHAL:
	Page 149		Page 151
1	understood within that very narrow qualification.	1	Q I'm now pulling up on the screen what has been
2	Specifically the question says, "Will launching		marked as Exh bit Number 5. This is a multiple page document.
	REIT II impact my original REIT I investment in any way?" And		You can review it while I describe it for the record. On the
	so it's narrowly tailored to this qualifier of "launching."	1	top it states, "Form 1-A Regulation A offering statement, Part
	And so when the answer says, "No, REIT I will not be impacted		II - offering circular amendment number 1 DF Growth REIT II,
	by REIT II in any way," I read that to say, "No, REIT I will		LLC." Is that an accurate description of this document?
	not be impacted by the launching of REIT II in any way," to	7	A It appears to be so, yeah.
	refer back to the actual question that prompted that.	8	Q And do you recognize this document?
9	Q Okay. So even though it says, "REIT I will not be	9	A Ido.
	impacted by REIT II in any way," you believe that REIT I is	10	Q What is it?
	being impacted by REIT II?	11	A It looks like Form 1-A Regulation A offering
12	A I don't know that that's an accurate way of phrasing		statement, Part II - offering circular amendment number 1 for
13			DF Growth REIT II LLC dated January 19, 2021.
14	Q How would you phrase it?A When REIT I launched, I think a lot of our REIT I	14	Q I'm going to go to the end. Did you sign this document?
	customers were confused and concerned about would REIT II be	16	A Again, the same as similar to before, the
	buying them out, would REIT II be taking over REIT I assets.		process by which we go through this with our counsel was he
	And so my understanding as I'm reading this question is trying		would prepare and draft it, I would review it, and then I
	to explain to the customer that by REIT II being launched, it		would let him know when from my perspective it looked good.
	will not affect the REIT I's existing portfolio in the extent	20	Q So what was your role with this document?
	that REIT II was not buying any of REIT I's assets. That's	21	A After counsel prepared it, then I read it as best I
	why it said the assets in REIT I will continue to be owned and		could, sometimes you're scanning through certain areas quicker
	operated by REIT I to reassure a potential REIT I customer		than others just in the rush to get all your workload done and
	that REIT II was not going to interfere or change or alter		get this filed as quickly as possible. So I would review it
			and then let counsel know if I had any suggested changes or
25	their existing REIT I portfolio.	20	

Page 152	Page 154
1 questions.	1 needs we try and anticipate as best we can when we create a
2 Q Who else reviewed this document?	2 pro forma capital expenditure budget. Sometimes, as mentioned
3 A I don't know.	3 earlier, there are issues with labor or materials pricing
4 Q Did you approve this document?	4 escalating prior to getting a hard bid on locking pricing
5 A What I communicated to counsel was that it looked	5 down, which will create an overrun on the renovation budget
6 good and I thought it was ready to file.	6 that will create an additional capital need. If the if
7 Q I'll go back up, back to the cover page. There's a	7 either REIT doesn't have an existing offering available, then
8 sentence I'm highlighting that says, "The offering has no	8 it has to look to other sources for providing that capital.
9 minimum amount. Thus, we will begin to deploy (spend) the	9 Q Okay. Has REIT II disclosed that some of the funds
10 money we raise right away, no matter how much or how little we	10 raised would go to the capital needs of REIT I?
11 raise." Is that statement accurate?	11 A The REIT II discloses that it's going to be
12 A The statement refers to a couple of different items	12 investing in properties, regardless of whether it's a
13 that sometimes are used in these offering statements. One is	13 co-investment with REIT I, whether it's a co-investment with a
14 sometimes offering statements have a minimum raise amount in	14 third party or whether it's an investment into a property that
15 order for it to be effective, meaning they'll say, for	15 it's investing in all by itself without any other parties
16 example, "If we don't raise at least a million dollars by a	16 involved.
17 certain date," which amount will be kept in a third-party	17 Q I'm going to share that again. I didn't mean to
18 escrow typically, "then we're going to return all these	18 this is the same document. This is on page 58 under "Plan of
19 dollars to the customer and the offering will be rescinded," I	19 operation." The last sentence reads, "Whether we raise 50
20 guess, for lack of a better term.	20 million in the offering or something less, we believe the
21 In the case of REIT II, we did not want to have any	21 proceeds of this offering will satisfy our cash requirements.
22 sort of minimum amount without regard to an escrow that if we	22 If we raise less than 50 million, we will simply make fewer
23 failed to raise that amount, the offering would be unwound.	23 investments. Although we might decide to raise more capital,
24 The second part from the statement is, "We will	24 we know of no reason why we would need to." Is that statement
25 begin to deploy (spend) the money we raise right away, no	25 accurate?
Page 153	Page 155
1 matter how much or little we raise," that was to allow us to	1 A I have to look at this. So we take one sentence at
 matter how much or little we raise," that was to allow us to be able to spend dollars the minute we had a first sale on 	1 A I have to look at this. So we take one sentence at 2 a time. "Whether we raise 50 million in the offering or
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	Page 156		Page 158
1	to deliver as healthy of a return to our REIT customers	1	that because we had set up the fee structure catering more to
	without taking on an undue amount of risk making risk-adjusted		the cost of marketing to the retail investor, a lot of
	investments.		institutional investors that we talked to said that the
4	And so the more diversified that the REIT II's	4	REIT I's acquisition fee at an asset level, the property
5	portfolio is and we had every reason to expect based on our	5	level, was much higher than they were comfortable with
6	experience and data with REIT I and REIT II initially, that we	6	compared to their other investments they would make where they
7	would be able to eventually raise the full amount based on	7	typically saw them closer to 2 percent.
8	those assumptions at the time of making this disclosure. And	8	Sometimes you'd go as high as 4 percent depending on
9	that would allow us to build a much larger portfolio by	9	whether you were purchasing a particular asset at a
10	deploying 50 million of equity compared to the 10 million	10	significantly-below-market price where the institutional
11	we've raised to date, and diversify the REIT customers'	11	investor would be comfortable with taking allowing the
12	dollars over a much larger group of assets that ultimately is	12	sponsor take a higher acquisition fee because of the pricing
13	for one purpose, to the REIT customers' benefit.	13	going in and the going-in cap rate was so attractive to them.
14	So when we are able to when we are constrained	14	So in taking that feedback from our conversations
15	from raising additional capital and have to invest in a lower	15	with institutional investors through the course of trying to
16	amount of assets, we still expect to make a great return for	16	raise institutional capital to REIT I, we realized that we're
17	our investors, but it won't be as healthy of a portfolio from	17	still committed to raising institutional capital for REIT II,
18	a diversification standpoint as a more diversified portfolio	18	and so we thought there was we thought there was some
19	would be if we were able to raise the full 50.	19	ability to find maybe a family office that wouldn't be as
20	Q What fees does REIT II charge?	20	sensitive to the acquisition fee being higher than they would
21	A The fees for REIT II are in the there's a	21	usually see. But we just found that through feedback that
	supplement filed. So if you have that, we could walk through.	22	that wasn't the case, that everyone seemed to be presenting
	It would be more helpful to read them off than try to recite	23	that as a potential hurdle for investing in REIT II.
	them from memory.	24	And so that prompted the decision to finally lower
25	Q Okay. And have the REIT II fees changed?	25	that acquisition fee. It used to be, I believe, 6 to 8
	Page 157		Page 159
1	A The DEIT II feed did show as from the evictional filing		
	A The REIT II fees did change from the original filing		percent of the total cost of acquiring an asset including the
	that you were showing there on the amended number 1 to that	2	capex budget, and lowering it to 1 to 4 percent, you know, a
	that you were showing there on the amended number 1 to that supplement.	2 3	capex budget, and lowering it to 1 to 4 percent, you know, a much smaller range, in order to be more attractive to
3 4	that you were showing there on the amended number 1 to that supplement. Q And why did they change?	2 3 4	capex budget, and lowering it to 1 to 4 percent, you know, a much smaller range, in order to be more attractive to institutional capital as we were going through that courting
3 4 5	that you were showing there on the amended number 1 to that supplement.Q And why did they change?A There were there were two main drivers for the	2 3 4 5	capex budget, and lowering it to 1 to 4 percent, you know, a much smaller range, in order to be more attractive to institutional capital as we were going through that courting process.
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Page 160		Page 162
1 it also allowed from the parent co.'s perspective, us to	1 s	structure from REIT I.
2 when we were just operating under the acquisition fee, which	2	In making the decision to change the fee structure,
3 was the bulk of the fee revenue coming from the REIT activity	3 it	t was really a combination of input at the leadership level
4 to parent co., what would happen is we'd have to wait for a		of looking at some of the challenges we've had to obviously
5 real estate closing to occur in order to capture that		at that point we had not been successful in dispute
6 acquisition fee at the closing.		nultiple conversations, in convincing the institutional
7 And it created some because, as we discussed		nvestor to invest in the REITs, and we were looking at the
8 earlier, many real estate deals get delayed because the lender		eedback that we got from them. They loved our portfolios,
9 isn't ready to close on time or something else may occur that		hey seemed to like the value-add strategy, which is extremely
10 pushes the closing date back. And that unpredictability of		popular, but the most common point of feedback was the
11 when you'll experience a revenue event to the parent co. level		acquisition fees being higher than they preferred to see.
12 made it very challenging to manage some our parent co.	12	And so I think in looking at that we tried to see
13 expenditures such as marketing spend and marketing budgets.	13 a	are there any changes we could make without increasing a fee
14 And so by changing the fee structure for REIT II and		burden to the customer, so it's net neutral to the customer's
15 lowering the acquisition fee and introducing the O&O		experience, but allows us to be more attractive of an
16 reimbursement fee for marketing and tech expenses, it allowed		nvestment at the REIT level to an institutional investor by
17 us it allowed the parent company to more quickly recoup the		simply changing fee buckets around. That discussion is
18 dollars that it was spending marketing to the retail crowd		argely what prompted the change by leadership to switch the
19 instead of having to wait until a real estate closing		ee structure.
20 occurred, which was more difficult to predict from timing-wise	20	Q And when you say "the change by leadership," who was
21 and created what's called "lumpy revenue" rather than a	21 tl	
22 smoother, more predictable revenue.	22	A At that time I don't excuse me. At the time it
23 By creating smoother revenue for the parent co.	23 v	was certainly me and Craig. I think Isaac Dixon was on board
24 through the marketing and expense reimbursement, it really put		-
25 the parent co. in a better position financially in terms of		part of the leadership.
Page 161		Page 163
1 just managing our operations DiversyFund Inc. you know	1	-
1 just managing our operations. DiversyFund, Inc., you know, 2 it's important for it to remain in good financial health	1	(SEC Exhibit No. 6 was
2 it's important for it to remain in good financial health	2	(SEC Exhibit No. 6 was identified for the record.)
2 it's important for it to remain in good financial health3 because, you know, it's the one that employs the real estate	2 3	(SEC Exhibit No. 6 was identified for the record.) BY MR. ROSENTHAL:
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Page 164	Page 166
1 would review it, anyone else who reviewed it would review it.	1 investor shares. The sponsor may, in its sole discretion,
2 We would ask questions, make comments as needed, and then from	2 require the payment of the asset management fee up to five
3 my perspective I would tell counsel when I thought it looked	3 years in advance, which shall be nonrefundable."
4 good.	4 "Estimate: The amount of the organization and
5 Q Okay. And so on the first page there it says,	5 offering fee depends on the amount of capital raised. We
6 "Change in fee structure. The section of the offering	6 cannot make a reasonable estimate at this time."
7 circular captioned 'Compensation of management - fees' is	7 So my understanding is that we have charged a 2
8 revised in its entirety to provide as follows." So this	8 percent asset management fee for year one. But similar to
9 document revised entirely REIT II's fees; is that accurate?	9 REIT I, we actually waived the asset management fee entirely.
10 A It revised the limited section from the offering	10 For REIT II our expectation is to waive the asset management
11 circular, "Compensation of management - fees."	11 fee for subsequent years, at least now as of the current time,
12 Q Was it intended to be a complete replacement of the	12 so that it would be only charging for the first year's 2
13 fees for REIT II?	13 percent fee.
14 A It was intended to revise the section labeled,	14 Q Okay. So has REIT II charged an asset management
15 "Compensation of management - fees."	15 fee?
16 Q Okay. So this first fee, the organization and	16 A I can't confirm that, but I would assume so.
17 operating expense reimbursement I'll scroll down is that	17 Finance would be able to confirm what's actually been charged
18 accurate?	18 Q Okay. Do you know when that was charged?
19 A Accurate in what sense? Accurate in that's what the	19 A I just said I don't know when it was if it was
20 REIT II is charging for reimbursement	20 charged, so I don't know when it was charged.
21 Q Yes.	21 Q Okay. And then the next fee is the acquisition fee.
22 A So yeah, the offering the organization offering	22 Is the description of the acquisition fee accurate?
23 expense reimbursement, I don't really consider that a fee in	23 A "The sponsor will charge each project entity (or the
24 that, you know, it's a source of revenue. It's a	24 company itself, if the company owns real estate directly) an
25 reimbursement of actual expenditures and it's limited in the	25 acquisition fee of between 1 and 4 percent of the total
Page 165	
Page 165 1 expenditure. It's not dollar for dollar. It's limited and	Page 167
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Page 168	Page 170
1 have to check with finance.	1 directly, or is the sole owner of a project entity, the
2 Q Okay. When were they charged?	2 sponsor will receive a financing fee equal to 1 percent of the
3 A The NCP Dove was in December, and then Swaying Oaks	3 amount of each loan placed on a property, whether at the time
4 was much more recently. Just it closed last Friday.	4 of acquisition or pursuant to a refinancing. The financing
5 Q Okay. And for that were the acquisition fees	5 fee will be in addition to any fees paid to third parties,
6 charged when the transaction closed?	6 such as mortgage brokers. Where property is owned by an
7 A Typically it would be charged when the closing	7 entity in which there is another financial partner - a joint
8 occurred. I would have to check on a case-by-case basis.	8 venture - the sponsor might be entitled to a similar financing
9 Q Then the next fee is the property disposition fee.	9 fee to the extent negotiated with the financial partners in
10 Is this description of the property disposition fee accurate?	10 such joint venture (which could be higher than the 1 percent
11 A "Where the company owns property directly or is the	11 financing fee for direct investment). However, the sponsor's
12 sole owner of a project entity, the sponsor will receive a	12 share of the fee will not exceed 1 percent of the company's
13 property disposition fee equal to 1 percent of the total sale	13 shares of the loan."
14 price of each property. Where property is owned by an entity	14 "Estimate: The amount of the financing fee will
15 in which there is another financial partner - a joint	15 depend on the selling price of assets by the company and any
16 venture - the sponsor might be entitled to a similar	16 joint ventures and, in the case of joint ventures, the terms
17 disposition fee to the extent negotiated with the financial	17 our sponsor negotiates with joint venture partners. We cannot
18 partners in such joint venture (which could be higher than	18 make a reasonable estimate at this time."
19 the 1 percent disposition fee for direct investment).	19 Q Is that description accurate?
20 However, the company's share of the fee will not exceed 1	20 A Yes, it looks accurate to me.
21 percent of the company's share of the total sale price."	21 Q And has REIT II charged financing fees?
22 "Estimate: The amount of the disposition fee will	A That I don't know. I don't know whether we charged
23 depend on the selling price of assets by the company and any	23 a financing fee for NCP Dove or Swaying Oaks on those
24 joint ventures and, in the case of joint ventures, the terms	24 closings. And then I suspect we haven't charged I think we
25 our sponsor negotiates with joint venture partners. We can	25 may not have even charged any fee on the Mission Villas
Page 169	Page 171
Page 169 1 cannot make a reasonable estimate at this time."	Page 171 1 investment, though I'm not sure. I'd have to check with
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	Page 172		Page 174
	percent of the loan."		second sentence.
2	3	2	A Hold on. Sorry, Will, let me zoom in.
	depend on the amount of loans requiring a guaranty. We cannot	3	Q Sure.
4	make a reasonable estimate at this time."	4	A Okay. The second sentence or second paragraph?
5	Q Is that description accurate?	5	Q The second paragraph, and the second sentence in the
6		6	second paragraph. Do you see that, "Starting with"?
7		7	A Yes.
8		8	Q Okay. So I'm going to read it. "Starting with a
			minimum investment of only \$500 and no management fees, we
10	guaranty fees.		make it possible for you to diversify your portfolio with one
11	Q Okay. And then the next section is typed "Other		of the most attractive - and historically profitable - forms
12	fees." Is that description accurate?		of alternate asset investment: Multifamily commercial real
13	A "The company or project entities might engage the		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
	case must be fair to the company and the project entities,		had a 2 percent management fee and purposely from day one
	comparable to the compensation that would be paid to an		waived it in order to attract attract customers from a
18	unrelated party and disclosed to investors."	18	marketing standpoint. And so with respect to REIT I it was
19	"Estimate: We cannot make a reasonable estimate of	19	accurate.
20	other fees at this time."	20	Q Is it accurate with respect to REIT II?
21	Q Is that description accurate?	21	A REIT II does have a 2 percent management fee that's
22		22	charged.
23	Q Has REIT II charged any other fees?	23	Q So does that mean it's not accurate?
24	A I'm not aware of any that REIT II has charged, but	24	A REIT II does not have REIT II does charge
25	we certainly we do this to reserve the right, but as we	25	management fees. And so this was referring to REIT I, not
	Page 173		Page 175
	take things that we're paying a third party for and bringing	1	REIT II.
2	that if we were ever to bring them inhouse for the goal of	2	BY MS. LEVIN:
3	having better control over better quality control over	3	Q Well, how would an investor looking at your website
4	those services, then it allows us to charge effectively a	4	determine that this statement was referring to REIT I and not
5	market rate fee.	5	REIT II?
6	(SEC Exhibit No. 11 was	6	A Well, I can't speak for customers' experience. You
7	identified for the record.)	7	know, all the mentions of no management fees have always been
8	BY MR. ROSENTHAL:	8	with respect to REIT I. So to the extent that REIT II does
9	Q Okay. I'm now pulling up on the screen a document	9	charge management fees, my understanding was that any mentions
10	that's been marked as Exhibit 11. I will represent to you	10	of that while referring to REIT II were supposed to be taken
	that this document is part of a web capture of diversyfund.com		off the site. So I can't speak for marketing, but I don't
	we completed in September 2021. At the top of the document i	t 12	know why they would have that here.
	states, "The path to financial freedom." Do you recognize	13	Q How did you gain that understanding?
14	this document?	14	A Which understanding? That it's
15			
		15	Q Your understanding your under you just
16	Q What is it?		Q Your understanding your under you just testified that your understanding was that any mention was
16 17	Q What is it?A It is a screen capture that the SEC forwarded to our	16	
16 17	Q What is it?	16 17	testified that your understanding was that any mention was
16 17 18 19	Q What is it?A It is a screen capture that the SEC forwarded to our counsel from, I believe, our website.Q Okay. And who drafted this portion of DiversyFund's	16 17	testified that your understanding was that any mention was going to be removed from the website. Where did you gain that
16 17 18 19	Q What is it?A It is a screen capture that the SEC forwarded to our counsel from, I believe, our website.	16 17 18 19	testified that your understanding was that any mention was going to be removed from the website. Where did you gain that understanding?
16 17 18 19	Q What is it?A It is a screen capture that the SEC forwarded to our counsel from, I believe, our website.Q Okay. And who drafted this portion of DiversyFund's	16 17 18 19 20	testified that your understanding was that any mention was going to be removed from the website. Where did you gain that understanding? A Oh, when we launched REIT II there were discussions
16 17 18 19 20	 Q What is it? A It is a screen capture that the SEC forwarded to our counsel from, I believe, our website. Q Okay. And who drafted this portion of DiversyFund's website? A I do not know who drafted it. 	16 17 18 19 20 21	testified that your understanding was that any mention was going to be removed from the website. Where did you gain that understanding? A Oh, when we launched REIT II there were discussions about some of the fee changes in leadership regarding
16 17 18 19 20 21 22	 Q What is it? A It is a screen capture that the SEC forwarded to our counsel from, I believe, our website. Q Okay. And who drafted this portion of DiversyFund's website? A I do not know who drafted it. Q Did you review this portion of DiversyFund's website? 	16 17 18 19 20 21	testified that your understanding was that any mention was going to be removed from the website. Where did you gain that understanding? A Oh, when we launched REIT II there were discussions about some of the fee changes in leadership regarding between REIT I or REIT II. And so those discussions should have facilitated that any mention of no management fees in
16 17 18 19 20 21 22	 Q What is it? A It is a screen capture that the SEC forwarded to our counsel from, I believe, our website. Q Okay. And who drafted this portion of DiversyFund's website? A I do not know who drafted it. Q Did you review this portion of DiversyFund's website? A No, I don't recall reviewing this. 	16 17 18 19 20 21 22	testified that your understanding was that any mention was going to be removed from the website. Where did you gain that understanding? A Oh, when we launched REIT II there were discussions about some of the fee changes in leadership regarding between REIT I or REIT II. And so those discussions should have facilitated that any mention of no management fees in

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Page 176 1 then marketing or product or tech would have gone to their	Page 178 1 Q I understand. But don't you know who was ultimately
2 respective teams to try to make those changes.	2 responsible for the website disclosures?
3 Q I'm not asking you to speculate, of course. Did you	3 A I don't.
4 personally have discussions in a leader in a leadership	4 MR. BHANDARI: Objection, asked and answered,
5 team context regarding this specific disclosure regarding	5 argumentative.
6 management fees?	6 MS. LEVIN: Okay. Objection noted.
7 A We never discussed this we in leadership we	7 BY MS. LEVIN:
8 don't discuss particular web pages. We don't pull up the	8 Q And I understand your answer is you don't know.
9 website and go through it. In leadership what we do is just	9 So if you were an investor, would it be important to
10 say, "Hey, marketing, hey, product, hey, tech, we're rolling	10 you to know whether or not management fees were being charged
11 out REIT II and we want to make sure that you're informed of	11 by an offering that you were considering investing in?
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	13 goal is to build wealth. And so fees become less important
14 REIT II are properly and accurately taken care of."	14 when you're confident that you're going to be able to track a
15 Q So I understand what you're saying, but I'm	15 healthy return without taking on an undue amount of risk.
16 that's not what I'm asking. I'm not asking what would you do,	16 And so I would be more inclined to look at how
17 I'm asking what in fact happened.	17 diversified is the portfolio going to be, what kind of team is
18 A In the leadership discussion? I don't recall the	18 behind sourcing the transactions and executing on the business
19 exact discussion. I just I do	19 plan under the asset management umbrella. And so those would
20 Q Okay.	20 be the things I would be focused on.
21 A recall that we informed leadership that unlike	21 It's interesting when you look at various investment
22 REIT I, REIT II did not have or unlike REIT I, REIT II	22 types and I've dealt with a lot of them over my career
23 would have management fees.	23 you are less worried about expenses and fees, more worried
24 Q And who is the "we" you're referring to?	24 about what's your net return. Because it's a factor of
25 A Everyone in the leadership group. At the time of	25 looking at what gross return the asset generates and then
Page 177 1 REIT II's launch, let's see yeah, I don't know that Fateh	Page 179 1 looking at once you deduct the fees and expenses whether
2 and Navid had started yet, but Isaac would have been there,	2 it's a fee or it's an expense it doesn't matter. You're only
3 Isaac Dixon, and David Legacki would have been there at that	3 looking at what the net return is.
4 point.	4 And so in my conversations prior to DiversyFund when
5 Q And again, you're referring to leadership. So at	5 I would work directly with extremely sophisticated and very
6 that point who are you referring to?	6 experienced real estate investors, high net worth individuals
7 A Everyone in the leadership meeting, which would be	7 and some institutional funds, the fees were really not the
8 myself, Craig Cecilio, and then depending on when the	8 primary concern. It was can this team execute on delivering a
9 discussion happened, I can't recall whether Navid and Fateh	9 net return that I would be happy with.
10 had been on board at that point, but certainly Isaac Dixon and	10 Q And what do you have any experience working with
11 David Legacki.	11 investors who are not high net worth individuals, who are your
12 Q And who was responsible for making sure the website	12 average retail investor, and what would be important to them?
13 was accurate in terms of its disclosures?	13 A Certainly.
14 A Yeah, I don't know who at the end of the day on the	14 Q And what's that experience?
15 marketing, product or tech side has that responsibility.	15 A I think they're even more focused on what their net
16 Q Who is ultimately responsible for it?	16 return is because they're just looking at, "What does this
17 A I wouldn't know who would be ultimately responsible	17 investment do for me at the end of the day?" They don't
18 for that.	18 really tend to, in general, focus on fees and expenditures.
19 Q You don't?	19 They're just looking at, "If I give you \$100, what are you
20 A Correct.	20 going to be able to deliver back to me in what time frame?"
21 Q Okay. Aren't you a principal of the company?	21 Q The fee would detract from the return, correct?
22 A I'm the chief investment officer, and so my focus is	22 A The fee certainly would reduce the amount of returns
23 on the REITs and the portfolios and the real estate division	23 because you're starting on the gross level of. But the
24 and making sure that the portfolio is performing as best as	
24 and making sure that the portfolio is performing as best as25 possible without taking on undue amount of risk.	24 question is from our from our typical customers who are 25 non-accredited, outside of offerings such as DiversyFund's

	Page 180		Page 182
1	REIT offerings, they do not have access to these kinds of	1	that I'm very proud of.
2	portfolios. They can go try to do their own investment,	2	Q Okay.
3	taking on their own risk with their own time.	3	BY MR. ROSENTHAL:
4	And often we have folks who have said they tried to	4	Q Okay. And when this statement was on DiversyFund's
5	do, you know, fix-and-flip residential or vacation rentals and	5	website in September 2021, investors were investing through
6	have just been very frustrated with how much work it takes and	6	DiversyFund's website in REIT II at the time, correct?
7	how it's not just easy to make money in real estate like	7	A Yeah, the exact date of the first sale of REIT II
8	sometimes it's portrayed in social media with all these	8	securities through the website would have been sometime in
9	so-called "guru" accounts that folks see.	9	either late August or early September. I don't have the exact
10	And so my limited it's anecdotal obviously, but	10	date in front of me so I couldn't confirm that.
11	as you look at my experience with unsophisticated retail	11	Q Okay. But there were sales in September 2021 that
12	investors, they really at the end of the day don't have this	12	took place, correct?
13	ability to invest in institutional grade multifamily value-add	13	A At some point in September, I believe so.
14	portfolios which multifamily happens value-add in	14	Q And is this statement about the no management fees,
15	particular, happens to be historically one of the best	15	is it still on DiversyFund's website?
16	performing asset classes in the real estate umbrella. It's	16	A No. As soon as you brought it to our attention we
17	beat office, it's beat retail, it's beat hospitality, it's	17	took it down.
18	beat senior housing, it's beat single-family residential. And	18	Q Okay. So it was taken down once the SEC brought it
19	so our customers are getting access to this for the first	19	to your attention?
20	time.	20	A Yes.
21	And so the cost of expenditure and fees in order for	21	(SEC Exhibit No. 12 was
22	us to deliver that certainly is higher than if we were going	22	identified for the record.)
23	and just working with already wealthy institutions who can	23	BY MR. ROSENTHAL:
24	write a single check. You know, we have a cost involved with	24	Q I'm now going to be sharing showing auto-
25	aggregating microdollars, which is the cost of delivering this	25	document
	Page 181		Page 183
1			5
· ·	investment service to our everyday unsophisticated investors.	1	A Apologies, did we lose what is her name,
2	investment service to our everyday unsophisticated investors. And have so they are although the fees and		-
2			A Apologies, did we lose what is her name,
2 3 4	And have so they are although the fees and expenses are higher compared to institutional investment, they don't have access to institutional investments. They can't	2	A Apologies, did we lose what is her name, Jennifer?
2 3 4	And have so they are although the fees and expenses are higher compared to institutional investment, they	2 3 4 5	 A Apologies, did we lose what is her name, Jennifer? Q Yeah, that's okay. We can continue without her. A Okay. Q This is Exh bit Number 12. That's on the screen. I
2 3 4 5 6	And have so they are although the fees and expenses are higher compared to institutional investment, they don't have access to institutional investments. They can't invest. There's just no avenue for them to do it. And I look at my parents, for example, they never had the chance to build	2 3 4 5	A Apologies, did we lose what is her name,Jennifer?Q Yeah, that's okay. We can continue without her.A Okay.
2 3 4 5 6 7	And have so they are although the fees and expenses are higher compared to institutional investment, they don't have access to institutional investments. They can't invest. There's just no avenue for them to do it. And I look at my parents, for example, they never had the chance to build up the real estate. They were stuck with the stock market.	2 3 4 5 6	 A Apologies, did we lose what is her name, Jennifer? Q Yeah, that's okay. We can continue without her. A Okay. Q This is Exh bit Number 12. That's on the screen. I
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2 3 4 5 6 7 8 9 10 11 12 13 14 15 16 17 18 19 20 21 22 23 24	And have so they are although the fees and expenses are higher compared to institutional investment, they don't have access to institutional investments. They can't invest. There's just no avenue for them to do it. And I look at my parents, for example, they never had the chance to build up the real estate. They were stuck with the stock market. And so that's been my mission here is to change that. When I worked on Wall Street I hated the fact that there's an old boys club that seriously limits people's access to these type of investments, and they all they cared about is, "Can you give me \$1 million check? And if you can't give me \$1 million, I don't even want to talk to you." And so people like my parents got dismissed out of hand from having any access to that. So over time, yes, we do hope that we can bring down our fees as we get better at marketing and have economies of scale that come from raising additional funds and building bigger portfolios. But for now I feel, and my experience has been, that our everyday unsophisticated retail customers are just looking to us to help them build wealth and to give them a net return that they're happy with. And we, quite	2 3 4 5 6 7 8 9 10 11 12 13 14 15 16 17 18 19 20 21 22 23 24	 A Apologies, did we lose what is her name, Jennifer? Q Yeah, that's okay. We can continue without her. A Okay. Q This is Exh bit Number 12. That's on the screen. I will represent to you that document is part of a web capture of diversyfund.com we completed in November 2021. At the top it states REIT II fee structure. Do you recognize this document? A Yes, I do. Q And what is it? A It's a screen capture from our website that the SEC sent to our counsel. Q And who drafted this portion of DiversyFund's website? A I can't be sure, but it has Christopher Finlay from customer service name on it, so I assume he did. Q Okay. Did you review this portion of DiversyFund's website? A I did not. Q So there's a question, "How does the new fee structure work?" And it describes the fee structure. Is this

Page 184		age 186
1 Q Sure.	1 well, what's the change in the fee structure? And so wh	
2 A "How does the new fee structure impact my returns?"	2 can't speak for him, I assume that in hearing that feedb	
3 "The new fee structure was designed to have no negative impact	3 from customer service in leadership meeting that one o	
4 on overall fees charged to the REIT. It simply breaks up fees	4 purposes was to really focus on what's the difference, w	
5 into different buckets to allow for greater flexibility for	5 the difference in the two fee structures is the acquisition	
6 our management team and enhance the real estate team's	6 fee going down from 6 to 8 percent down to 1 to 4 and	
7 effectiveness."	7 an O&O fee for the first time to replace the lower acquir	sition
8 "How does the new fee structure work?" "We are	8 fee.	
9 always looking for ways to improve how we create wealth for	9 Q Okay. So this web page, it doesn't mention a	
10 our customers. The new fee structure has several components	10 property disposition fee, a construction management fe	e, or a
11 that help us be more competitive in acquiring multifamily	11 guaranty fee, correct?	
12 properties so that we can build better portfolios."	12 A This page does not mention the guaranty fee, do	
13 "Platform costs: Offering and organization expense	13 mention the construction management fee, neither of w	
14 reimbursement. Expenses charged to investors for the actual	14 we've ever charged on either REIT. And then what was	sthe
15 costs of marketing and Fintech platform operations - expenses	15 other one you mentioned?	
16 are capped at 10 percent of equity dollars. Asset management	16 Q I property disposition fee.	
17 fee. Platform fee equal to 2 percent of equity dollars per	17 A Yeah, we haven't charged any of those for REIT	11.
18 year."	18 But yeah, it's not mentioned on here, on this page.	
19 "Real estate fees" and, Will, can you scroll down	19 Q Why does the offering circular supplement ment	lon
20 a little bit, please?	20 those fees and not this web page?	
21 "Real estate fees: Acquisition fees. 1 percent"	21 A I can't speak for why Christopher did not include	
22 "1 to 4 percent of total cost of asset. Finance fee. 1	22 those, what his purpose was in creating this. I mean, o	ur
23 percent at any loan amount."	23 offering circular lists all the fees accurately and our	
24 "How does DiversyFund make money?" "DiversyFund	24 checkout process ensures that no investor is investing	
25 makes money through the platform and asset fees, and when we	25 having access to the offering statement and its descript	ion of
Page 185		age 187
1 sell REIT assets that have increased in value, we will be paid	1 all fees before they finally purchase a security.	
2 a portion of any profits over the preferred rate of return	2 Q Okay. And this web page also doesn't mention	
3 of 7 percent to our investors."	3 other fees that the offering circular supplement may cha	arge
4 "Why was the fee structure changed?" "The new fee	4 the other fees, correct?	
5 structure, provides greater flexible for our real estate team	5 A Which fees are you referring to?	
6 in selecting assets and provides a better opportunity to	6 Q The last section of the offering circular supplem	ent
7 partner with other investment firms to maximize potential	7 had a section titled "Other fees." And that's not	
8 returns for our customers."	8 described	
9 Is there anything else, Will?	9 A I don't see the "Other fee" category mentioned h	
10 Q That's it.	10 Again, I don't believe we charged any other fees either	TOP
11 A Okay.	11 REIT II.	the
12 Q Is this description of REIT II's fees accurate?	12 Q Okay. Why were those other fees described in	ine
13 A The fees that it does talk about are accurate	13 offering circular supplement and not on this web page?	
14 descriptions. As the SEC has pointed out, it doesn't cover	14 A The other fees are described in the offering	
15 every single fee that REIT II could potentially charge.	14 A The other fees are described in the offering15 circular supplement because it's the offering circular's	
15 every single fee that REIT II could potentially charge.16 Q And why doesn't it?	 A The other fees are described in the offering circular supplement because it's the offering circular's job, from my understanding, is to disclose all fees that of 	could
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D 400	David 400
Page 188 1 reinvested dividend, and then at a later date all REITs are	Page 190 1 operating income.
2 required that when they have income generated at the REIT	2 And then at that point then you have to turn around
3 level, that you're required to distribute I can't remember	3 and pay your debt service, which is the payments that you owe
4 if it's 90 or 95 percent of it, but any profits after you're	4 the lender for their loan, to the extent you have one. And on
5 deducting your operating expenses and depreciation expense,	5 all of our properties we always deploy leverage because it
6 then those would have to be paid through as at least	6 helps to when used properly and conservatively, helps to
7 annually as a dividend as well from REIT portfolio operations.	7 magnify the investor's return.
8 Q Okay. So how are dividends for REIT II generated?	8 And so when you take the NOI less the debt service,
9 A Well, it depends on which one, I'd have to	9 that's what's determined as your free cash flow. And the free
10 confirm with finance if we've even paid a dividend before I	10 cash flow would be the dollars well, first then with free
11 could speak to that. I can speak to the REIT I dividends if	11 cash flow the first priority is to maintain a three-month
12 you want to talk about those. I'm more familiar with those.	12 operating reserve on the opex account for that property to
13 Q For REIT II, regardless of whether they've actually	13 make sure that you have enough to weather any storm such as
14 been issued, what are the REIT II dividends based on?	14 COVID or unexpected issues that may come up in the macro of
15 A Well, during what's typical for REITs, probably	15 micro market. And then once the reserve is established, then
16 about a third of REITs, from my understanding, when you're	16 excess free cash flow could would go be repatriated back
17 or at least value-add REITs, what happens is when you're in	17 to the REIT.
18 the phase of raising capital and initially deploying that	18 And then to the extent that that free cash flow
19 capital, whatever period of time that takes, you are burdened	19 accumulates in the REIT's expenses, because the REIT has its
20 with renovation expense. And so the properties typically	20 own vendors, auditors, legal counsel, what have you. To the
21 won't cast off actual operating income. And so to incentivize	21 extent that that free cash flow finally gets to the point that
22 investors who tend to prefer dividends, there is often a	22 it is exceeding the REIT's expenses and you also have to
23 dividend that sometimes can be paid, a fixed dividend for a	23 add in the depreciation expense that flows through from the
24 period of time before you get to a period where the portfolio	24 individual SPVs up to the REIT level, because they're all LLCs
25 is actually generating operating income that can pay a	25 and so it's a pass-through ownership. Then once that exceeds
Page 189	Page 191
Page 189 1 variable dividend depending on what dollars come in.	-
Page 189 1 variable dividend depending on what dollars come in. 2 Q So I'm not sure I understand that. So what is that	1 that, that would be free cash flow that the REIT would be
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	Page 192			Page 194
1	significant.	1		ne actual rents.
2	Q Okay.	2		Okay. But that wouldn't be every month, right?
3	,	3	A V	Nell, it would depend on what the portfolio is
4		4	doing.	
5	A Certainly for REIT I. For REIT II, you know, it	5		certainly could be. If the portfolio is at the
	just hasn't come up. We've been so busy. So I don't know			ere it's post renovation and healthy and the market's
1	I'd have to confirm with finance if we're even doing the same		-	ell, then it certainly and easily could be a monthly
	thing we did with REIT I.			d from rental rents collected.
9	(SEC Exhibit No. 14 was	9	Q	-
10	,	10		ut then that when the fixed dividends in
11	BY MR. ROSENTHAL:			al period, those are not based on the rents that are
12	Q So I'm going to show you a document marked as			d, correct?
	Exhibit 14.	13		When it's a fixed dividend during the initial
14	And at the top I'll represent to you that this			those would not be coming from rents collected.
	is a page of a web capture of diversyfund.com we completed in		QC	Okay. Next I'm going to show you Exhibit 18.
1	November 2021, and at the top it says, "Why was my first	16		(SEC Exhibit No. 18 was
	dividend lower than I expected?" Do you recognize this	17	_	identified for the record.)
	document?	18	_	Y MR. ROSENTHAL:
19	A Yes.	19		This is a document that was produced by DiversyFund,
20	Q What is it?			Bates stamped DF-001314. Do you recognize this
21	A It's a screen capture that you sent to my counsel	21	docume	
	from the website.	22		do not.
23	Q Who drafted this portion of DiversyFund's website?A My assumption is Christopher Finlay based on the	23	Q	-
	A My assumption is Christopher Finlay based on the fact that his name is at the top.	24 25		o is this a list of dividends paid out? don't know.
25	lact that his hame is at the top.	25		UUTT KIOW.
				D (27)
1	Page 193	1	L.	Page 195
1	Q Did you review it?	1		ve not seen this document before.
2	Q Did you review it?A I did not.	2	l don't ki	ve not seen this document before. now who prepared it, where it came from, what it
2	Q Did you review it?A I did not.Q Okay.	2 3	l don't kı reflects,	ve not seen this document before. now who prepared it, where it came from, what it so I couldn't I wouldn't be comfortable speaking
2 3 4	 Q Did you review it? A I did not. Q Okay. Do you see where under where it says 	2 3 4	l don't ki reflects, accurate	ve not seen this document before. now who prepared it, where it came from, what it so I couldn't I wouldn't be comfortable speaking ely about anything regarding this document.
2 3 4 5	 Q Did you review it? A I did not. Q Okay. Do you see where under where it says "Dividends" in bold, the first sentence says, "Dividends are 	2 3 4 5	l don't ki reflects, accurate Q (ve not seen this document before. now who prepared it, where it came from, what it so I couldn't I wouldn't be comfortable speaking ely about anything regarding this document. Okay.
2 3 4 5 6	 Q Did you review it? A I did not. Q Okay. Do you see where under where it says "Dividends" in bold, the first sentence says, "Dividends are the profit generated from in-coming rents"? Do you see that? 	2 3 4 5 6	I don't ki reflects, accurate Q (Ar	ve not seen this document before. now who prepared it, where it came from, what it so I couldn't I wouldn't be comfortable speaking ely about anything regarding this document. Okay. nd for REIT I, what form did the dividends
2 3 4 5 6 7	 Q Did you review it? A I did not. Q Okay. Do you see where under where it says "Dividends" in bold, the first sentence says, "Dividends are the profit generated from in-coming rents"? Do you see that? A Yes. 	2 3 4 5 6 7	l don't kr reflects, accurate Q C Ar that were	ve not seen this document before. now who prepared it, where it came from, what it so I couldn't I wouldn't be comfortable speaking ely about anything regarding this document. Okay. nd for REIT I, what form did the dividends re issued did they take?
2 3 4 5 6 7 8	 Q Did you review it? A I did not. Q Okay. Do you see where under where it says "Dividends" in bold, the first sentence says, "Dividends are the profit generated from in-coming rents"? Do you see that? A Yes. Q Is that accurate? 	2 3 4 5 6 7 8	I don't kr reflects, accurate Q C Ar that wer A V	ve not seen this document before. now who prepared it, where it came from, what it so I couldn't I wouldn't be comfortable speaking ely about anything regarding this document. Okay. nd for REIT I, what form did the dividends re issued did they take? What do you mean by "form"?
2 3 4 5 6 7 8 9	 Q Did you review it? A I did not. Q Okay. Do you see where under where it says "Dividends" in bold, the first sentence says, "Dividends are the profit generated from in-coming rents"? Do you see that? A Yes. Q Is that accurate? A Dividends can be profits generated from in-coming 	2 3 4 5 6 7 8 9	I don't kr reflects, accurate Q C Ar that wer A V Q H	ve not seen this document before. now who prepared it, where it came from, what it so I couldn't I wouldn't be comfortable speaking ely about anything regarding this document. Okay. nd for REIT I, what form did the dividends re issued did they take? What do you mean by "form"? How did did investors receive cash dividends?
2 3 4 5 6 7 8 9 10	 Q Did you review it? A I did not. Q Okay. Do you see where under where it says "Dividends" in bold, the first sentence says, "Dividends are the profit generated from in-coming rents"? Do you see that? A Yes. Q Is that accurate? A Dividends can be profits generated from in-coming rents. Dividends can also be fixed dividends. Like I 	2 3 4 5 6 7 8 9	I don't kr reflects, accurate Q C Ar that wer A V Q H A L	ve not seen this document before. now who prepared it, where it came from, what it so I couldn't I wouldn't be comfortable speaking ely about anything regarding this document. Okay. nd for REIT I, what form did the dividends re issued did they take? What do you mean by "form"?
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2 3 4 5 6 7 8 9 10 11 12 13	 Q Did you review it? A I did not. Q Okay. Do you see where under where it says "Dividends" in bold, the first sentence says, "Dividends are the profit generated from in-coming rents"? Do you see that? A Yes. Q Is that accurate? A Dividends can be profits generated from in-coming rents. Dividends can also be fixed dividends. Like I described earlier, a dividend can be from the disposition of a property. Dividends can be from a cashout refinance. And so this covers one means of a dividend being paid. Q Okay. 	2 3 4 5 6 7 8 9 10 11 12 13 14	I don't kr reflects, accurate Q C Ar that wer A V Q H A L Q G A N Q S A T	ve not seen this document before. now who prepared it, where it came from, what it so I couldn't I wouldn't be comfortable speaking ely about anything regarding this document. Okay. nd for REIT I, what form did the dividends re issued did they take? What do you mean by "form"? How did did investors receive cash dividends? Like a cash distribution to their bank accounts? Correct. No, they did not. So what did they receive? They received a dividend reinvestment. So
2 3 4 5 6 7 8 9 10 11 12 13 14 15	 Q Did you review it? A I did not. Q Okay. Do you see where under where it says "Dividends" in bold, the first sentence says, "Dividends are the profit generated from in-coming rents"? Do you see that? A Yes. Q Is that accurate? A Dividends can be profits generated from in-coming rents. Dividends can also be fixed dividends. Like I described earlier, a dividend can be from the disposition of a property. Dividends can be from a cashout refinance. And so this covers one means of a dividend being paid. 	2 3 4 5 6 7 8 9 10 11 12 13 14 15	I don't kr reflects, accurate Q C Ar that wer A V Q H A L Q C A N Q S A T effective	ve not seen this document before. now who prepared it, where it came from, what it so I couldn't I wouldn't be comfortable speaking ely about anything regarding this document. Okay. nd for REIT I, what form did the dividends re issued did they take? What do you mean by "form"? How did did investors receive cash dividends? Like a cash distribution to their bank accounts? Correct. No, they did not. So what did they receive?
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2 3 4 5 6 7 8 9 10 11 12 13 14 15 16 17 18	 Q Did you review it? A I did not. Q Okay. Do you see where under where it says "Dividends" in bold, the first sentence says, "Dividends are the profit generated from in-coming rents"? Do you see that? A Yes. Q Is that accurate? A Dividends can be profits generated from in-coming rents. Dividends can also be fixed dividends. Like I described earlier, a dividend can be from the disposition of a property. Dividends can be from a cashout refinance. And so this covers one means of a dividend being paid. Q Okay. In those cases like the fixed dividends, it's not accurate, is it? A This is describing a dividend from profit from in-coming rents. 	2 3 4 5 6 7 8 9 10 11 12 13 14 15 16 17 18	I don't kr reflects, accurate Q C Ar that wer A V Q H A L Q C A N Q S A T effective account, increase ownersh	ve not seen this document before. now who prepared it, where it came from, what it so I couldn't I wouldn't be comfortable speaking ely about anything regarding this document. Okay. nd for REIT I, what form did the dividends re issued did they take? What do you mean by "form"? How did did investors receive cash dividends? Like a cash distribution to their bank accounts? Correct. No, they did not. So what did they receive? They received a dividend reinvestment. So ely they were given rather than cash in their bank to their portion basically their percentage hip of the REIT.
2 3 4 5 6 7 8 9 10 11 12 13 14 15 16 17 18	 Q Did you review it? A I did not. Q Okay. Do you see where under where it says "Dividends" in bold, the first sentence says, "Dividends are the profit generated from in-coming rents"? Do you see that? A Yes. Q Is that accurate? A Dividends can be profits generated from in-coming rents. Dividends can also be fixed dividends. Like I described earlier, a dividend can be from the disposition of a property. Dividends can be from a cashout refinance. And so this covers one means of a dividend being paid. Q Okay. In those cases like the fixed dividends, it's not accurate, is it? A This is describing a dividend from profit from in-coming rents. Q Okay. 	2 3 4 5 6 7 8 9 10 11 12 13 14 15 16 17 18 19 20	I don't kr reflects, accurate Q C Ar that wer A V Q H A L Q C A N Q S A T effective account, increase ownersh M	ve not seen this document before. now who prepared it, where it came from, what it so I couldn't I wouldn't be comfortable speaking ely about anything regarding this document. Okay. nd for REIT I, what form did the dividends re issued did they take? What do you mean by "form"? How did did investors receive cash dividends? Like a cash distribution to their bank accounts? Correct. No, they did not. So what did they receive? They received a dividend reinvestment. So ely they were given rather than cash in their bank t, they were given an additional amount of shares, which ed their portion basically their percentage hip of the REIT. IR. ROSENTHAL: Vickie, do you have any questions?
2 3 4 5 6 7 8 9 10 11 12 13 14 15 16 17 18 19 20	 Q Did you review it? A I did not. Q Okay. Do you see where under where it says "Dividends" in bold, the first sentence says, "Dividends are the profit generated from in-coming rents"? Do you see that? A Yes. Q Is that accurate? A Dividends can be profits generated from in-coming rents. Dividends can also be fixed dividends. Like I described earlier, a dividend can be from the disposition of a property. Dividends can be from a cashout refinance. And so this covers one means of a dividend being paid. Q Okay. In those cases like the fixed dividends, it's not accurate, is it? A This is describing a dividend from profit from in-coming rents. Q Okay. So then the next sentence says, "REIT investors receive a dividend every month from the rents that 	2 3 4 5 6 7 8 9 10 11 12 13 14 15 16 17 18 19 20	I don't kr reflects, accurate Q C Ar that wer A V Q H A L Q C A N Q S A T effective account, increase ownersh M you'll go	ve not seen this document before. now who prepared it, where it came from, what it so I couldn't I wouldn't be comfortable speaking ely about anything regarding this document. Okay. nd for REIT I, what form did the dividends re issued did they take? What do you mean by "form"? How did did investors receive cash dividends? Like a cash distribution to their bank accounts? Correct. No, they did not. So what did they receive? They received a dividend reinvestment. So ely they were given rather than cash in their bank s, they were given an additional amount of shares, which ed their portion basically their percentage hip of the REIT. IR. ROSENTHAL: Vickie, do you have any questions? IS. LEVIN: No, nothing further at this time. As
2 3 4 5 6 7 8 9 10 11 12 13 14 15 16 17 18 19 20 21	 Q Did you review it? A I did not. Q Okay. Do you see where under where it says "Dividends" in bold, the first sentence says, "Dividends are the profit generated from in-coming rents"? Do you see that? A Yes. Q Is that accurate? A Dividends can be profits generated from in-coming rents. Dividends can also be fixed dividends. Like I described earlier, a dividend can be from the disposition of a property. Dividends can be from a cashout refinance. And so this covers one means of a dividend being paid. Q Okay. In those cases like the fixed dividends, it's not accurate, is it? A This is describing a dividend from profit from in-coming rents. Q Okay. So then the next sentence says, "REIT investors receive a dividend every month from the rents that 	2 3 4 5 6 7 8 9 10 11 12 13 14 15 16 17 18 19 20 21	I don't kr reflects, accurate Q C Ar that wer A V Q H A L Q C A N Q S A T effective account, increase ownersh M you'll go M	ve not seen this document before. now who prepared it, where it came from, what it so I couldn't I wouldn't be comfortable speaking ely about anything regarding this document. Okay. nd for REIT I, what form did the dividends re issued did they take? What do you mean by "form"? How did did investors receive cash dividends? Like a cash distribution to their bank accounts? Correct. No, they did not. So what did they receive? They received a dividend reinvestment. So ely they were given rather than cash in their bank s, they were given an additional amount of shares, which ed their portion basically their percentage hip of the REIT. IR. ROSENTHAL: Vickie, do you have any questions? IS. LEVIN: No, nothing further at this time. As p into, we may call Mr. Lewis back.
2 3 4 5 6 7 8 9 10 11 12 13 14 15 16 17 18 19 20 21 22	 Q Did you review it? A I did not. Q Okay. Do you see where under where it says "Dividends" in bold, the first sentence says, "Dividends are the profit generated from in-coming rents"? Do you see that? A Yes. Q Is that accurate? A Dividends can be profits generated from in-coming rents. Dividends can be fixed dividends. Like I described earlier, a dividend can be from the disposition of a property. Dividends can be from a cashout refinance. And so this covers one means of a dividend being paid. Q Okay. In those cases like the fixed dividends, it's not accurate, is it? A This is describing a dividend from profit from in-coming rents. Q Okay. So then the next sentence says, "REIT investors receive a dividend every month from the rents that are collected." 	2 3 4 5 6 7 8 9 10 11 12 13 14 15 16 17 18 19 20 21 22	I don't kr reflects, accurate Q C Ar that wer A V Q H A L Q C A N Q S A T effective account, increase ownersh M you'll go M B	ve not seen this document before. now who prepared it, where it came from, what it so I couldn't I wouldn't be comfortable speaking ely about anything regarding this document. Okay. nd for REIT I, what form did the dividends re issued did they take? What do you mean by "form"? How did did investors receive cash dividends? Like a cash distribution to their bank accounts? Correct. No, they did not. So what did they receive? They received a dividend reinvestment. So ely they were given rather than cash in their bank t, they were given an additional amount of shares, which ed their portion basically their percentage hip of the REIT. IR. ROSENTHAL: Vickie, do you have any questions? IS. LEVIN: No, nothing further at this time. As p into, we may call Mr. Lewis back. IR. ROSENTHAL: Okay, yes.

	Page 196		Page 198
1	to testify in this matter. We will contact your counsel to	1	CERTIFICATE OF SHORTHAND REPORTER - NOTARY PUBLIC
2	arrange this.	2	I, Rebecca L. Stonerock, Registered Professional
3	Although your testimony is adjourned, you	3	Reporter, the officer before whom the foregoing proceedings
4	remain under subpoena.	4	were taken, do hereby certify that the foregoing transcript is
5	Mr. Lewis, do you wish to clarify anything or add	5	a true and correct record of the proceedings; that said
6	anything to the statements you have made today?	6	proceedings were taken by me stenographically and thereafter
7	A I can't yeah, I don't have anything that I wish	7	reduced to typewriting under my supervision; and that I am
8	to add or clarify.	8	neither counsel for, related to, nor employed by any of the
9	MR. ROSENTHAL: And, Counsel, do you wish to ask any	9	parties to this case and have no interest, financial or
10	clarifying questions?	10	otherwise, in its outcome.
11	MR. BHANDARI: No.	11	
12	MR. ROSENTHAL: Okay. Off the record at 4:29 p.m.	12	My commission expires:
13	(Whereupon, at 4:29 p.m., the examination was	13	October 14, 2022
14	concluded.)	14	
15	* * * *	15	
16		16	
17		17	NOTARY PUBLIC IN AND FOR
18		18	THE DISTRICT OF COLUMBIA
19		19	
20		20	
21		21	
22		22	
23		23	
24		24	
25		25	
	Page 197		
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		
	is a complete, true and accurate transcription of all matters		
	contained on the recorded proceedings of the investigative		
13	testimony.		
14			
15			
16			
17	(Proofreader's Name) 4-28-2022		
18			
19			
20			
21			
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23			
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25			

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

And tony Lawson and woonlegation about

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) <<u>hello@diversyfund.com</u>> 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 5, 2022, 1:13 Rei POT

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")].
- 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. IF YOU DO NOT AGREE TO AND ACCEPT ALL TERMS AND CONDITIONS. IF YOU DO NOT AGREE TO AND ACCEPT ALL TERMS AND 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, PLEASE SELECT THE "I DECLINE" BUTTON. IF YOU DO NOT AGREE TO AND 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, PLEASE SELECT THE "I DECLINE" BUTTON. IF YOU DO NOT AGREE TO AND ACCEPT ALL TERMS AND CONDITIONS OF THE REVISED 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:

- 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 Servicesaffiliated 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 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; (ii) do not be entitled 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 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.

 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 "you" 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;
- ٠
- 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, <u>www.divseryfund.com</u> 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 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.

SIGNED:

DIVERSY ADVISORY SERVICES, LLC

By: DiversyFund, Inc. Its Manager

Ву:	
Name:	
Title: Chief	Investment Officer
Signature:	Alan Lewis

CLIENT:

Individual:

Laul 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:

 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.

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

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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.

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Executed this $\frac{31}{2}$ 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 <u>2021-10-05T00:21:08.007Z</u>, 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 <u>2021-10-05T00:21:08.007Z</u> (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. §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. <u>Defined Terms.</u> 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. <u>Purchase of Shares.</u> 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. <u>No Right to Cancel.</u> 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. <u>Our Right to Reject Investment.</u> 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 <u>Accuracy of Information</u>. 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 <u>Risks.</u> 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 <u>No Representations.</u> 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 <u>Opportunity to Ask Questions</u>. 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 <u>Your Legal Power to Sign and Invest.</u> You have the legal power to sign this Investment Agreement and purchase the Shares.

5.6 <u>No Government Approval.</u> 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 <u>No Transfer.</u> 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 <u>No Advice</u>. 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 <u>Tax Treatment</u>. We have not promised you any particular tax outcome from buying or holding the Shares.

5.10 <u>Acting On Your Own Behalf</u>. You are acting on your own behalf in purchasing the Shares, not on behalf of anyone else.

5.11 <u>Investment Purpose</u>. You are purchasing the Shares solely as an investment, not with an intent to re-sell or "distribute" any part of it.

5.12 <u>Anti-Money Laundering Laws.</u> 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 <u>Additional Information</u>. At our request, you will provide further documentation verifying the source of the money used to purchase the Shares.

5.14 <u>Disclosure</u>. 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 <u>Additional Documents</u>. You will execute any additional documents we request if we reasonably believe those documents are necessary or appropriate and explain why.

5.16 <u>No Violations.</u> 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 <u>No Inconsistent Statements</u>. 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 <u>Financial Forecasts</u>. 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 <u>Notification</u>. 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 <u>Additional Promises by Individuals.</u> If you are a natural person (not an entity), you also promise that:

5.21.1 <u>Knowledge</u>. 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>U.S. Citizen or Resident.</u> 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 <u>Financial Wherewithal.</u> 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 <u>Anti-Terrorism and Money Laundering Laws.</u> 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 <u>Entity Investors.</u> If Purchaser is a legal entity, like a corporation, partnership, or limited liability company, Purchaser also promises that:

5.22.1 <u>Good Standing</u>. 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 <u>Other Jurisdictions.</u> 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 <u>Authorization</u>. 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 <u>Investment Company</u>. Purchaser is not an "investment company" within the meaning of the Investment Company Act of 1940.

5.22.5 <u>Information to Investors.</u> 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 <u>Anti-Terrorism and Money Laundering Laws.</u> 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 <u>Confidentiality</u>. 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 <u>Re-Purchase of Shares.</u> 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 <u>Governing Law.</u> 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 <u>Execution of LLC Agreement</u>. 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 <u>Consent to Electronic Delivery</u>. 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 <u>Notices</u>. 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 <u>Waiver of Jury Rights.</u> 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 <u>Headings.</u>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 <u>No Other Agreements.</u>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 <u>Electronic Signature.</u>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

\$ <u>5000</u>

Social Security Number (If You Are An Individual)

255-94

Joint Investor Name, if Joint Investment

Tammy Travis

Joint Investor Social Security Number, if Joint Investment

250-19

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

OS Received 06/03/2022

Mailing Address Street 2

Mailing Address City



Address State and Zip Code



Mailing Address Country

<u>US</u>

Email Address

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

As Manager

DF Growth REIT II, LLC

By: DiversyFund, Inc.

As Manager

By:

Alan Lewis

Manfri

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

OS Received 06/03/2022

By: DiversyFund, Inc.

As Manager

By: <u>Alan Lewis</u>

Manfei

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 11, LLC

By: DF Manager, LLC

As Manager

DF Growth REIT II, LLC

By: DiversyFund, Inc.

As Manager

By:

Alan Lewis

Manfei

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 11, LLC

By: DF Manager, LLC

As Manager

DF Growth REIT II, LLC

By: DiversyFund, Inc.

As Manager

By:

Alan Lewis

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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 11, LLC

By: DF Manager, LLC

As Manager

DF Growth REIT II, LLC

By: DiversyFund, Inc.

As Manager

By:

Alan Lewis

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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. IF YOU DO NOT AGREE TO AND ACCEPT ALL TERMS AND CONDITIONS. IF YOU DO NOT AGREE TO AND 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, PLEASE SELECT THE "I DECLINE" BUTTON. IF YOU DO NOT AGREE TO AND 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, PLEASE SELECT THE "I DECLINE" BUTTON. IF YOU DO NOT AGREE TO AND ACCEPT ALL TERMS AND CONDITIONS OF THE REVISED AGREEMENTS.
- 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:

- 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' 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 Servicesaffiliated 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 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; (ii) do not be entitled 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.

 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 "you" 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;
- ٠
- Any other DA Services agreements pertaining to future plans that you may establish and all amendments, notices and other agreements which supplement those agreements;
- ٠
- 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, <u>www.divseryfund.com</u> 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 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.

SIGNED:

DIVERSY ADVISORY SERVICES, LLC

By: DiversyFund, Inc. Its Manager

By:_____ Name: <u>Alan Lewis</u> Title: Chief Investment Officer Signature:

CLIENT:

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)

ec 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) <<u>hello@diversyfund.com</u>> Sent: Monday, November 22, 2021 8:33 PM To: John Travis <<u>johntravis@ryaltd.com</u>> Subject: [DiversyFund] Re: Call

Attachment(s) image003.jpg

This email is a service from DiversyFund. Delivered by $\underline{\text{Zendesk}}$

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:

- My name is Ankit Shah. In September 2021, I invested \$10,000 in DF Growth REIT II, LLC ("REIT II").
- 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

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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.
- I declare under penalty of perjury under the laws of the United States of America that the foregoing is true and correct.

2

Executed this 25 day of May, 2022, in Washington, D.C.

kit Shah

OS Received 06/03/2022

3

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EXHIBIT 1

To:Shah, Ankit[Ankit.Shah@occ.treas.gov]From:Ankit ShahSent:2022-05-03T10:39:26-04:00Importance:NormalSubject:[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 candit! 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 governmentissued 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 PD1

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 <<u>ankitshah.zam@gmail.com</u>> 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 weee 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 <<u>christopher@diversyfund.com</u>> 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 <u>here</u>. 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 <<u>ankitshah.zam@gmail.com</u>> 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) <<u>support@diversyfund.zendesk.com</u>> 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 <<u>ankitshah.zam@gmail.com</u>> Date: November 22, 2021 at 18:24:52 EST To: DiversyFund <<u>support+id43439@diversyfund.zendesk.com</u>> 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) <<u>support@diversyfund.zendesk.com</u>> 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 you 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 $\underline{#40534}$ "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

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 PS

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 you 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

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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 <<u>ankitshah.zam@gmail.com</u>> 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 <<u>ankitshah.zam@gmail.com</u>> 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:

- If this was just a technical glitch in the dashboard, why did I not receive and 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.
- 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 praftices.

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 diffferent 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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Ankit Shah

Dec 2, 2021, 9:17 AM PST

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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 $\underline{#43439}$ "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 <<u>ankitshah.zam@gmail.com</u>> Date: November 29, 2021 at 15:59:25 EST To: Christopher Finlay <<u>christopher@diversyfund.com</u>> Subject: Fwd: Phone Call to: +1 (786) 385-1375

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Please respond to the below email.

Begin forwarded message:

From: Ankit Shah <<u>ankitshah.zam@gmail.com</u>> Date: November 28, 2021 at 07:10:01 EST To: Christopher Finlay <<u>christopher@diversyfund.com</u>> Subject: Re: Phone Call to: +1 (786) 385-1375

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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 <<u>christopher@diversyfund.com</u>> wrote:

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Ankit,
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AIIKIC,

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 <<u>ankitshah.zam@gmail.com</u>> 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 weee 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 <<u>christopher@diversyfund.com</u>> 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 (<u>https://www.sec.gov/cgi-bin/browse-</u>

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 <<u>ankitshah.zam@gmail.com</u>> 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:

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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

PRIVILEGED / CONFIDENTIAL

DIVERSY ADVISORY SERVICES, LLC

CLIENT AGREEMENT

YOU MUST READ AND CONSIDER THIS AGREEMENT CAREFULLY AND CONTACT DIVERSY ADVISORY SERVICES, LLC ("<u>DA SERVICES</u>") 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. ("<u>DIVERSY</u>") WEBSITE AT DIVERSYFUND.COM (THE "<u>INTERACTIVE WEBSITE</u>")].

- 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 ("<u>Client</u>") and Diversy Advisory Services, LLC, a Delaware limited liability company and a registered investment adviser with the Securities and Exchange Commission ("<u>DA Services</u>"), 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 ("<u>Agreement</u>") is effective as of the first day Client agrees to it (the "<u>Effective Date</u>"). 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 ("<u>Securities</u>") recommended by DA Services based on profile information and features designated by Client (the "<u>Investment Plan</u>"). 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 "<u>Auto-Investment Plan</u>"); 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 "<u>Reinvestment Plan</u>"). 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 "<u>Plans</u>".

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 "<u>Sponsor</u>"). 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 ("<u>DF Growth REIT</u>") and DF Growth REIT II, LLC ("<u>DF Growth REIT II</u>") (collectively, the "<u>Funds</u>"). 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 "<u>Offering</u>"), 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 "<u>Promoted Interest</u>"). The Promoted Interest is paid in two levels: first, after Investors have received a (i) 7% internal rate of return ("<u>IRR</u>") 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.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.

(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 "<u>Arbitration Provision</u>"). The arbitration shall be conducted in Wilmington, Delaware. As used in this Arbitration Provision, "<u>Claim</u>" 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 " \underline{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 ("<u>Statement</u>"), 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 ("<u>DA Services</u>"). 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 "<u>Act</u>") and other laws (the "<u>Disclosures</u>"). 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/disclosures-circulars/), Privacy Policy (available at https://diversyfund.com/disclosures-circulars/), Terms of Use (available at https://diversyfund.com/privacy-policy/), Terms of Use (available at https://diversyfund.com/privacy-policy/), 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.divseryfund.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 "<u>Funds</u>") 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 "<u>Manager</u>") 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: <u>/s/ Alan Lewis</u> 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

OS Received 06/03/2022

 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...
 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, 5:26 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?previousevent=login-complete

This email is a service from DiversyFund. Delivered by $\underline{\text{Zendesk}}$

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

 $\rho.c.$ 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.
- 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

1

P.C.

- P_{i} ever receiving a breakdown of the fees that I was being charged for my investment.
 - 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 batesnumbered 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.
 - 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. ρ_{c} ,

Executed this _____ day of May, 2022, in Southington, Connecticut.

Paul Calo 2

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")].
- 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. IF YOU DO NOT AGREE TO AND ACCEPT ALL TERMS AND CONDITIONS. IF YOU DO NOT AGREE TO AND ACCEPT ALL TERMS AND 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, PLEASE SELECT THE "I DECLINE" BUTTON. IF YOU DO NOT AGREE TO AND 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, PLEASE SELECT THE "I DECLINE" BUTTON. IF YOU DO NOT AGREE TO AND ACCEPT ALL TERMS AND CONDITIONS OF THE REVISED AGREEMENTS.
- 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:

- 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 Servicesaffiliated 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 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; (ii) do not be entitled 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 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.

 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 "you" 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;
- ٠
- 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, <u>www.divseryfund.com</u> 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 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.

SIGNED:

DIVERSY ADVISORY SERVICES, LLC

By: DiversyFund, Inc. Its Manager

Ву:	
Name:	
Title: Chief	Investment Officer
Signature:	Alan Lewis

CLIENT:

Individual:

Laul 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

And tony Lawson and woonlegation about

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) <<u>hello@diversyfund.com</u>> 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 5, 2022, 1:13 Rei POT

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-X0OW]

[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.

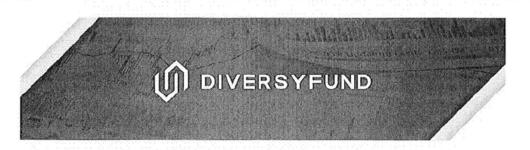
3). Are the owners / managers fellow investors?

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.

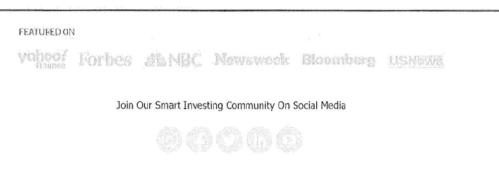
We're in the business of creating wealth for the everyday investor. Our first investment offering provides you with access to ownership in a multi-million dollar property portfolio, all with one simple fund. Tap on the button below to make your first investment.



Want to Learn More?

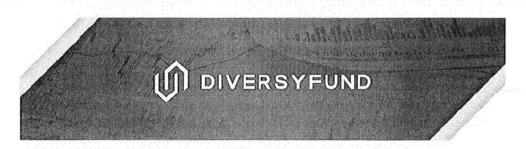
Join us for a free <u>25-minute webinar</u> to learn more about DiversyFund and how we serve the everyday investor. We'll walk you through our REIT investment, explain how it works and answer some of your questions.

The DiversyFund Team



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.



POTENTIAL RETURN 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 Multifamily POTENTIAL RETURN 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?

Multifamily

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.





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 neturns, 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 investment or investment. This message is not a prospeal to sell or the solicitation of interest in any security, which can only be made through official docurrents such as a private placement inemorandum 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.

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.

SEC-CaloP-E-0000138

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

[X79PY6-03Z0]

[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 selfdirected 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 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-X0OW]

[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.

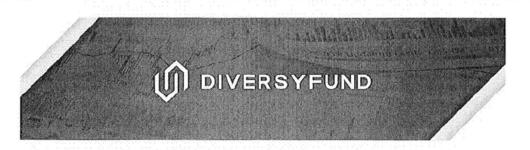
3). Are the owners / managers fellow investors?

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.

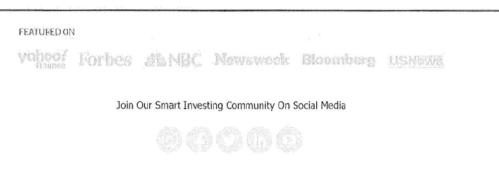
We're in the business of creating wealth for the everyday investor. Our first investment offering provides you with access to ownership in a multi-million dollar property portfolio, all with one simple fund. Tap on the button below to make your first investment.



Want to Learn More?

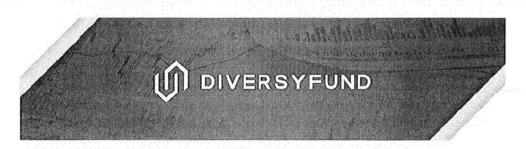
Join us for a free <u>25-minute webinar</u> to learn more about DiversyFund and how we serve the everyday investor. We'll walk you through our REIT investment, explain how it works and answer some of your questions.

The DiversyFund Team



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.



POTENTIAL RETURN 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 Multifamily POTENTIAL RETURN 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?

Multifamily

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.





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 neturns, 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 investment or investment. This message is not a prospeal to sell or the solicitation of interest in any security, which can only be made through official docurrents such as a private placement inemorandum 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.

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.

SEC-CaloP-E-0000138

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

[X79PY6-03Z0]

[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 selfdirected 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 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 "Securites") 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 herby agree as follows:

- 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.
- 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 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

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DF-001268

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.

Not withstanding 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, including 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:
 - a. 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.
 - b. 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.
 - c. 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.
 - d. 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.
 - e. 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.

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- 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 indemnify 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 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 storily cooperate with Escrow Agent in the defense of any such claim, action, settlement, or compromise negotiations.

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- 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 foreitures 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 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) interpead the Escrow Amounts to a court of competent jurisdiction or, (iii) interpead the Escrow Amounts until directed otherwise by a court of competent jurisdiction or, (ii) interpead 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.
- Notices. Any notice to Escrow Agent is to be sent to <u>escrow@primetrust.com</u>. Any notices to Issuer will be to <u>alan@diversyfund.com</u>.

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 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: 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.

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DF-001271

 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]

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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

 Jony Bollicella

 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

Confidential Treatment Requested by DiversyFund, Inc.

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

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DF-001274