

UNITED STATES OF AMERICA
Before the
SECURITIES AND EXCHANGE COMMISSION

ADMINISTRATIVE PROCEEDING
File No. 3-15519

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In the Matter of

Timbervest, LLC,

Joel Barth Shapiro,
Walter William Anthony Boden, III,
Donald David Zell, Jr.,
and Gordon Jones II,

Respondents.

RESPONDENTS' MOTION TO STRIKE UNCHARGED ALLEGATIONS,
OR IN THE ALTERNATIVE, TO INTRODUCE ADDITIONAL EVIDENCE

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Respondents Joel Barth Shapiro, Walter William Anthony Boden, III, Donald David Zell, Jr., Gordon Jones II (collectively, the "Partners), and Timbervest, LLC move to strike evidence concerning uncharged allegations not pled in the Order Instituting Proceedings ("OIP"). In the alternative, they move, pursuant to Rule 452, to introduce additional evidence in this proceeding.

I. Evidence relating to matters not pled should be stricken.

In the Division's Appeal, it lodged a series of allegations against Respondents that have no relation to the allegations contained in the OIP. Specifically, the Division raised new allegations about: (1) a 2005 attempt to sell a New Forestry property; (2) the development of a New Forestry property from 2008 to 2012; (3) three letters that were sent from Timbervest to AT&T in 2012; and (4) the transition to a new manager for the New Forestry account in 2012. The Division argues that these four new uncharged allegations are somehow relevant to determining whether associational bars should be imposed against the individual Respondents and whether Timbervest should have its license revoked.

The Division's strategy of not pleading these uncharged allegations and then raising them in support of sanctions only after the evidentiary hearing in this matter has prejudiced Respondents by allowing the Division to introduce ancillary evidence through the backdoor and preventing Respondents from responding to such ancillary evidence. The Division did not even raise these uncharged allegations in its pre-hearing briefing. The Division filed a 28-page brief in opposition to Respondents' Motion for Summary Disposition and never mentioned these uncharged allegations. The Division pointed only to the charged activities, not these extraneous matters, in support of its contention that Respondents posed a risk of future harm. (Division's Opposition to Summary Disposition at 26.) The Division chose not to file a pre-hearing brief raising the arguments it now makes about this ancillary evidence. Two of these four uncharged allegations were not even mentioned in the Division's *post*-hearing briefing. The Division's

choice to belatedly raise these allegations well after the evidentiary hearing would substantially prejudice the Respondents should they form the basis for any conclusions or relief requested by the Division.

All the evidence concerning these uncharged allegations should be excluded from any consideration out of due process and fundamental fairness principles. It is axiomatic that "a party is entitled to advance notice that an issue is going to be tried and determined by a court." 61B Am. Jur. 2d Pleading § 862 (2010); *see also* 15 U.S.C. § 80b-3 (requiring "notice and opportunity for hearing" before the SEC can impose administrative sanctions). "[A] primary purpose of the notice requirement . . . is to permit the respondent a reasonable opportunity to prepare a defense against the theory of liability invoked by those who institute the proceedings against it." *Jaffee & Co. v. SEC*, 446 F.2d 387, 394 (2d Cir. 1971). The reason for this notice is clear: "A respondent may not reasonably be expected to defend itself against every theory of liability or punishment that might theoretically be extrapolated from a complaint or order if one were to explore every permutation of fact and law there alluded to or asserted." *Id.*

Recognizing that notice and opportunity to be heard is necessary before any violation can be found or sanctions can be imposed, the Commission and many federal courts have refused to consider uncharged allegations not pled or raised before the evidentiary hearing in determining whether a violation occurred or a sanction is appropriate. *See, e.g., Russell Ponce*, 2000 WL 1232986, at *11 n.49 (Aug. 31, 2000) ("we do not consider [uncharged conduct] in assessing Ponce's conduct or the appropriate sanctions."); *Jaffee & Co.*, 446 F.2d at 393 (vacating Section 15 violations and refusing to consider them in determining sanctions when the Division never made an argument under that section until its post-hearing brief); *Proffitt v. FDIC*, 200 F.3d 855, 861-62 (D.C. Cir. 2000) (finding that the FDIC could not establish a lack of current risk to the

public in an action based solely on Proffitt's long past conduct, when no notice was provided that his current competence and/or risk was at issue and no attempt was made to evaluate his present fitness or competence); *Henry Bierce Co. v. NLRB*, 23 F.3d 1101 (6th Cir. 1994) (vacating finding of violation that was based on theory that was distinct from that pled by the NLRB); *NLRB v. Blake Constr. Co.*, 663 F.2d 272 (D.C. Cir. 1981) (refusing to uphold violations based on allegations that were raised in a complaint made to the NLRB but not carried over and specifically pleaded by the Board in its subsequent complaint); *Rodale Press, Inc. v. FTC*, 407 F.2d 1252, 1257 (D.C. Cir. 1968) ("By substituting an issue as to the books' content for the one framed by the pleadings, effectiveness of the books' ideas and suggestions, the Commission has deprived petitioners of both notice and hearing on the substituted issue.").

The Division has pointed to the Commission's September 2, 2014 order in *Montford & Company, Inc.*, Advisers Act Release No. 3908, for its contention that the Commission "may consider conduct outside the OIP in deciding the appropriate remedy." (Division's Brief to the Commission at 46 n.18.) But the September 2, 2014 order in *Montford* says nothing of the sort. A May 2, 2014 order in that case does contain a sentence that it is considering "aggravating factors" not pled in the OIP "in assessing the appropriate sanction." 2014 WL 1744130, at *19. But the aggravating factors there were an "admitted failure to disclose additional compensation" from the same source as pled. *Id.* Additional examples of admitted failures to disclose do not raise the same concern about a lack of notice and opportunity for a hearing. Furthermore, in support of this statement, the Commission cited to two cases that are simply inapposite. First, the Commission cited to *J. Stephen Stout*, 2000 WL 1469576, at *16 & n.64 (Oct. 4, 2000). But in *Stout*, the Commission held that because "the OIP did not charge Stout with churning and was never amended during the proceeding," the ALJ's finding that Stout churned accounts would be

set aside. 2000 WL 1469576, at *14. The Commission correctly did not consider churning allegations because the elements of churning, while similar, are different than the alleged excessive trading.

The second case cited by the Commission in *Montford* is *Joseph J. Barbato*, 1999 WL 58922, at *15 (Feb. 10, 1999), which held that evidence of witness tampering that occurred during a hearing was relevant to assessing sanctions. 2014 WL 1744130, at *19 n.154. But *Barbato's* misconduct occurred *during* the evidentiary hearing, when he apparently tried to convince a witness to change his testimony, and the ALJ ordered Barbato to cease tampering with witnesses. 1999 WL 58922, at *15. As in *Montford*, there apparently was no dispute as to whether the misconduct occurred, which does not raise the same need for notice and opportunity for a hearing.

Here, in contrast, all the uncharged allegations on which the Division now relies were known to the Division in advance of the hearing and the Division never articulated any theory for how it would seek to use these allegations against Respondents. The Division could have given notice to Respondents that it was going to argue that these uncharged allegations were relevant to determining what sanctions, if any, are appropriate, but it chose not to do so. There is no dispute that the allegations concerning the attempts to sell and the improvements to Glawson, the letters to AT&T, and the transition to a new investment manager for New Forestry were not pled in the OIP. Nor were they raised in any pre-hearing briefing in the Division. Instead, the Division made allegations concerning the attempts to sell and the improvements to Glawson for the first time in its post-hearing brief. And it made allegations concerning the letters and transition for the first time in its Brief to the Commission in Support of its Petition for Review. This strategy did not

provide Respondents fair notice of the uncharged allegations, and contrary to *Montford* and *Barbato*, these allegations are definitely disputed.

Nor did Respondents have a full opportunity to litigate the issue. Respondents consistently objected to evidence concerning uncharged allegations not plead in the OIP. *See, e.g.,* Motion in Limine at 4-7 (moving to exclude testimony and evidence concerning uncharged allegations); Tr. at 1805-11, 1856-65 (objecting to evidence concerning Glawson). Objecting to seemingly irrelevant evidence does not give a party notice and opportunity to respond to allegations based on that evidence. *Henry Bierce Co.*, 23 F.3d at 1107; *see also Blake Constr. Co.*, 663 F.2d at 280-81 (refusing to consider evidence of issue when respondents' "counsel objected repeatedly [that the issue] was irrelevant since the complaint" did not address the new uncharged allegations).

The Division did not articulate how the uncharged allegations were relevant to its case until its post-hearing brief or appeal to the Commission. Even in its Response to Respondents' Motions in Limine, it simply explained that issues outside the OIP were part of the narrative of the two charged allegations. It did not contend that the uncharged allegations were relevant to determining whether Respondents presented a future risk of harm, thereby supposedly necessitating associational bars, until well after the hearing.

Thus, the Division failed to give fair notice of how it would ultimately try to present the uncharged allegations to the ALJ and the Commission. If they had, they "could have called additional witnesses and presented additional evidence in defense of [these] charge[s]. Given this argument, it is hard to conclude that the [Respondents] suffered no prejudice and had a full and fair opportunity to litigate" the new uncharged allegations." *Henry Bierce Co.*, 23 F.3d at 1108.

Because Respondents received no notice that the Division would use these uncharged allegations, the Commission should strike this evidence from the record.

II. In the alternative, Respondents should be permitted to introduce additional evidence.

Should the Commission refuse to strike the evidence concerning the uncharged allegations, the Respondents should have the opportunity to submit evidence on these uncharged allegations in accordance with Rule 452. Additional evidence should be admitted if (1) "there were reasonable grounds for failure to adduce such evidence previously," and (2) "such additional evidence is material." Rule 452. There are reasonable grounds for failure to adduce evidence previously when a Respondent is not aware of the significance of evidence until the law judge's decision is issued. *Ralph W. LeBlanc*, 2003 WL 21755845, at *6 n.23 (July 30, 2003). New evidence is also material if it contradicts representations made by a party in its submissions on appeal. *Irfan Mohammed Amanat*, 2006 WL 3199181, at *10 n.59 (Nov. 3, 2006).

ALJ Elliot made several evidentiary findings that are fundamentally flawed. He misconstrued documents and drew improper inferences, and in several cases, relied on facts entirely irrelevant to the charges identified in the OIP. The Division now points to those findings to support its argument that the Respondents represent a threat of future harm. The new evidence offered by this motion is a Declaration of William Boden (the "Boden Declaration"), a Declaration of Joel Barth Shapiro ("Shapiro Declaration"), and a Declaration of Donald David Zell ("Zell Declaration") (collectively, the "Declarations"). They contain material evidence because they address issues first raised in the Initial Decision and Division's subsequent briefs.

A. If evidence concerning the improvements to Glawson is considered, new evidence should be admitted.

The ALJ relied on evidence relating to Glawson, a property Timbervest managed for New Forestry, as a basis for imposing a cease-and-desist order. As the ALJ admitted, the facts in

this case are “relatively old.” (Dec. at 65.) The ALJ determined that this factor weighed against imposing a cease-and-desist order, but was outweighed by “evidence of Respondents’ obliviousness to their fiduciary duties, which continues today.” (Dec. at 65.) (emphasis added). The Division also relied heavily on evidence relating to Glawson in arguing that Respondents presented a risk of future harm. (Brief at 32-36, 46.) These allegations are flat wrong or taken out of context.

As the Declarations explain, the purpose of improving Glawson was to create value for the client. (Declarations, ¶ 9) Timbervest had full discretionary authority to manage the New Forestry’s assets, including the authority to “retain, manage, operate, repair, develop, subdivide, dedicate, preserve and improve” any real property within the client’s portfolio. (Declarations, ¶ 3)

One of the properties held in New Forestry’s portfolio was located near Atlanta, Georgia and was known as Glawson. (Declarations, ¶ 5) Because of its proximity to Atlanta and other unique attributes, Glawson was the second highest valued property on a bare land value per acre basis out of the entire New Forestry portfolio. (Declarations, ¶ 5) The highest valued property in the portfolio on a bare land value per acre basis was a nearby “sister” property that was slated for industrial development.

In the mid-2000s, Glawson was in a state of disrepair and recovering from an extensive and aggressive clear cut harvest undertaken by Timbervest’s prior management in the early 2000s. (Declarations, ¶ 6) When a timberland property in this region is left to regenerate naturally (as Glawson had been), the resulting forest usually reseeds with fast growing, undesirable and low-value tree species such as sweetgum and thorny brush species like blackberry. (Declarations, ¶ 7) The resulting landscape is a dense, unsightly, and virtually

impenetrable jungle. (Declarations, ¶ 7) Most of Glawson suffered from this condition in 2005. (Declarations, ¶ 7) When the plan was to convert the property to a single family subdivision this condition did not materially impact the value because the process of building a single family subdivision typically requires extensive land clearing and grading which consequently removes much of the existing timber on a property. (Declarations, ¶ 7)

The combination of these factors resulted in a property that was not aesthetically pleasing to the eye, was not growing in silvicultural value for the client, and offered little value from a recreational or timber standpoint. (Declarations, ¶ 9) Pursuant to the client's directive to reduce the size of New Forestry's portfolio, Timbervest looked for ways to maximize the sales value of Glawson. (Declarations, ¶ 9)

Timbervest attempted to sell Glawson as a property suitable for residential development, but determined that the probability of the property being converted to a traditional residential subdivision was very low due to the recent passage of onerous zoning and land use building restrictions by the county and the relatively large percentage of non-useable wetlands/floodplain located on site. (Declarations, ¶ 10)

In the 2007 Annual Report and 2008 Outlook prepared by Timbervest and delivered to the client, Timbervest identified Glawson (which was part of the I-20 purchase unit) as a Value-Add/Opportunistic property. (Declarations, ¶ 12) Pursuant to the Program Investment Guidelines, a Value-Add property is a property that exhibits characteristics that "when combined with *active management strategies* may produce returns in excess of target returns." (Declarations, ¶ 12) Value-Add properties typically have a land value equal to or greater than the timber value and will typically be managed for disposition into a higher and better use market. (Declarations, ¶ 12) Opportunistic Properties exhibit characteristics that "when combined with

creative management strategies should produce returns in excess of target returns.”

(Declarations, ¶ 12) Opportunistic Properties will typically be managed for conversion as a non-timberland property and will have very few characteristics of a core timberland property.

(Declarations, ¶ 12) Glawson remained classified as Value-Add/Opportunistic through the course of Timbervest’s management of the New Forestry account, ending in 2012. (Declarations, ¶ 12)

In January 2008, Timbervest’s management and foresters met to discuss how best to address the dilapidated state of Glawson and to devise an exit strategy that would maximize value for the client, all in accordance with the client’s Program Investment Guidelines classifying the property as Value-Add/Opportunistic. (Declarations, ¶ 13) Given the property’s easy accessibility to Atlanta via I-20, its physical characteristics and relatively high per acre bare land value, Timbervest determined the best exit strategy was to improve and enhance the property’s aesthetics, value, usability, and salability for the high-end recreational market through active and creative management strategies. (Declarations, ¶ 13)

In Timbervest’s experience, the high-end recreational market includes properties that are (i) easily accessible to wealthy individuals; (ii) located in areas where desirable wildlife species are known to exist; (iii) improved with road systems and property entrance and exit points; (iv) improved with water features such as lakes, ponds, and duck impoundments; (v) enhanced with well-maintained food plots, fields and planted clearings; (vi) benefitted by selected timber cut-outs and firing lanes to better the hunting experience; (vii) enhanced with structures such as permanent hunting stands strategically located throughout the property; (viii) accessible via roads and trails to wetland areas and river corridors; (ix) developed with some vertical improvements such as barns and/or storage structures to give the tract a sense of center of activity and value and to adequately house and store equipment needed to maintain the property,

and (x) benefitted by a more complex management regime designed to maximize the aesthetic value, wildlife population and ecosystem than is otherwise the case with a basic forestry asset. (Declarations, ¶ 14) Timbervest developed an active and creative improvement plan to execute this strategy at Glawson, which fit squarely within its discretionary authority under the client's Program Investment Guidelines and Glawson's classification as a Value-Add/Opportunistic property. (Declarations, ¶ 14)

The main goals of the Glawson improvement plan were to increase internal access, manage the forest in an economical way to wean out the undesirable species, create open areas to diversify the landscape and improve aesthetics, provide supplemental habitat for wildlife, add and/or enhance water features, add vertical improvements to give the tract a sense of center and place, and enhance the property entrances. (Declarations, ¶ 15) Timbervest executed this strategy over a multi-year period, and it successfully added millions of dollars to the property's value, all to the ultimate benefit of the client. (Declarations, ¶ 16) Specifically, the property value increased from \$4.5 million in mid-2006 to a peak of \$13.2 million in mid-2011, in part as a result of the many improvements described below. (Declarations, ¶ 16)

The road improvement work included enhancements to already established roads and construction of new internal roads. (Declarations, ¶ 17) Virtually all of the established roads were in need of repair and widening and in many places rock or gravel to solidify the road bed. (Declarations, ¶ 17) The newly-constructed roads were strategically placed to provide access between existing roads and better internal access throughout the perimeter and heart of the property. (Declarations, ¶ 17) A new main entrance and access point was also constructed off Elks Club Road, which not only improved the property's appearance and aesthetics, but also

enhanced access and provided added flexibility at disposition if the tract were to be subdivided.

(Declarations, ¶ 17)

Timbervest created wildlife areas or "food plots" on the tract. Wildlife areas are open fields that can be planted in various seasonal forage varieties to benefit all wildlife on the property, but primarily targeting whitetail deer, dove, quail, ducks, and turkeys. (Declarations, ¶ 18) Timbervest created approximately fourteen wildlife areas totaling almost fifty acres, and the four existing open areas were enhanced to benefit wildlife, totaling roughly six acres.

(Declarations, ¶ 18)

On a typical intensively managed timberland property, the normal course of action would have been to clear the overgrown areas and re-establish new pine plantations. (Declarations, ¶ 19) Timbervest considered this course of action, but rejected it on the majority of the tract because the cost of site preparation on overgrown areas would exceed the likely investment benefit to the tract given its exceptionally high land value. (Declarations, ¶ 19) In Timbervest's judgment, the property's potential to be used as a recreational property presented a higher expected sales value. (Declarations, ¶ 19) Timbervest's experience indicated that likely buyers of a recreational property would place substantially more weight on the recreational value of the land as opposed to merchantable trees growing on the property. (Declarations, ¶ 19)

Timbervest nevertheless determined that a few areas could, on a cost/benefit basis, benefit from re-establishment of timber. (Declarations, ¶ 20) Those areas were replanted in loblolly and longleaf pine to further diversify the forest type. (Declarations, ¶ 20) In the other areas, the forest management plan was geared towards cost-effectively managing the naturally regenerated pine stems that had seeded in with the other species. (Declarations, ¶ 20) While it

takes time for pine trees to grow and the results of these applications to fully show, initial indications were promising. (Declarations, ¶ 20)

One existing feature on the property that enhanced its recreational potential and further justified its candidacy for improvements was a three-acre pond located roughly in the center of the tract. (Declarations, ¶ 21) Like other features of the Glawson tract prior to the Timbervest improvement plan, this pond had been neglected and was not being actively managed to take advantage of its aesthetics and potential value. (Declarations, ¶ 21) Areas along the bank were overgrown with shrubs and trees limiting water access and restricting the view. (Declarations, ¶ 21) In addition, the water level was low due to a damaged drain pipe in the dam structure, the pond lacked a dock to provide boat access, and some unsightly dilapidated structures existed within close proximity. (Declarations, ¶ 21)

As part of the improvement plan, Timbervest addressed these issues by clearing the majority of the pond's shoreline and constructing a perimeter road to improve access, repairing the drainage system to raise the pond level, demolishing the unsightly structures, and eventually constructing a floating dock to benefit recreation potential. (Declarations, ¶ 22) In 2010, a separate site was identified for a new twelve-acre pond to be constructed to further enhance the tract's recreational and potential break-up appeal. (Declarations, ¶ 23) That pond was permitted and approved by the Army Corps of Engineers and construction began in 2011. (Declarations, ¶ 23) It was completed approximately nine months later.

Due to Timbervest's active and creative upgrades to the overall aesthetics of the property, the creation of wildlife clearings, improvements in internal access, and enhancement of the existing pond, the property was completely transformed from a recreation, utilization, and wildlife standpoint. (Declarations, ¶ 24) Timbervest's management regime and improvement

plan contributed to a substantial increase in the value of the property over the 2008 to 2012 period that totaled approximately \$3.5 million (a 60.3 % increase in valuation). (Declarations, ¶ 24)

Given the recreational focus of the property, Timbervest decided to create further improvements, the most noteworthy being a barn with a loft above it. (Declarations, ¶ 25) In Timbervest's experience, most high-end recreational properties have some sort of hybrid shelter and storage facility so that the owners can store their equipment and vehicles, and also more easily enjoy their getaway property with family or friends. (Declarations, ¶ 25) Since this property was easily accessible from Atlanta, and was upgraded to a condition that would allow for hunting, fishing, and riding all-terrain vehicles, Timbervest decided that adding such a structure would increase the property's value to buyers interested in a recreational property near Atlanta. (Declarations, ¶ 25)

Timbervest began construction of a barn overlooking the original pond in 2008. The barn was constructed with an efficiency loft and bathroom on the second floor. (Declarations, ¶ 26) While a top floor efficiency was not originally considered, upon review it was determined that the cost to add the efficiency was relatively low in comparison to the potential value increase to the overall property. (Declarations, ¶ 26) Bedrooms were neither permitted by zoning code nor built into the loft structure. (Declarations, ¶ 26) However, the structure was designed so that one or two bedrooms could be easily added should a new owner desire such an upgrade and be willing to go through the re-zoning process to allow for such an upgrade. (Declarations, ¶ 26) Approximately two years later, a pole barn was constructed behind the original barn to house large equipment and materials as the property now had a more extensive maintenance requirement associated with its various land use activities. (Declarations, ¶ 26)

Timbervest also enhanced the value of this investment with the acquisition of two adjacent properties. (Declarations, ¶ 27) These acquisitions strengthened the property's access and security. (Declarations, ¶ 27) In 2008, the client purchased a 235-acre failed residential subdivision tract as an addition to the south that provided a third access point and eventually ended up being the portion of the tract where the pond was constructed. (Declarations, ¶ 27) In 2009, the client purchased a 75-acre parcel that adjoined to the north that put an end to a trespassing issue that had been plaguing Glawson, thereby further enhancing its security. (Declarations, ¶ 27) The 2009 acquisition was primarily a large, picturesque, wooded swamp that was prime duck habitat. (Declarations, ¶ 27) Adding this tract to Glawson further improved its overall recreational appeal. (Declarations, ¶ 27)

Timbervest made several other minor improvements to Glawson. (Declarations, ¶ 28) These included the installation of gates at all three entrances, the construction of three hunting stands strategically placed in wildlife areas, and the clearing of a scenic ATV trail along the Alcovy River. (Declarations, ¶ 28)

Timbervest considered each of the improvements and enhancements made to Glawson to be squarely within its discretionary authority under the Investment Management Agreement and within the client's Program Investment Guidelines. (Declarations, ¶ 29) Timbervest recorded these expenses on the client's general ledger, which describes the improvement expenses substantially as they were. (Declarations, ¶ 29) For example, the expenses for constructing the barn were recorded as "Alcovy Cabin Construction," "Alcovy Barn," "Install barn 600 elks club," or "install interior of barn600elk." (Declarations, ¶ 29) Building the pond was recorded as "BuildPond@ElksClubRd." (Declarations, ¶ 29) The construction of the dock was recorded as "Dock Construction." (Declarations, ¶ 29) The road and pond improvements described above

were recorded as "Rd/pond improvements" and "Rd construction/pond improvement."

(Declarations, ¶ 29) Timbervest made no effort to hide or to conceal any of the property improvements. (Declarations, ¶ 30) In fact, the client's auditor received the general ledger reflecting the descriptions of the improvements set forth above. (Declarations, ¶ 30)

The client's representative who testified at the hearing may not have toured Glawson and therefore may not have seen the particular improvements, but he certainly toured other properties closer to his residence, and he saw improvements made to those properties. (Declarations, ¶ 35) He had no objection to those improvements, and instead expressed his pleasure with Timbervest's entrepreneurial management style during this tour. (Declarations, ¶ 35) That client representative and others also met with Timbervest in July 2008 to discuss Timbervest's strategy of improving properties and selling into higher and better use markets, and they even reviewed pictures of improvements. (Declarations, ¶ 34).

It is true that Timbervest made the property available for a charitable auction at the school of one of the partners' sons. This cost New Forestry nothing, and was disclosed to New Forestry's auditor. (Div. Ex. 168.) This also exposed the property to potential buyers.

It is also true that Timbervest took potential investors to the property. (Declarations, ¶ 33) These potential investors included potential buyers of the property as well as potential investors in Timbervest's funds. (Declarations, ¶ 33) Such tours are common in the industry, and cost the owner of the toured property nothing. (Declarations, ¶ 33) In fact, during the same outing when the client's representative toured a New Forestry, he also visited and toured a property called "Big Six," which was owned by another commingled fund managed by Timbervest. (Declarations, ¶ 36)

Additionally, sometime in 2005 or 2006, Timbervest took representatives of ORG Portfolio Management (BellSouth's investment manager and fiduciary) and SBC Communications (another ORG client) to tour the Baptist purchase unit which was owned by New Forestry. (Declarations, ¶ 37) The purpose of the tour was to demonstrate Timbervest's timberland management style to SBC Communications as a potential timberland investor and to educate them on the unique aspects of timberland investing. (Declarations, ¶ 37) There were other potential investors and existing investors in Timbervest's commingled timberland fund present on this property tour. (Declarations, ¶ 37)

The Division's arguments and the ALJ's conclusions drawn from the Glawson facts were based on an incomplete record of the facts. No conclusions should be drawn from these facts, given the lack of notice of any allegations relative to this property, but to the extent Glawson is used to support any findings, the Commission should consider the additional evidence reflected in the Declarations.

B. If the evidence concerning statements to AT&T is considered, new evidence should be admitted addressing the August 2006 Timbervest report.

Judge Elliott placed great weight in finding scienter on an August 2006 report issued by Timbervest to its client, New Forestry. (*See, e.g.*, Dec. at 42-43 (using August 2006 report in rationale for finding Timbervest undervalued property when selling it to Chen); Dec. at 45-46 (using August 2006 report in finding scienter as to Boden); Dec. at 46 (using August 2006 report in finding scienter as to Zell); Dec. at 47 (using August 2006 report in finding scienter as to Shapiro and Jones).) Unfortunately, the ALJ drew negative inferences from mistaken interpretations of the information in this report. The ALJ did so even after recognizing that there "was no testimony" on some of the information he found pertinent in the report.

Among the many mistaken interpretations of the August 2006 report and its data is that the ALJ assumed repeatedly that Timbervest and its principals knew about sales that occurred in November 2006 because the August 2006 report told the client that it expected to sell those properties. In its Brief to the Commission, the Division makes this same mistaken interpretation but with the additional complication of getting the dates of the sales and the August 2006 report completely wrong. (Brief at 38 (“[Timbervest] also gave the misleading impression that Timbervest did not expect the Tenneco Noncore tracts to sell at the prices they were fetching until September 2006, when in fact Timbervest’s own reports to ORG show that the Noncore tracts sold for the values anticipated in June 2006.”)) The Division argues that the Respondents actually misrepresented facts concerning the August 2006 Report in its letters to AT&T in 2012. (*Id.*) Additional evidence about this report and the facts contained in the report should be accepted in light of the ALJ’s and Division’s mistakes in interpreting the report and the great weight placed on it.

As the Declarations show, upon request from ORG, the fiduciary for New Forestry, Timbervest prepared and delivered to New Forestry the August 2006 New Forestry Disposition Plan and Report (the “August 2006 Report”). (Declarations, ¶ 38) As a disposition plan, the August 2006 Report identified properties that Timbervest planned to sell on behalf of New Forestry, and it identified the target sales prices for those properties. (Declarations, ¶ 39)

The August 2006 report did not report values based on actual sales. (Declarations, ¶ 40) It simply reported estimated sale prices for a number of properties that Timbervest anticipated liquidating under the client’s disposition mandate. (Declarations, ¶ 40) The August 2006 Report merely reflected the estimated prices that Timbervest hoped to get for each property, and not actual sales, or prices that were in any way guaranteed. (Declarations, ¶ 40)

The ALJ and Division, however, conclude from these projections that Timbervest must have known these properties would sell in November. The ALJ erroneously inferred that the Wolf Creek parcels “under contract by November 17, 2006, would have been the subject of initial discussions prior to September 15, 2006.” (Dec. at 43.) There is no basis in the record for such a conclusion. The ALJ’s and the Division’s inferences appear to be based on an incorrect assumption that Timbervest directly negotiated these sales.

In fact, Timbervest’s management did not know about these sales until November when it received sales contracts from the brokers retained to sell these properties. (Declarations, ¶ 41) With respect to the Wolf Creek properties, the sales were being handled exclusively by a third-party sales agent under an auction and direct sale arrangement. (Declarations, ¶ 41) Information regarding the first few actual sales was not known to Timbervest until November 2006 when potential sales contracts were delivered to Timbervest for its review and consideration. (Declarations, ¶ 41) Timbervest had no role in negotiating these sales. (Declarations, ¶ 41)

The pricing from the first few sales of Wolf Creek properties only represented four sales from the initial auction process conducted by the third party sales agent and totaled only approximately 480 acres. (Declarations, ¶ 42) The complete sales program for the Wolf Creek properties would ultimately encompass over eighteen separate transactions, 5,265 acres of property, spanning more than four years, and yielding average prices materially below those of the first four sales in November 2006. (Declarations, ¶ 42) The vast majority of other properties listed in the disposition report with “Estimated Sales Prices” either sold at prices materially different than the estimate listed in the report, or in many cases, did not sell at all. (Declarations, ¶ 43) The “Estimated Sales Prices” did not and could not equate to a value conclusion and were only best estimates of price and timing of sales as of August 2006. (Declarations, ¶ 43)

Timbervest did not proffer this evidence at the hearing because these erroneous conclusions were not pled in the Order Instituting Proceedings, were not stated in the pre-hearing briefs, and indeed, were not even argued at the hearing or in the Division's post-hearing brief. They appear largely to be the ALJ's own invention.

The ALJ and the Division also attack an August 3, 2012 letter ("the 2012 Letter") sent by Timbervest to its client about the transactions at issue in this case for its description of the August 2006 Report and the Wolf Creek sales. The Division glommed on to the ALJ's finding in this regard. (Brief at 38, 54.)

The 2012 Letter detailed how, in February 2007, a commingled fund managed by Timbervest acquired the Tenneco Core property that previously had been owned by New Forestry. (Declarations, ¶ 44) It also described how, by the time of this transaction, the value of Tenneco Core had risen about \$1 million, and it described the reasons for the increase in value. (Declarations, ¶ 45) The primary driver of the value increase was that timber prices spiked in the fourth quarter of 2012. (Declarations, ¶ 45) Timbervest learned of the spike in timber prices in November 2012, and these price increases accounted for about \$950,000 of the overall \$1.05 million increase in value of Tenneco Core. (Declarations, ¶ 45)

The 2012 Letter explained that Timbervest learned of the Wolf Creek sales in November 2006. (Declarations, ¶ 46) The letter pointed to these and other transactions in the area, not to support the entire \$1 million value increase, but as a basis for management's comfort that valuing the land at \$6/acre more was reasonable. (Declarations, ¶ 46) This \$6/acre difference was a mere \$80,000 out of the \$1 million rise in value. (Declarations, ¶ 46) The fact that these sales closed above appraised value gave management comfort to pursue the Tenneco core transaction. (Declarations, ¶ 46) The ALJ, however, reached the erroneous conclusion that Boden and the

2012 Letter were citing the Wolf Creek sales as a basis for the entire valuation of Tenneco Core at \$1 million more.

Timbervest did not proffer this evidence about the 2012 Letter at the hearing because these erroneous conclusions were not pled in the OIP, were not mentioned in the pre-hearing briefs, and were not even argued in the Division's post-hearing brief. Again, they appear to be the ALJ's own invention.

The ALJ's misunderstanding of this evidence also supported his finding that Timbervest was "motivated" to "land bank" the Tenneco Core property. (Dec. at 42.) The ALJ used flawed logic to determine that Timbervest knew about increased timber prices that would come in the fourth quarter of 2006. The ALJ quoted a hearing question posed to Boden asking him to confirm that "because the value of the timber went up, and the total per acre price was the same as what was expected in the summer of 2006, then the bare land value must have decreased." (Dec. at 42). Boden did not understand this flawed logic and answered accordingly: "I'm not following you." (Dec. at 42). An honest, understandable answer because there was a reason Boden did not follow the question.

What the questioner and ALJ did not understand was that the per acre values of the Wolf Creek sales in the recreational market were not directly correlative to the Tenneco Core property, a large core timberland property. The Wolf Creek properties were markedly different kinds of properties with different bases for their valuations. (Declarations, ¶ 47) They were smaller and more accessible, making them more affordable and interesting to individual buyers in the local recreational market. (Declarations, ¶ 47) Their value reflected a higher and better use valuation in the recreational market, rather than a raw land plus timber valuation. (Declarations, ¶ 47) The spot price of trees has some relevance to the value of recreational properties, but they are not the

primary drivers of such values. (Declarations, ¶ 48) A much stronger correlation exists between spot prices and pure timberland properties than between spot prices and recreational properties. (Declarations, ¶ 48)

C. **If evidence concerning the transition of the New Forestry account is considered, new evidence should be admitted demonstrating Respondents acted properly.**

The ALJ also made findings that Timbervest “did not live up to its duties to transition the [New Forestry] account” to its new investment manager in late 2002. (Dec. at 38-39.) The Division then used this finding to support its conclusion that Respondents purportedly represent a threat of future harm to investors. (Brief 39.) The ALJ’s finding, however, was inaccurate.

By letter dated August 29, 2012, New Forestry terminated Timbervest as its investment manager effective September 30, 2012. (Declarations, ¶ 49) Timbervest was replaced with two separate timberland managers who divided up management of the portfolio’s assets.

(Declarations, ¶ 49) The original plan devised by AT&T required a clean transition of the account on September 30, 2012, to the new managers. (Declarations, ¶ 49) At that time, according to Frank Ranlett at AT&T, Timbervest would have no further responsibilities for the account or assets and would be paid its 3Q12 management fee. (Declarations, ¶ 49)

On September 5, 2012, Timbervest received a list of transition documents requested from one of the newly appointed managers, Forest Investment Advisors (“FIA”). (Declarations, ¶ 50) FIA coordinated the management transition process on behalf of both newly appointed managers. (Declarations, ¶ 50) Timbervest’s transition team worked directly with FIA to provide the requested documentation. (Declarations, ¶ 50) The transition list covered a broad range of management/operational and accounting/finance documentation for each purchase unit within New Forestry’s portfolio and included both current and historic data. (Declarations, ¶ 51)

Timbervest acted promptly in beginning an organized and well-documented flow of documents and information to FIA which required the dedication of substantial internal staff and resources. (Declarations, ¶ 52) The volume of accounting data, as well as legal and operational files related to the transition was enormous and required much of Timbervest's internal accounting and legal staff to compile and prepare for transfer. (Declarations, ¶ 52) The accounting documentation required some additional review to eliminate sensitive information pertaining to other Timbervest clients as well as proprietary information (and/or processes) belonging to Timbervest. (Declarations, ¶ 52)

In addition, during the data collection AT&T substantially changed their original transition requirements and required Timbervest to complete 3Q12 financial statements for the account. (Declarations, ¶ 52) This change was not anticipated and slowed down the data transfer as 3Q12 financial statements had to be prepared before final data could be transmitted. (Declarations, ¶ 52) Financial statement preparation typically takes six to eight weeks to prepare after the end of the quarter due to data updates, accruals and other accounting requirements. (Declarations, ¶ 52) Preparation of New Forestry financial statements was given priority over other funds and the data was provided in a timely manner. (Declarations, ¶ 52) Timbervest worked through these issues with FIA and the information flow continued in a satisfactory manner. (Declarations, ¶ 52)

Various employees of FIA sent numerous complimentary email communications to Timbervest indicating that they appreciated our continued cooperation in the transition process and were pleased with the flow of information. (Declarations, ¶ 53) Timbervest continued to prepare and provide data and information to FIA throughout the 4th Quarter of 2012 and into 2013 as additionally requested with no compensation. (Declarations, ¶ 53) This cooperation

continues today. (Declarations, ¶ 53) Timbervest worked closely with PWC, the New Forestry auditor, into the summer of 2013 with no compensation. (Declarations, ¶ 53)

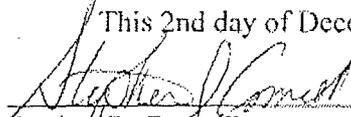
On October 12, 2012, Frank Ranlett, an AT&T representative, wrote to Carolyn Seabolt, Timbervest's General Counsel, stating that he "regret[ed] any imputation that you were not transitioning to the letter, and likely beyond, of the agreements between our two organizations." (Declarations, ¶ 54).

Had Respondents been aware that the transition of the account was to be at issue at the hearing, they could have presented evidence on the issue, including that described above. The Division failed to provide proper notice on this issue and the Commission should therefore not consider these allegations. Alternatively, the Commission should consider the additional evidence that shows Timbervest cooperated beyond the call.

Unavailability of Records

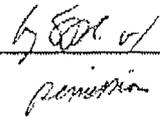
Evidence in the record showed that AT&T, BellSouth, and Timbervest did not retain records from the relevant time period. Additional evidence shows that even AT&T's fiduciary representative, ORG, did not retain records. (Declarations, ¶ 55) This evidence should be considered in light of the ALJ's finding that the lack of evidence should be held against Respondents.

This 2nd day of December, 2014.

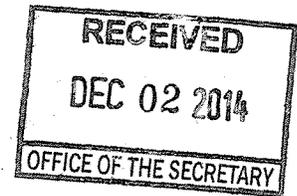

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UNITED STATES OF AMERICA
Before the
SECURITIES AND EXCHANGE COMMISSION



ADMINISTRATIVE PROCEEDING
File No. 3-15519

In the Matter of
Timbervest, LLC,
Joel Barth Shapiro,
Walter William Anthony Boden, III,
Donald David Zell, Jr.,
and Gordon Jones II,
Respondents.

Declaration of William Boden

DECLARATION OF WILLIAM BODEN

I, William Boden, make the following Declaration under oath and under penalty of perjury:

1. My name is William Boden. I am over the age of 21 years, and I have personal knowledge of the matters in this Declaration.

2. I am the Chief Investment Officer for Timbervest, LLC, a registered investment adviser, and I have held this position since 2004.

Glawson Improvement History

3. Timbervest's first timberland client was New Forestry, LLC. The client owned a portfolio of timberland that Timbervest managed pursuant to investment management agreements which vested Timbervest with full discretionary authority to manage the client's assets, including the authority to "retain, manage, operate, repair, develop, subdivide, dedicate, preserve and improve" any real property within the client's portfolio.

4. The land and timber holdings making up New Forestry's timberland portfolio were located throughout the United States and were valued at approximately \$470 million in

2005. At that time, the beneficial owners of New Forestry directed Timbervest to reduce the size of the portfolio by liquidating approximately 50% of the holdings over the next several years.

5. One of the properties held in New Forestry's portfolio was located near Atlanta, Georgia and was known as the Glawson property. Because of its proximity to Atlanta and other unique attributes, the Glawson property was the second highest valued property on a bare land value per acre basis out of the entire New Forestry portfolio. The highest valued property in the portfolio on a bare land value per acre basis was a nearby "sister" property that was slated for industrial development.

6. In the mid-2000s, the Glawson property was in a state of disrepair and recovering from an extensive and aggressive clear cut harvest undertaken by Timbervest's prior management in the early 2000s.

7. When a timberland property in this region is left to regenerate naturally (as the Glawson property had been), the resulting forest usually reseeds with fast growing, undesirable and low-value tree species such as sweetgum and thorny brush species like blackberry. The resulting landscape is a dense, unsightly, and virtually impenetrable jungle. Most of the Glawson property suffered from this condition in 2005. When the plan was to convert the property to a single family subdivision this condition did not materially impact the value because the process of building a single family subdivision typically requires extensive land clearing and grading which consequently removes much of the existing timber on a property.

8. In addition to the forest type being less than desirable, the internal roads on the property were poorly maintained and in many places were no longer passable even via all-terrain vehicles.

9. The combination of these factors resulted in a property that was not aesthetically pleasing to the eye, was not growing in silvicultural value for the client, and offered little value from a recreational or timber standpoint. Pursuant to the client's directive to reduce the size of

New Forestry's portfolio (and as reflected in the 2005 Annual Report and 2006 Outlook prepared for the client which identified the Glawson property as a candidate for short term sale), Timbervest looked for ways to maximize the sales value of the Glawson property, but the state of the property severely impaired the expected sales price.

10. Timbervest made an effort to market and to sell the Glawson property as a property suitable for residential development, but determined that the probability of the property being converted to a traditional residential subdivision was very low due to the recent passage of onerous zoning and land use building restrictions by the county, in addition to the relatively large percentage of non-useable wetlands/floodplain located on site.

11. Starting in 2006, the management of the New Forestry portfolio was specifically governed by a new set of Program Investment Guidelines which were instituted by the client. These Guidelines provided for 70% of New Forestry's portfolio to be in core timberland holdings with 30% being in Value-Add/Oppportunistic investments.

12. In the 2007 Annual Report and 2008 Outlook prepared by Timbervest and delivered to the client, Timbervest identified the Glawson property (which was part of the I-20 purchase unit) as a Value-Add/Oppportunistic property (the Program Investment Guidelines acknowledge that these two classifications can overlap). Pursuant to the Program Investment Guidelines, a Value-Add property is a property that exhibits characteristics that "when combined with *active management strategies* may produce returns in excess of target returns." Value-Add properties typically have a land value equal to or greater than the timber value and will typically be managed for disposition into a higher and better use market. Opportunistic Properties exhibit characteristics that "when combined with *creative management strategies* should produce returns in excess of target returns." Opportunistic Properties will typically be managed for conversion as a non-timberland property and will have very few characteristics of a core timberland

property. The Glawson property remained classified as Value-Add/Opportunistic through the course of Timbervest's management of the New Forestry account, ending in 2012.

13. In January 2008, Timbervest's management and foresters met to discuss how best to address the dilapidated state of the Glawson property and to devise an exit strategy that would maximize value for the client, all in accordance with the client's Program Investment Guidelines classifying the property as Value-Add/Opportunistic. Given the property's easy accessibility to Atlanta via I-20, its physical characteristics and relatively high per acre bare land value, Timbervest determined the best exit strategy was to improve and enhance the property's aesthetics, value, usability, and salability for the high-end recreational market through active and creative management strategies.

14. In Timbervest's experience, the high-end recreational market includes properties that are (i) easily accessible to wealthy individuals; (ii) located in areas where desirable wildlife species are known to exist; (iii) improved with road systems and property entrance and exit points; (iv) improved with water features such as lakes, ponds, and duck impoundments; (v) enhanced with well-maintained food plots, fields and planted clearings; (vi) benefitted by selected timber cut-outs and firing lanes to better the hunting experience; (vii) enhanced with structures such as permanent hunting stands strategically located throughout the property; (viii) accessible via roads and trails to wetland areas and river corridors; (ix) developed with some vertical improvements such as barns and/or storage structures to give the tract a sense of center of activity and value and to adequately house and store equipment needed to maintain the property, and (x) benefitted by a more complex management regime designed to maximize the aesthetic value, wildlife population and ecosystem than is otherwise the case with a basic forestry asset. Timbervest developed an active and creative improvement plan to execute this strategy at Glawson which fit squarely within its discretionary authority under the client's

Program Investment Guidelines and Glawson's classification as a Value-Add/Oppportunistic property.

15. The main goals of the Glawson improvement plan were to increase internal access, manage the forest in an economical way to wean out the undesirable species, create open areas to diversify the landscape and improve aesthetics, provide supplemental habitat for wildlife, add and/or enhance water features, add vertical improvements to give the tract a sense of center and place, and enhance the property entrances.

16. Timbervest executed this strategy over a multi-year period and it successfully added millions of dollars to the property's value, all to the ultimate benefit of the client. Specifically, the property value increased from \$4.5 million in mid-2006 to a peak value of \$13.2 million in mid-2011, in part as a result of the many improvements described below. Through its extensive efforts, Timbervest successfully transformed this once dilapidated asset into a highly desirable high-end recreation tract.

17. The road improvement work included enhancements to already established roads and construction of new internal roads. Virtually all of the established roads were in need of repair and widening and in many places rock or gravel to solidify the road bed. The newly constructed roads were strategically placed to provide access between existing roads and better internal access throughout the perimeter and heart of the property. A new main entrance and access point was also constructed off Elks Club Road, which not only improved the property's appearance and aesthetics, it also enhanced access and provided added flexibility at disposition if the tract were to be subdivided.

18. Timbervest created wildlife areas or "food plots" on the tract. Wildlife areas are open fields that can be planted in various seasonal forage varieties to benefit all wildlife on the property, but primarily targeting whitetail deer, dove, quail, ducks, and turkeys. Timbervest created approximately fourteen (14) wildlife areas totaling almost fifty (50) acres, and the four

(4) existing open areas were enhanced to benefit wildlife, totaling roughly six (6) acres. In addition to the wildlife openings created, in selective areas, mulching was prescribed to clear underbrush along roadsides and other areas to improve the aesthetics of the property.

19. On a typical intensively managed timberland property, the normal course of action for the thick naturally regenerated forest type that dominated the Glawson tract would have been to clear the overgrown areas and re-establish new pine plantations. Timbervest considered this course of action, but rejected it on the majority of the tract because the cost of site preparation on overgrown areas would exceed the likely investment benefit to the tract given its exceptionally high land value. In Timbervest's judgment, the property's potential to be used as a recreational property presented a higher expected sales value. Timbervest's experience indicated that likely buyers of a recreational property would place substantially more weight on the recreational value of the land as opposed to merchantable trees growing on the property.

20. Timbervest nevertheless determined that a few areas could, on a cost/benefit basis, benefit from re-establishment of timber. Those areas were replanted in loblolly and longleaf pine to further diversify the forest type. In the other areas, the forest management plan was geared towards cost-effectively managing the naturally regenerated pine stems that had seeded in with the other species. In areas of dense understory competition, this involved select chemical applications to kill the deciduous woody competition. In areas with less dense understory, this involved prescribed burning, which is more beneficial to wildlife and also is more aesthetically pleasing. While it takes time for pine trees to grow and the results of these applications to fully show, initial indications were promising.

21. One existing feature on the property that enhanced its recreational potential and further justified its candidacy for improvements was a three (3) acre pond located roughly in the center of the tract. Like other features of the Glawson tract prior to the Timbervest improvement plan, this pond had been neglected and was not being actively managed to take advantage of its

aesthetics and potential value. Areas along the bank were overgrown with shrubs and trees limiting water access and restricting the view. In addition, the water level was low due to a damaged drain pipe in the dam structure, the pond lacked a dock to provide boat access, and some unsightly dilapidated structures existed within close proximity.

22. As part of the improvement plan, Timbervest addressed these issues by clearing the majority of the pond's shoreline and constructing a perimeter road to improve access, repairing the drainage system to raise the pond level, demolishing the unsightly structures, and eventually constructing a floating dock to benefit recreation potential.

23. In 2010, a separate site was identified for a new twelve (12) acre pond to be constructed to further enhance the tract's recreational and potential break-up appeal. That pond was permitted and approved by the Army Corps of Engineers and construction began in 2011. It was completed approximately nine (9) months later. This pond was constructed during a drought period. The abnormally dry weather during its construction lowered the build-out cost but also delayed filling the pond for approximately two (2) years.

24. Due to Timbervest's active and creative upgrades to the overall aesthetics of the property, the creation of wildlife clearings, improvements in internal access, and enhancement of the existing pond, the property was completely transformed from a recreation, utilization, and wildlife standpoint. Timbervest's management regime and improvement plan contributed to an approximately \$3.5 million increase in the value of the property from the beginning of 2008 through 2012 (a 60.3 % increase in valuation).

25. Given the recreational focus of the property, Timbervest decided to create further improvements, the most noteworthy being a barn with a loft above it. In Timbervest's experience, most high-end recreational properties have some sort of hybrid shelter and storage facility so that the owners can store their equipment and vehicles, and also more easily enjoy their getaway property with family or friends. Since this property was easily accessible from

Atlanta, and was upgraded to a condition that would allow for hunting, fishing, and riding all-terrain vehicles, Timbervest decided that adding such a structure would increase the property's value to buyers interested in a recreational property near Atlanta, Georgia.

26. Timbervest began construction of a barn overlooking the original pond in 2008. The barn was constructed with an efficiency loft and bathroom on the second floor. While a top floor efficiency was not originally considered, upon review it was determined that the cost to add the efficiency was relatively low in comparison to the potential value increase to the overall property. Bedrooms were neither permitted by zoning code nor built into the loft structure. However, the structure was designed so that one or two bedrooms could be easily added should a new owner desire such an upgrade and be willing to go through the re-zoning process with the county to allow for such an upgrade. Approximately two (2) years later, a pole barn was constructed behind the original barn to house large equipment and materials as the property now had a more extensive maintenance requirement associated with its various land use activities.

27. In addition to the road, wildlife area, pond, garage/barn, and forest management improvements, Timbervest further enhanced the value of this investment with the acquisition of two adjacent properties. These acquisitions strengthened the property's access and security. In 2008, the client purchased a 235 acre failed residential subdivision tract as an addition to the south that provided a third access point and eventually ended up being the portion of the tract where the pond was constructed. In 2009, the client purchased a 75-acre parcel that adjoined to the north. The acquisition of the 75-acre parcel put an end to a trespassing issue that had been plaguing the Glawson property, thereby further enhancing its security. The 2009 acquisition was primarily a large, picturesque, wooded swamp that was prime duck habitat. Adding this tract to the Glawson property further improved its overall recreational appeal.

28. Timbervest made several other minor improvements to the Glawson property. These included the installation of gates at all three (3) entrances, the construction of three (3)

hunting stands strategically placed in wildlife areas, and the clearing of a scenic ATV trail along the Alcovy River.

29. Timbervest considered each and every one of the improvements and enhancements made to the Glawson property to be squarely within its discretionary authority under the Investment Management Agreement and within the client's Program Investment Guidelines. Timbervest recorded these expenses on the client's general ledger, a printout of which is attached hereto as Exhibit A. The general ledger shows that Timbervest described the improvement expenses substantially as they were. For example, the expenses for constructing the barn were recorded as "Alcovy Cabin Construction," "Alcovy Barn," "Install barn 600 elks club," or "install interior of barn600elk." Building the pond was recorded as "BuildPond@ElksClubRd." The construction of the dock was recorded as "Dock Construction." The road and pond improvements described above were recorded as "Rd/pond improvements" and "Rd construction/pond improvement."

30. Timbervest made no effort to hide or to conceal any of the property improvements. In fact, the client's auditor received the general ledger reflecting the descriptions of the improvements set forth above.

31. New Forestry's auditors produced copies of these records to the Division of Enforcement and these are attached as Exhibit B.

32. In 2012, Timbervest substantially completed the recreational re-branding of Glawson, and, as a result, Timbervest assigned it to Quartile 3 in the 2011 Annual Report and 2012 Outlook. This re-assignment to Quartile 3 was indicative of the fact that the property was ready to be marketed for sale. However, just as this effort was to commence, the beneficial owners of New Forestry transferred management of the New Forestry account away from Timbervest.

33. Timbervest's management occasionally took high net worth individuals and potential investors to the Glawson property because of its close proximity to Timbervest's headquarters in Atlanta, Georgia. These people included individuals who Timbervest perceived to be potential buyers of the Glawson property itself as well as potential investors in Timbervest's funds. Using a local property to showcase a manager's investment style is common practice in the real estate industry and involves no cost to the beneficial owner of the real estate and certainly does not harm them.

34. Timbervest explained to New Forestry's beneficiary representatives that it would seek to maximize value for New Forestry by improving particular properties so they could be sold at their highest and best use potential. New Forestry expressly approved Timbervest's strategy of making such improvements to properties within its portfolio. For instance, on July 31, 2008, several Timbervest representatives met with Ranlett and other AT&T representatives to review Timbervest's management of New Forestry. The group discussed individual properties, acquisitions and improvements to properties. The representatives from AT&T agreed that Timbervest's "private equity/real estate" approach was their preferred strategy from a strategic perspective. The group even reviewed pictures reflecting Timbervest's HBU/Land improvements to New Forestry properties. Timbervest documented a summary of these discussions in minutes, a printout of which is attached hereto as Exhibit C.

35. In addition, in April 2009, representatives of New Forestry's beneficiaries, including Frank Ranlett, toured and saw improvements made by Timbervest to one of its properties located in the northeast called St. Aurelie. This property was closer to Mr. Ranlett's state of residence and therefore more convenient to visit. Following this property tour, Mr. Ranlett expressed his pleasure with Timbervest's entrepreneurial management style. While he did not ask for details on the amounts spent to improve that property, Mr. Ranlett was clearly aware of, and in agreement with, Timbervest's use of its discretionary management authority to

devise and implement creative improvement plans on properties held in their portfolio and consistent with the Program Investment Guidelines.

36. It is not uncommon to conduct timberland tours on client properties for the benefit of investors in other funds and/or potential investors in an effort to showcase the manager's property management style and to educate them in the unique aspects of timberland investments. In fact, during the same outing when Mr. Ranlett toured the St. Aurelie property, he also visited and toured a property called "Big Six" which was owned by another commingled fund managed by Timbervest.

37. Additionally, sometime in 2005 or 2006, Timbervest took representatives of ORG Portfolio Management (at the time, BellSouth's investment manager and fiduciary) and SBC Communications (another ORG client) to tour the Baptist purchase unit which was owned by New Forestry. The purpose of the tour was to demonstrate Timbervest's timberland management style to SBC Communications as a potential timberland investor and to educate them on the unique aspects of timberland investing. There were other potential investors and existing investors in Timbervest's commingled timberland fund present on this property tour. Property tours were often followed by a tour of a nearby working timber mill to provide a more complete picture of the timberland investment cycle.

August 2006 Report to New Forestry

38. Upon request from ORG, the fiduciary for New Forestry, Timbervest prepared and delivered to New Forestry the August 2006 New Forestry Disposition Plan and Report (the "August 2006 Report"). The August 2006 Report resulted from extensive work by many of Timbervest's personnel, including foresters, analysts, and management.

39. As a disposition plan, the August 2006 Report identified properties that Timbervest planned to sell on behalf of New Forestry, and it identified the target sales prices for those properties.

40. The August 2006 Report did not report values based on actual sales. It simply reported estimated sale prices for a number of properties that Timbervest anticipated liquidating under the client's disposition mandate. The August 2006 Report merely reflected the estimated prices that Timbervest hoped to get for each property, and not actual sales, or prices that were in any way guaranteed.

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42. The pricing from the first few sales of Wolf Creek properties only represented four (4) sales from the initial auction process conducted by the third party sales agent and totaled only approximately 480 acres. The complete sales program for the Wolf Creek properties would ultimately encompass over eighteen (18) separate transactions, 5,265 acres of property, spanning more than four (4) years, and yielding average prices materially below those of the first four (4) sales in November 2006.

43. The vast majority of other properties listed in the disposition report with "Estimated Sales Prices" either sold at prices materially different than the estimate listed in the report, or in many cases, did not sell at all. The "Estimated Sales Prices" did not and could not equate to a value conclusion and were only best estimates of price and timing of sales as of August 2006.

44. On August 3, 2012, Timbervest wrote a letter (the "2012 Letter") to New Forestry's beneficial owners describing various facts relating to the transactions at issue in this case. In particular, it detailed how, in February 2007, a commingled fund managed by

Timbervest acquired the Tenneco Core property that previously had been owned by New Forestry.

45. The 2012 Letter also described how, by the time of this transaction, the value of Tenneco Core had risen about \$1 million, and it described the reasons for the increase in value. The primary driver of the value increase was that timber prices spiked in the fourth quarter of 2012. Timbervest learned of the spike in timber prices in November 2012, and these price increases accounted for about \$950,000 of the overall \$1.05 million increase in value of Tenneco Core.

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ROGERS & HARDIN 03/17/04

Transition of New Forestry Account to New Management

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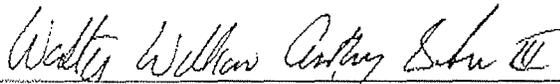
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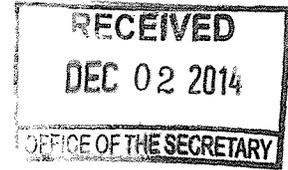
I declare under penalty of perjury that the foregoing is true and correct.

Executed on November 26, 2014.



Walter William Anthony Boden, III

UNITED STATES OF AMERICA
Before the
SECURITIES AND EXCHANGE COMMISSION



ADMINISTRATIVE PROCEEDING
File No. 3-15519

In the Matter of
Timbervest, LLC,
Joel Barth Shapiro,
Walter William Anthony Boden, III,
Donald David Zell, Jr.,
and Gordon Jones II,
Respondents.

Declaration of Joel Barth Shapiro

DECLARATION OF JOEL BARTH SHAPIRO

I, Joel Barth Shapiro, make the following Declaration under oath and under penalty of perjury:

1. My name is Joel Barth Shapiro. I am over the age of 21 years, and I have personal knowledge of the matters in this Declaration.
2. I am the Chief Executive Officer for Timbervest, LLC, a registered investment adviser, and I have held this position since 2005.

Glawson Improvement History

3. Timbervest's first timberland client was New Forestry, LLC. The client owned a portfolio of timberland that Timbervest managed pursuant to investment management agreements which vested Timbervest with full discretionary authority to manage the client's assets, including the authority to "retain, manage, operate, repair, develop, subdivide, dedicate, preserve and improve" any real property within the client's portfolio.

4. The land and timber holdings making up New Forestry's timberland portfolio were located throughout the United States and were valued at approximately \$470 million in

2005. At that time, the beneficial owners of New Forestry directed Timbervest to reduce the size of the portfolio by liquidating approximately 50% of the holdings over the next several years.

5. One of the properties held in New Forestry's portfolio was located near Atlanta, Georgia and was known as the Glawson property. Because of its proximity to Atlanta and other unique attributes, the Glawson property was the second highest valued property on a bare land value per acre basis out of the entire New Forestry portfolio. The highest valued property in the portfolio on a bare land value per acre basis was a nearby "sister" property that was slated for industrial development.

6. In the mid-2000s, the Glawson property was in a state of disrepair and recovering from an extensive and aggressive clear cut harvest undertaken by Timbervest's prior management in the early 2000s.

7. When a timberland property in this region is left to regenerate naturally (as the Glawson property had been), the resulting forest usually reseeds with fast growing, undesirable and low-value tree species such as sweetgum and thorny brush species like blackberry. The resulting landscape is a dense, unsightly, and virtually impenetrable jungle. Most of the Glawson property suffered from this condition in 2005. When the plan was to convert the property to a single family subdivision this condition did not materially impact the value because the process of building a single family subdivision typically requires extensive land clearing and grading which consequently removes much of the existing timber on a property.

8. In addition to the forest type being less than desirable, the internal roads on the property were poorly maintained and in many places were no longer passable even via all-terrain vehicles.

9. The combination of these factors resulted in a property that was not aesthetically pleasing to the eye, was not growing in silvicultural value for the client, and offered little value from a recreational or timber standpoint. Pursuant to the client's directive to reduce the size of

New Forestry's portfolio (and as reflected in the 2005 Annual Report and 2006 Outlook prepared for the client which identified the Glawson property as a candidate for short term sale), Timbervest looked for ways to maximize the sales value of the Glawson property, but the state of the property severely impaired the expected sales price.

10. Timbervest made an effort to market and to sell the Glawson property as a property suitable for residential development, but determined that the probability of the property being converted to a traditional residential subdivision was very low due to the recent passage of onerous zoning and land use building restrictions by the county, in addition to the relatively large percentage of non-uscable wetlands/floodplain located on site.

11. Starting in 2006, the management of the New Forestry portfolio was specifically governed by a new set of Program Investment Guidelines which were instituted by the client. These Guidelines provided for 70% of New Forestry's portfolio to be in core timberland holdings with 30% being in Value-Add/Opportunistic investments.

12. In the 2007 Annual Report and 2008 Outlook prepared by Timbervest and delivered to the client, Timbervest identified the Glawson property (which was part of the I-20 purchase unit) as a Value-Add/Opportunistic property (the Program Investment Guidelines acknowledge that these two classifications can overlap). Pursuant to the Program Investment Guidelines, a Value-Add property is a property that exhibits characteristics that "when combined with *active management strategies* may produce returns in excess of target returns." Value-Add properties typically have a land value equal to or greater than the timber value and will typically be managed for disposition into a higher and better use market. Opportunistic Properties exhibit characteristics that "when combined with *creative management strategies* should produce returns in excess of target returns." Opportunistic Properties will typically be managed for conversion as a non-timberland property and will have very few characteristics of a core timberland

property. The Glawson property remained classified as Value-Add/Opportunistic through the course of Timbervest's management of the New Forestry account, ending in 2012.

13. In January 2008, Timbervest's management and foresters met to discuss how best to address the dilapidated state of the Glawson property and to devise an exit strategy that would maximize value for the client, all in accordance with the client's Program Investment Guidelines classifying the property as Value-Add/Opportunistic. Given the property's easy accessibility to Atlanta via I-20, its physical characteristics and relatively high per acre bare land value, Timbervest determined the best exit strategy was to improve and enhance the property's aesthetics, value, usability, and salability for the high-end recreational market through active and creative management strategies.

14. In Timbervest's experience, the high-end recreational market includes properties that are (i) easily accessible to wealthy individuals; (ii) located in areas where desirable wildlife species are known to exist; (iii) improved with road systems and property entrance and exit points; (iv) improved with water features such as lakes, ponds, and duck impoundments; (v) enhanced with well-maintained food plots, fields and planted clearings; (vi) benefitted by selected timber cut-outs and firing lanes to better the hunting experience; (vii) enhanced with structures such as permanent hunting stands strategically located throughout the property; (viii) accessible via roads and trails to wetland areas and river corridors; (ix) developed with some vertical improvements such as barns and/or storage structures to give the tract a sense of center of activity and value and to adequately house and store equipment needed to maintain the property, and (x) benefitted by a more complex management regime designed to maximize the aesthetic value, wildlife population and ecosystem than is otherwise the case with a basic forestry asset. Timbervest developed an active and creative improvement plan to execute this strategy at Glawson which fit squarely within its discretionary authority under the client's

Program Investment Guidelines and Glawson's classification as a Valuc-Add/Opportunistic property.

15. The main goals of the Glawson improvement plan were to increase internal access, manage the forest in an economical way to wean out the undesirable species, create open areas to diversify the landscape and improve aesthetics, provide supplemental habitat for wildlife, add and/or enhance water features, add vertical improvements to give the tract a sense of center and place, and enhance the property entrances.

16. Timbervest executed this strategy over a multi-year period and it successfully added millions of dollars to the property's value, all to the ultimate benefit of the client. Specifically, the property value increased from \$4.5 million in mid-2006 to a peak value of \$13.2 million in mid-2011, in part as a result of the many improvements described below. Through its extensive efforts, Timbervest successfully transformed this once dilapidated asset into a highly desirable high-end recreation tract.

17. The road improvement work included enhancements to already established roads and construction of new internal roads. Virtually all of the established roads were in need of repair and widening and in many places rock or gravel to solidify the road bed. The newly constructed roads were strategically placed to provide access between existing roads and better internal access throughout the perimeter and heart of the property. A new main entrance and access point was also constructed off Elks Club Road, which not only improved the property's appearance and aesthetics, it also enhanced access and provided added flexibility at disposition if the tract were to be subdivided.

18. Timbervest created wildlife areas or "food plots" on the tract. Wildlife areas are open fields that can be planted in various seasonal forage varieties to benefit all wildlife on the property, but primarily targeting whitetail deer, dove, quail, ducks, and turkeys. Timbervest created approximately fourteen (14) wildlife areas totaling almost fifty (50) acres, and the four

(4) existing open areas were enhanced to benefit wildlife, totaling roughly six (6) acres. In addition to the wildlife openings created, in selective areas, mulching was prescribed to clear underbrush along roadsides and other areas to improve the aesthetics of the property.

19. On a typical intensively managed timberland property, the normal course of action for the thick naturally regenerated forest type that dominated the Glawson tract would have been to clear the overgrown areas and re-establish new pine plantations. Timbervest considered this course of action, but rejected it on the majority of the tract because the cost of site preparation on overgrown areas would exceed the likely investment benefit to the tract given its exceptionally high land value. In Timbervest's judgment, the property's potential to be used as a recreational property presented a higher expected sales value. Timbervest's experience indicated that likely buyers of a recreational property would place substantially more weight on the recreational value of the land as opposed to merchantable trees growing on the property.

20. Timbervest nevertheless determined that a few areas could, on a cost/benefit basis, benefit from re-establishment of timber. Those areas were replanted in loblolly and longleaf pine to further diversify the forest type. In the other areas, the forest management plan was geared towards cost-effectively managing the naturally regenerated pine stems that had seeded in with the other species. In areas of dense understory competition, this involved select chemical applications to kill the deciduous woody competition. In areas with less dense understory, this involved prescribed burning, which is more beneficial to wildlife and also is more aesthetically pleasing. While it takes time for pine trees to grow and the results of these applications to fully show, initial indications were promising.

21. One existing feature on the property that enhanced its recreational potential and further justified its candidacy for improvements was a three (3) acre pond located roughly in the center of the tract. Like other features of the Glawson tract prior to the Timbervest improvement plan, this pond had been neglected and was not being actively managed to take advantage of its

aesthetics and potential value. Areas along the bank were overgrown with shrubs and trees limiting water access and restricting the view. In addition, the water level was low due to a damaged drain pipe in the dam structure, the pond lacked a dock to provide boat access, and some unsightly dilapidated structures existed within close proximity.

22. As part of the improvement plan, Timbervest addressed these issues by clearing the majority of the pond's shoreline and constructing a perimeter road to improve access, repairing the drainage system to raise the pond level, demolishing the unsightly structures, and eventually constructing a floating dock to benefit recreation potential.

23. In 2010, a separate site was identified for a new twelve (12) acre pond to be constructed to further enhance the tract's recreational and potential break-up appeal. That pond was permitted and approved by the Army Corps of Engineers and construction began in 2011. It was completed approximately nine (9) months later. This pond was constructed during a drought period. The abnormally dry weather during its construction lowered the build-out cost but also delayed filling the pond for approximately two (2) years.

24. Due to Timbervest's active and creative upgrades to the overall aesthetics of the property, the creation of wildlife clearings, improvements in internal access, and enhancement of the existing pond, the property was completely transformed from a recreation, utilization, and wildlife standpoint. Timbervest's management regime and improvement plan contributed to an approximately \$3.5 million increase in the value of the property from the beginning of 2008 through 2012 (a 60.3 % increase in valuation).

25. Given the recreational focus of the property, Timbervest decided to create further improvements, the most noteworthy being a barn with a loft above it. In Timbervest's experience, most high-end recreational properties have some sort of hybrid shelter and storage facility so that the owners can store their equipment and vehicles, and also more easily enjoy their getaway property with family or friends. Since this property was easily accessible from

Atlanta, and was upgraded to a condition that would allow for hunting, fishing, and riding all-terrain vehicles. Timbervest decided that adding such a structure would increase the property's value to buyers interested in a recreational property near Atlanta, Georgia.

26. Timbervest began construction of a barn overlooking the original pond in 2008. The barn was constructed with an efficiency loft and bathroom on the second floor. While a top floor efficiency was not originally considered, upon review it was determined that the cost to add the efficiency was relatively low in comparison to the potential value increase to the overall property. Bedrooms were neither permitted by zoning code nor built into the loft structure. However, the structure was designed so that one or two bedrooms could be easily added should a new owner desire such an upgrade and be willing to go through the re-zoning process with the county to allow for such an upgrade. Approximately two (2) years later, a pole barn was constructed behind the original barn to house large equipment and materials as the property now had a more extensive maintenance requirement associated with its various land use activities.

27. In addition to the road, wildlife area, pond, garage/barn, and forest management improvements, Timbervest further enhanced the value of this investment with the acquisition of two adjacent properties. These acquisitions strengthened the property's access and security. In 2008, the client purchased a 235 acre failed residential subdivision tract as an addition to the south that provided a third access point and eventually ended up being the portion of the tract where the pond was constructed. In 2009, the client purchased a 75-acre parcel that adjoined to the north. The acquisition of the 75-acre parcel put an end to a trespassing issue that had been plaguing the Glawson property, thereby further enhancing its security. The 2009 acquisition was primarily a large, picturesque, wooded swamp that was prime duck habitat. Adding this tract to the Glawson property further improved its overall recreational appeal.

28. Timbervest made several other minor improvements to the Glawson property. These included the installation of gates at all three (3) entrances, the construction of three (3)

hunting stands strategically placed in wildlife areas, and the clearing of a scenic ATV trail along the Alcovy River.

29. Timbervest considered each and every one of the improvements and enhancements made to the Glawson property to be squarely within its discretionary authority under the Investment Management Agreement and within the client's Program Investment Guidelines. Timbervest recorded these expenses on the client's general ledger, a printout of which is attached hereto as Exhibit A. The general ledger shows that Timbervest described the improvement expenses substantially as they were. For example, the expenses for constructing the barn were recorded as "Alcovy Cabin Construction," "Alcovy Barn," "Install barn 600 elks club," or "install interior of barn600elk." Building the pond was recorded as "BuildPond@ElksClubRd." The construction of the dock was recorded as "Dock Construction." The road and pond improvements described above were recorded as "Rd/pond improvements" and "Rd construction/pond improvement."

30. Timbervest made no effort to hide or to conceal any of the property improvements. In fact, the client's auditor received the general ledger reflecting the descriptions of the improvements set forth above.

31. New Forestry's auditors produced copies of these records to the Division of Enforcement and these are attached as Exhibit B.

32. In 2012, Timbervest substantially completed the recreational re-branding of Glawson, and, as a result, Timbervest assigned it to Quartile 3 in the 2011 Annual Report and 2012 Outlook. This re-assignment to Quartile 3 was indicative of the fact that the property was ready to be marketed for sale. However, just as this effort was to commence, the beneficial owners of New Forestry transferred management of the New Forestry account away from Timbervest.

33. Timbervest's management occasionally took high net worth individuals and potential investors to the Glawson property because of its close proximity to Timbervest's headquarters in Atlanta, Georgia. These people included individuals who Timbervest perceived to be potential buyers of the Glawson property itself as well as potential investors in Timbervest's funds. Using a local property to showcase a manager's investment style is common practice in the real estate industry and involves no cost to the beneficial owner of the real estate and certainly does not harm them.

34. Timbervest explained to New Forestry's beneficiary representatives that it would seek to maximize value for New Forestry by improving particular properties so they could be sold at their highest and best use potential. New Forestry expressly approved Timbervest's strategy of making such improvements to properties within its portfolio. For instance, on July 31, 2008, several Timbervest representatives met with Ranlett and other AT&T representatives to review Timbervest's management of New Forestry. The group discussed individual properties, acquisitions and improvements to properties. The representatives from AT&T agreed that Timbervest's "private equity/real estate" approach was their preferred strategy from a strategic perspective. The group even reviewed pictures reflecting Timbervest's HBU/Land improvements to New Forestry properties. Timbervest documented a summary of these discussions in minutes, a printout of which is attached hereto as Exhibit C.

35. In addition, in April 2009, representatives of New Forestry's beneficiaries, including Frank Ranlett, toured and saw improvements made by Timbervest to one of its properties located in the northeast called St. Aurelie. This property was closer to Mr. Ranlett's state of residence and therefore more convenient to visit. Following this property tour, Mr. Ranlett expressed his pleasure with Timbervest's entrepreneurial management style. While he did not ask for details on the amounts spent to improve that property, Mr. Ranlett was clearly aware of, and in agreement with, Timbervest's use of its discretionary management authority to

devise and implement creative improvement plans on properties held in their portfolio and consistent with the Program Investment Guidelines.

36. It is not uncommon to conduct timberland tours on client properties for the benefit of investors in other funds and/or potential investors in an effort to showcase the manager's property management style and to educate them in the unique aspects of timberland investments. In fact, during the same outing when Mr. Ranlett toured the St. Aurelie property, he also visited and toured a property called "Big Six" which was owned by another commingled fund managed by Timbervest.

37. Additionally, sometime in 2005 or 2006, Timbervest took representatives of ORG Portfolio Management (at the time, BellSouth's investment manager and fiduciary) and SBC Communications (another ORG client) to tour the Baptist purchase unit which was owned by New Forestry. The purpose of the tour was to demonstrate Timbervest's timberland management style to SBC Communications as a potential timberland investor and to educate them on the unique aspects of timberland investing. There were other potential investors and existing investors in Timbervest's commingled timberland fund present on this property tour. Property tours were often followed by a tour of a nearby working timber mill to provide a more complete picture of the timberland investment cycle.

August 2006 Report to New Forestry

38. Upon request from ORG, the fiduciary for New Forestry, Timbervest prepared and delivered to New Forestry the August 2006 New Forestry Disposition Plan and Report (the "August 2006 Report"). The August 2006 Report resulted from extensive work by many of Timbervest's personnel, including foresters, analysts, and management.

39. As a disposition plan, the August 2006 Report identified properties that Timbervest planned to sell on behalf of New Forestry, and it identified the target sales prices for those properties.

40. The August 2006 Report did not report values based on actual sales. It simply reported estimated sale prices for a number of properties that Timbervest anticipated liquidating under the client's disposition mandate. The August 2006 Report merely reflected the estimated prices that Timbervest hoped to get for each property, and not actual sales, or prices that were in any way guaranteed.

41. With respect to the Wolf Creek properties, the sales were being handled exclusively by a third party sales agent under an auction and direct sale arrangement. Information regarding the first few actual sales was not known to Timbervest until November 2006 when the first potential sales contracts were delivered to Timbervest for its review and consideration. Timbervest had no role in negotiating these sales.

42. The pricing from the first few sales of Wolf Creek properties only represented four (4) sales from the initial auction process conducted by the third party sales agent and totaled only approximately 480 acres. The complete sales program for the Wolf Creek properties would ultimately encompass over eighteen (18) separate transactions, 5,265 acres of property, spanning more than four (4) years, and yielding average prices materially below those of the first four (4) sales in November 2006.

43. The vast majority of other properties listed in the disposition report with "Estimated Sales Prices" either sold at prices materially different than the estimate listed in the report, or in many cases, did not sell at all. The "Estimated Sales Prices" did not and could not equate to a value conclusion and were only best estimates of price and timing of sales as of August 2006.

44. On August 3, 2012, Timbervest wrote a letter (the "2012 Letter") to New Forestry's beneficial owners describing various facts relating to the transactions at issue in this case. In particular, it detailed how, in February 2007, a commingled fund managed by

Timbervest acquired the Tenneco Core property that previously had been owned by New Forestry.

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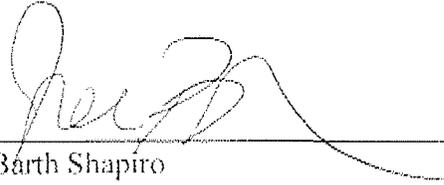
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I declare under penalty of perjury that the foregoing is true and correct.

Executed on November 26, 2014.

A handwritten signature in cursive script, appearing to read "Joel B. Shapiro", is written over a horizontal line. The signature is fluid and extends to the right of the line.

Joel Barth Shapiro

UNITED STATES OF AMERICA
Before the
SECURITIES AND EXCHANGE COMMISSION

ADMINISTRATIVE PROCEEDING
File No. 3-15519

In the Matter of
Timbervest, LLC,
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Walter William Anthony Boden, III,
Donald David Zell, Jr.,
and Gordon Jones II,
Respondents.



Declaration of Donald David Zell, Jr.

DECLARATION OF DONALD DAVID ZELL, JR.

I, Donald David Zell, Jr., make the following Declaration under oath and under penalty of perjury:

1. My name is Donald David Zell, Jr.. I am over the age of 21 years, and I have personal knowledge of the matters in this Declaration.
2. I am the Chief Operating Officer for Timbervest, LLC, a registered investment adviser, and I have held this position since 2005.

Clawson Improvement History

3. Timbervest's first timberland client was New Forestry, LLC. The client owned a portfolio of timberland that Timbervest managed pursuant to investment management agreements which vested Timbervest with full discretionary authority to manage the client's assets, including the authority to "retain, manage, operate, repair, develop, subdivide, dedicate, preserve and improve" any real property within the client's portfolio.
4. The land and timber holdings making up New Forestry's timberland portfolio were located throughout the United States and were valued at approximately \$470 million in

2005. At that time, the beneficial owners of New Forestry directed Timbervest to reduce the size of the portfolio by liquidating approximately 50% of the holdings over the next several years.

5. One of the properties held in New Forestry's portfolio was located near Atlanta, Georgia and was known as the Glawson property. Because of its proximity to Atlanta and other unique attributes, the Glawson property was the second highest valued property on a bare land value per acre basis out of the entire New Forestry portfolio. The highest valued property in the portfolio on a bare land value per acre basis was a nearby "sister" property that was slated for industrial development.

6. In the mid-2000s, the Glawson property was in a state of disrepair and recovering from an extensive and aggressive clear cut harvest undertaken by Timbervest's prior management in the early 2000s.

7. When a clear-cut property (like the Glawson property had been), the resulting forest usually reseeds with fast growing, undesirable and low-value tree species such as sweetgum and thorny brush species like blackberry. The resulting landscape is a dense, unsightly, and virtually impenetrable jungle. Most of the Glawson property suffered from this condition in 2005. When the plan was to convert the property to a single family subdivision this condition did not materially impact the value because the process of building a single family subdivision typically requires extensive land clearing and grading which consequently removes much of the existing timber on a property.

8. In addition to the forest type being less than desirable, the internal roads on the property were poorly maintained and in many places were no longer passable even via all-terrain vehicles.

9. The combination of these factors resulted in a property that was not aesthetically pleasing to the eye, was not growing in silvicultural value for the client, and offered little value from a recreational or timber standpoint. Pursuant to the client's directive to reduce the size of

New Forestry's portfolio (and as reflected in the 2005 Annual Report and 2006 Outlook prepared for the client which identified the Glawson property as a candidate for short term sale), Timbervest looked for ways to maximize the sales value of the Glawson property, but the state of the property severely impaired the expected sales price.

10. Timbervest made an effort to market and to sell the Glawson property as a property suitable for residential development, but determined that the probability of the property being converted to a traditional residential subdivision was very low due to the recent passage of onerous zoning and land use building restrictions by the county, in addition to the relatively large percentage of non-useable wetlands/floodplain located on site.

11. Starting in 2006, the management of the New Forestry portfolio was specifically governed by a new set of Program Investment Guidelines which were instituted by the client. *These Guidelines provided for 70% of New Forestry's portfolio to be in core timberland holdings with 30% being in Value-Add/Oppportunistic investments.*

12. In the 2007 Annual Report and 2008 Outlook prepared by Timbervest and delivered to the client, Timbervest identified the Glawson property (which was part of the 1-20 purchase unit) as a Value-Add/Oppportunistic property (the Program Investment Guidelines acknowledge that these two classifications can overlap). Pursuant to the Program Investment Guidelines, a Value-Add property is a property that exhibits characteristics that "when combined with *active management strategies* may produce returns in excess of target returns." Value-Add properties typically have a land value equal to or greater than the timber value and will typically be managed for disposition into a higher and better use market. Opportunistic Properties exhibit characteristics that "when combined with *creative management strategies* should produce returns in excess of target returns." Opportunistic Properties will typically be managed for conversion as a non-timberland property and will have very few characteristics of a core timberland

property. The Glawson property remained classified as Value-Add/Opportunistic through the course of Timbervest's management of the New Forestry account, ending in 2012.

13. In January 2008, Timbervest's management and foresters met to discuss how best to address the dilapidated state of the Glawson property and to devise an exit strategy that would maximize value for the client, all in accordance with the client's Program Investment Guidelines classifying the property as Value-Add/Opportunistic. Given the property's easy accessibility to Atlanta via I-20, its physical characteristics and relatively high per acre bare land value, Timbervest determined the best exit strategy was to improve and enhance the property's aesthetics, value, usability, and salability for the high-end recreational market through active and creative management strategies.

14. In Timbervest's experience, the high-end recreational market includes properties that are (i) easily accessible to wealthy individuals; (ii) located in areas where desirable wildlife species are known to exist; (iii) improved with road systems and property entrance and exit points; (iv) improved with water features such as lakes, ponds, and duck impoundments; (v) enhanced with well-maintained food plots, fields and planted clearings; (vi) benefitted by selected timber cut-outs and firing lanes to better the hunting experience; (vii) enhanced with structures such as permanent hunting stands strategically located throughout the property; (viii) accessible via roads and trails to wetland areas and river corridors; (ix) developed with some vertical improvements such as barns and/or storage structures to give the tract a sense of center of activity and value and to adequately house and store equipment needed to maintain the property, and (x) benefitted by a more complex management regime designed to maximize the aesthetic value, wildlife population and ecosystem than is otherwise the case with a basic forestry asset. Timbervest developed an active and creative improvement plan to execute this strategy at Glawson which fit squarely within its discretionary authority under the client's

Program Investment Guidelines and Glawson's classification as a Value-Add/Opportunistic property.

15. The main goals of the Glawson improvement plan were to increase internal access, manage the forest in an economical way to wean out the undesirable species, create open areas to diversify the landscape and improve aesthetics, provide supplemental habitat for wildlife, add and/or enhance water features, add vertical improvements to give the tract a sense of center and place, and enhance the property entrances.

16. Timbervest executed this strategy over a multi-year period and it successfully added millions of dollars to the property's value, all to the ultimate benefit of the client. Specifically, the property value increased from \$4.5 million in mid 2006 to a peak value of \$13.2 million in mid 2011, in part as a result of the many improvements described below. Through his extensive efforts, Timbervest successfully transformed this once dilapidated asset into a highly desirable high-end recreation tract.

17. The road improvement work included enhancements to already established roads and construction of new internal roads. Virtually all of the established roads were in need of repair and widening and in many places rock or gravel to solidify the road bed. The newly constructed roads were strategically placed to provide access between existing roads and better internal access throughout the perimeter and heart of the property. A new main entrance and access point was also constructed off Elks Club Road, which not only improved the property's appearance and aesthetics, it also enhanced access and provided added flexibility at disposition if the tract were to be subdivided.

18. Timbervest created wildlife areas or "food plots" on the tract. Wildlife areas are open fields that can be planted in various seasonal forage varieties to benefit all wildlife on the property, but primarily targeting whitetail deer, dove, quail, ducks, and turkeys. Timbervest created approximately fourteen (14) wildlife areas totaling almost fifty (50) acres, and the four

(4) existing open areas were enhanced to benefit wildlife, totaling roughly six (6) acres. In addition to the wildlife openings created, in selective areas, mulching was prescribed to clear underbrush along roadsides and other areas to improve the aesthetics of the property.

19. On a typical intensively managed timberland property, the normal course of action for the thick naturally regenerated forest type that dominated the Glawson tract would have been to clear the overgrown areas and re-establish new pine plantations. Timbervest considered this course of action, but rejected it on the majority of the tract because the cost of site preparation on overgrown areas would exceed the likely investment benefit to the tract given its exceptionally high land value. In Timbervest's judgment, the property's potential to be used as a recreational property presented a higher expected sales value. Timbervest's experience indicated that likely buyers of a recreational property would place substantially more weight on the recreational value of the land as opposed to merchantable trees growing on the property.

20. Timbervest nevertheless determined that a few areas could, on a cost/benefit basis, benefit from re-establishment of timber. Those areas were replanted in loblolly and longleaf pine to further diversify the forest type. In the other areas, the forest management plan was geared towards cost-effectively managing the naturally regenerated pine stems that had seeded in with the other species. In areas of dense understory competition, this involved select chemical applications to kill the deciduous woody competition. In areas with less dense understory, this involved prescribed burning, which is more beneficial to wildlife and also is more aesthetically pleasing. While it takes time for pine trees to grow and the results of these applications to fully show, initial indications were promising.

21. One existing feature on the property that enhanced its recreational potential and further justified its candidacy for improvements was a three (3) acre pond located roughly in the center of the tract. Like other features of the Glawson tract prior to the Timbervest improvement plan, this pond had been neglected and was not being actively managed to take advantage of its

aesthetics and potential value. Areas along the bank were overgrown with shrubs and trees limiting water access and restricting the view. In addition, the water level was low due to a damaged drain pipe in the dam structure, the pond lacked a dock to provide boat access, and some unsightly dilapidated structures existed within close proximity.

22. As part of the improvement plan, Timbervest addressed these issues by clearing the majority of the pond's shoreline and constructing a perimeter road to improve access, repairing the drainage system to raise the pond level, demolishing the unsightly structures, and eventually constructing a floating dock to benefit recreation potential.

23. In 2010, a separate site was identified for a new twelve (12) acre pond to be constructed to further enhance the tract's recreational and potential break-up appeal. That pond was permitted and approved by the Army Corps of Engineers and construction began in 2011. It was completed approximately nine (9) months later. This pond was constructed during a drought period. The abnormally dry weather during its construction lowered the build-out cost but also delayed filling the pond for approximately two (2) years.

24. Due to Timbervest's active and creative upgrades to the overall aesthetics of the property, the creation of wildlife clearings, improvements in internal access, and enhancement of the existing pond, the property was completely transformed from a recreation, utilization, and wildlife standpoint. Timbervest's management regime and improvement plan contributed to an approximately \$3.5 million increase in the value of the property from the beginning of 2008 through 2012 (a 60.3 % increase in valuation).

25. Given the recreational focus of the property, Timbervest decided to create further improvements, the most noteworthy being a barn with a loft above it. In Timbervest's experience, most high-end recreational properties have some sort of hybrid shelter and storage facility so that the owners can store their equipment and vehicles, and also more easily enjoy their getaway property with family or friends. Since this property was easily accessible from

Atlanta, and was upgraded to a condition that would allow for hunting, fishing, and riding all-terrain vehicles, Timbervest decided that adding such a structure would increase the property's value to buyers interested in a recreational property near Atlanta, Georgia.

26. Timbervest began construction of a barn overlooking the original pond in 2008. The barn was constructed with an efficiency loft and bathroom on the second floor. While a top floor efficiency was not originally considered, upon review it was determined that the cost to add the efficiency was relatively low in comparison to the potential value increase to the overall property. Bedrooms were neither permitted by zoning code nor built into the loft structure. However, the structure was designed so that one or two bedrooms could be easily added should a new owner desire such an upgrade and be willing to go through the re-zoning process with the county to allow for such an upgrade. Approximately two (2) years later, a pole barn was constructed behind the original barn to house large equipment and materials as the property now had a more extensive maintenance requirement associated with its various land use activities.

27. In addition to the road, wildlife area, pond, garage/barn, and forest management improvements, Timbervest further enhanced the value of this investment with the acquisition of two adjacent properties. These acquisitions strengthened the property's access and security. In 2008, the client purchased a 235 acre failed residential subdivision tract as an addition to the south that provided a third access point and eventually ended up being the portion of the tract where the pond was constructed. In 2009, the client purchased a 75-acre parcel that adjoined to the north. The acquisition of the 75-acre parcel put an end to a trespassing issue that had been plaguing the Glawson property, thereby further enhancing its security. The 2009 acquisition was primarily a large, picturesque, wooded swamp that was prime duck habitat. Adding this tract to the Glawson property further improved its overall recreational appeal.

28. Timbervest made several other minor improvements to the Glawson property. These included the installation of gates at all three (3) entrances, the construction of three (3)

hunting stands strategically placed in wildlife areas, and the clearing of a scenic ATV trail along the Alcovy River.

29. Timbervest considered each and every one of the improvements and enhancements made to the Glawson property to be squarely within its discretionary authority under the Investment Management Agreement and within the client's Program Investment Guidelines. Timbervest recorded these expenses on the client's general ledger, a printout of which is attached hereto as Exhibit A. The general ledger shows that Timbervest described the improvement expenses substantially as they were. For example, the expenses for constructing the barn were recorded as "Alcovy Cabin Construction," "Alcovy Barn," "Install barn 600 elks club," and "Install interior of barn/office." Building the pond was recorded as "BuildPond@ElksClubRd." The construction of the dock was recorded as "Dock Construction." The road and pond improvements described above were recorded as "Rd/pond improvements" and "Rd construction/pond improvement."

30. Timbervest made no effort to hide or to conceal any of the property improvements. In fact, the client's auditor received the general ledger reflecting the descriptions of the improvements set forth above.

31. New Forestry's auditors produced copies of these records to the Division of Enforcement and these are attached as Exhibit B.

32. In 2012, Timbervest substantially completed the recreational re-branding of Glawson, and, as a result, Timbervest assigned it to Quartile 3 in the 2011 Annual Report and 2012 Outlook. This re-assignment to Quartile 3 was indicative of the fact that the property was ready to be marketed for sale. However, just as this effort was to commence, the beneficial owners of New Forestry transferred management of the New Forestry account away from Timbervest.

33. Timbervest's management occasionally took high net worth individuals and potential investors to the Glawson property because of its close proximity to Timbervest's headquarters in Atlanta, Georgia. These people included individuals who Timbervest perceived to be potential buyers of the Glawson property itself as well as potential investors in Timbervest's funds. Using a local property to showcase a manager's investment style is common practice in the real estate industry and involves no cost to the beneficial owner of the real estate and certainly does not harm them.

34. Timbervest explained to New Forestry's beneficiary representatives that it would seek to maximize value for New Forestry by improving particular properties so they could be sold at their highest and best use potential. New Forestry expressly approved Timbervest's strategy of making such improvements to properties within its portfolio. For instance, on July 31, 2008, several Timbervest representatives met with Ranlett and other AT&T representatives to review Timbervest's management of New Forestry. The group discussed individual properties, acquisitions and improvements to properties. The representatives from AT&T agreed that Timbervest's "private equity/real estate" approach was their preferred strategy from a strategic perspective. The group even reviewed pictures reflecting Timbervest's HBU/Land improvements to New Forestry properties. Timbervest documented a summary of these discussions in minutes, a printout of which is attached hereto as Exhibit C.

35. In addition, in April 2009, representatives of New Forestry's beneficiaries, including Frank Ranlett, toured and saw improvements made by Timbervest to one of its properties located in the northeast called St. Aurelie. This property was closer to Mr. Ranlett's state of residence and therefore more convenient to visit. Following this property tour, Mr. Ranlett expressed his pleasure with Timbervest's entrepreneurial management style. While he did not ask for details on the amounts spent to improve that property, Mr. Ranlett was clearly aware of, and in agreement with, Timbervest's use of its discretionary management authority to

devise and implement creative improvement plans on properties held in their portfolio and consistent with the Program Investment Guidelines.

36. It is not uncommon to conduct timberland tours on client properties for the benefit of investors in other funds and/or potential investors in an effort to showcase the manager's property management style and to educate them in the unique aspects of timberland investments. In fact, during the same outing when Mr. Ranlett toured the St. Aurelie property, he also visited and toured a property called "Big Six" which was owned by another commingled fund managed by Timbervest.

37. Additionally, sometime in 2005 or 2006, Timbervest took representatives of ORG Portfolio Management (at the time, BellSouth's investment manager and fiduciary) and SBC Communications (another ORG client) to tour the Baptist purchase unit which was owned by New Forestry. The purpose of the tour was to demonstrate Timbervest's timberland management style to SBC Communications as a potential timberland investor and to educate them on the unique aspects of timberland investing. There were other potential investors and existing investors in Timbervest's commingled timberland fund present on this property tour. Property tours were often followed by a tour of a nearby working timber mill to provide a more complete picture of the timberland investment cycle.

August 2006 Report to New Forestry

38. Upon request from ORG, the fiduciary for New Forestry, Timbervest prepared and delivered to New Forestry the August 2006 New Forestry Disposition Plan and Report (the "August 2006 Report"). The August 2006 Report resulted from extensive work by many of Timbervest's personnel, including foresters, analysts, and management.

39. As a disposition plan, the August 2006 Report identified properties that Timbervest planned to sell on behalf of New Forestry, and it identified the target sales prices for those properties.

40. The August 2006 Report did not report values based on actual sales. It simply reported estimated sale prices for a number of properties that Timbervest anticipated liquidating under the client's disposition mandate. The August 2006 Report merely reflected the estimated prices that Timbervest hoped to get for each property, and not actual sales, or prices that were in any way guaranteed.

41. With respect to the Wolf Creek properties, the sales were being handled exclusively by a third party sales agent under an auction and direct sale arrangement. Information regarding the first few actual sales was not known to Timbervest until November 2006 when the first potential sales contracts were delivered to Timbervest for its review and consideration. Timbervest had no role in negotiating these sales.

42. The pricing from the first few sales of Wolf Creek properties only represented four (4) sales from the initial auction process conducted by the third party sales agent and totaled only approximately 480 acres. The complete sales program for the Wolf Creek properties would ultimately encompass over eighteen (18) separate transactions, 5,265 acres of property, spanning more than four (4) years, and yielding average prices materially below those of the first four (4) sales in November 2006.

43. The vast majority of other properties listed in the disposition report with "Estimated Sales Prices" either sold at prices materially different than the estimate listed in the report, or in many cases, did not sell at all. The "Estimated Sales Prices" did not and could not equate to a value conclusion and were only best estimates of price and timing of sales as of August 2006.

44. On August 3, 2012, Timbervest wrote a letter (the "2012 Letter") to New Forestry's beneficial owners describing various facts relating to the transactions at issue in this case. In particular, it detailed how, in February 2007, a commingled fund managed by

Timbervest acquired the Tenneco Core property that previously had been owned by New Forestry.

45. The 2012 Letter also described how, by the time of this transaction, the value of Tenneco Core had risen about \$1 million, and it described the reasons for the increase in value. The primary driver of the value increase was that timber prices spiked in the fourth quarter of 2012. Timbervest learned of the spike in timber prices in November 2012, and these price increases accounted for about \$950,000 of the overall \$1.05 million increase in value of Tenneco Core.

46. The 2012 Letter also explained that Timbervest learned of the Wolf Creek sales in November 2006. The letter pointed to these and other transactions in the area, not to support the entire \$1 million value increase, but as a basis for justifying management's comfort level that valuing the land component of the property at \$6/acre more was reasonable. This \$6/acre difference was a mere \$80,000 out of the \$1 million rise in value. It was the fact that these sales were being executed above appraised value that gave management comfort to pursue the Tenneco core transaction.

47. The per acre values of the Wolf Creek sales in the recreational market were not directly correlative to the Tenneco Core property, which was a large core timberland property. The Wolf Creek properties were markedly different kinds of properties with different bases for their valuations. They were smaller and more accessible, making them more affordable and interesting to individual buyers in the local recreational market. Their value reflected a high and better use valuation in the recreational market, rather than a raw land plus timber valuation.

48. The spot price of trees has some relevance to the value of recreational properties, but they are not the primary drivers of such values. There is a much stronger correlation between spot prices and pure timberland properties than spot prices have with higher and better use recreational properties.

Transition of New Forestry Account to New Management

49. By letter dated August 29, 2012, New Forestry terminated Timbervest as its investment manager effective September 30, 2012. Timbervest was replaced with two separate timberland managers who divided up management of the portfolio's assets. The original plan devised by AT&T required a clean transition of the account on September 30, 2012 to the new managers. At that time, according to Frank Ranlett at AT&T, Timbervest would have no further responsibilities for the account or assets and would be paid its 3Q12 management fee.

50. On September 5, 2012, Timbervest received a list of transition documents requested from one of the newly appointed managers, Forest Investment Advisors ("FIA"). FIA coordinated the management transition process on behalf of both newly appointed managers. Timbervest's transition team worked directly with FIA to provide the requested documentation.

51. The transition list covered a broad range of management/operational and accounting/finance documentation for each purchase unit within New Forestry's portfolio and included both current and historic data.

52. Timbervest acted promptly in beginning an organized and well-documented flow of documents and information to FIA which required the dedication of substantial internal staff and resources. The volume of accounting data, as well as legal and operational files related to the transition was enormous and required much of Timbervest's internal accounting and legal staff to compile and prepare for transfer. The accounting documentation required some additional review to eliminate sensitive information pertaining to other Timbervest clients as well as proprietary information (and/or processes) belonging to Timbervest. In addition, during the data collection AT&T substantially changed their original transition requirements and required Timbervest to complete 3Q12 financial statements for the account. This change was not anticipated and slowed down the data transfer as 3Q12 financial statements had to be prepared before final data could be transmitted. Financial statement preparation typically takes six to

eight weeks to prepare after the end of the quarter due to data updates, accruals and other accounting requirements. Preparation of New Forestry financial statements was given priority over other funds and the data was provided in a timely manner. Timbervest worked through these issues with FIA and the information flow continued in a satisfactory manner. An example of the types and quantities of information and/or documents provided to FIA is attached hereto as Exhibit D.

53. Various employees of FIA sent numerous complimentary email communications to Timbervest indicating that they appreciated our continued cooperation in the transition process and were pleased with the flow of information. Timbervest continued to prepare and provide data and information to FIA throughout the 4th Quarter of 2012 and into 2013 as additionally requested with no compensation. This cooperation continues today. Through this process Timbervest provided continual, substantive and material support so that New Forestry could complete its 2012 audited financial statements and tax filings. Timbervest worked closely with PWC, the New Forestry auditor, into the summer of 2013 with no compensation. PWC was very appreciative of Timbervest's efforts.

54. On October 12, 2012, Frank Ranlett, an AT&T representative, wrote to Carolyn Seabolt, Timbervest's General Counsel, stating that he "regret[ted] any imputation that you were not transitioning to the letter, and likely beyond, of the agreements between our two organizations." A printout of this email is attached hereto as Exhibit E.

Additional Evidence Regarding Lack of Records

55. Timbervest received an email on November 6, 2012, from AT&T representative, Ranlett, in which he advised that he had asked ORG for "all their material on New Forestry and the BellSouth account, but they didn't keep any records other than copies of [ORG's] reports to BellSouth." A printout of this email is attached hereto as Exhibit F.

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

Executed on November 26, 2014.



Donald David Zell, Jr.

EXHIBIT A

Date: Monday, December 01, 2014
 Time: 03:54PM
 User: COMISKEY

New Forestry

Page: 1 of 1
 Report: 01620.rpt
 Company: 004

Detail General Ledger - Standard

Periods: 01-07 Through 12-14 As of: 12/1/2014 Ledger ID: ACTUAL

Jrnl	Tran	Bat	Per	Reference	Tran	Tran	Beginning	Debit	Credit	Ending	
Type	Type	Nbr	Ent	Nbr	Date	Description	Balance	Amount	Amount	Balance	
Acct:	21990			Misc Assets, Misc. Expenses	Sub:	041-006653-0000				I-20 E.Glawson	
	AP	VO	005172	01-09	007786	9/26/2009		15,935.83	0.00		
	^ AP	VO	005199	02-09	007812	2/3/2009		4,552.85	0.00		
	AP	VO	005320	02-09	008040	2/18/2009		25,531.66	0.00		
	^ GJ	GL	004787	05-09	SJ26	3/31/2009		0.00	45,993.34		
	^ AP	VO	005926	05-09	038902	5/18/2009		51,677.54	0.00		
	^ GJ	GL	005143	07-09	SJ26	6/30/2009		0.00	51,677.64		
	^ AP	VO	006579	08-09	039978	8/5/2009		34,303.49	0.00		
	AP	VO	005617	08-09	010076	8/31/2009		49,514.70	0.00		
	^ GJ	GL	005450	10-09	SJ26	9/30/2009		0.00	84,848.19		
	^ GJ	GL	005453	10-09	SJ26	9/30/2009		84,848.19	0.00		
	^ GJ	GL	005454	10-09	SJ26	9/30/2009		0.00	84,848.19		
	AP	VO	006591	09-09	010308	9/23/2009		1,000.00	0.00		
	AP	VO	007109	10-09	010475	10/2/2009		39,912.01	0.00		
	^ AP	VO	007431	11-09	010977	11/9/2009		1,000.00	0.00		
	^ GJ	GL	005782	01-10	SJ26	12/31/2009		0.00	40,912.01		
	GJ	GL	006169	04-10	SJ21	4/1/2010		5,895.25	0.00		
	^ GJ	GL	006565	07-10	SJ26	6/30/2010		0.00	5,895.25		
					Sub	041-006653-0000	Total	0.00	314,171.62	314,171.62	0.00
					Acct	21990	Total	0.00	314,171.62	314,171.62	0.00
						Total	Assets	0.00	314,171.62	314,171.62	0.00

- * Indicates the period entered is different from the period posted.
- ** Indicates there are no GL transactions to support summarized AcctHist period activity
- *** Indicates the calculated period ending balance does not match the YTD balance on AcctHist.
- **** Indicates the calculated account balance does not match the account balance on AcctHist.
- # Indicates Assets do not match Liabilities or Net Income does not equal the YTD Net Income account.

12/02/2014 15:47 FAX 404 525 2224 ROGERS & HARDIN 003/079

Date: Monday, December 01, 2014
 Time: 03:53PM
 User: COMISKEY

New Forestry
 Detail General Ledger - Standard

Page: 1 of 8
 Report: 01620.rpt
 Company: 034

Periods: 01-07 Through 12-14 As of: 12/1/2014 Ledger ID: ACTUAL

Acct:	Jrnl Type	Tran Type	Est Nbr	Per Ent	Reference Nbr	Tran Date	Tran Description	Beginning Balance	Debit Amount	Credit Amount	Ending Balance
15030			Land, ESA				Sub: 041-000000-0000			I-2) E	
	* GJ	GL	005244	09-09	SJ28	8/18/2009	Phase 1 ESA - Moredock		3,500.00	0.00	
	* GJ	GL	005389	10-09	SJ28	8/18/2009	Phase 1 ESA - Moredock		0.00	3,500.00	
						Sub	041-000000-0000	Total	0.00	3,500.00	3,500.00
12030			Land, ESA				Sub: 041-005683-0000			I-2) E, Glawson	
	* GJ	GL	003130	08-08	SJ28	7/25/2008	Phase 1 ESA-Glawson Addit.		1,475.00	0.00	
	* GJ	GL	004063	11-08	2008Q3VAL	9/30/2008	2008Q3 COST BASIS/MKT VAL ADJ		0.00	1,475.00	
	* GJ	GL	004329	01-09	SJ28	1/14/2009	Phase 1 ESA for Glawsonm Addit		1,000.00	0.00	
	* GJ	GL	004737	05-09	SJ28	3/31/2009	2009Q1 COST BASIS/MKT VAL ADJ		0.00	1,000.00	
						Sub	041-005683-0000	Total	0.00	2,475.00	2,475.00
13030			Land, ESA				Sub: 041-012762-0000			I-2) E Block	
	* GJ	GL	005369	10-09	SJ28	8/18/2009	Phase 1 ESA - Block Tract		804.79	0.00	
	* GJ	GL	005450	10-09	SJ28	9/30/2009	2009Q3 COST BASIS/MKT VAL ADJ		0.00	804.79	
	* GJ	GL	005463	10-09	SJ28	9/30/2009	2009Q3 COST BASIS/MKT VAL ADJ		804.79	0.00	
	* GJ	GL	005454	10-09	SJ28	9/30/2009	2009Q3 COST BASIS/MKT VAL ADJ		0.00	804.79	
						Sub	041-012762-0000	Total	0.00	1,609.58	1,609.58
18030			Land, ESA				Sub: 041-012763-0000			I-2) E, River	
	* GJ	GL	005389	10-09	SJ28	8/18/2009	Phase 1 ESA - Sawtooth		1,283.27	0.00	
	* GJ	GL	005450	10-09	SJ28	9/30/2009	2009Q3 COST BASIS/MKT VAL ADJ		0.00	1,283.27	
	* GJ	GL	005453	10-09	SJ28	9/30/2009	2009Q3 COST BASIS/MKT VAL ADJ		1,283.27	0.00	
	* GJ	GL	005454	10-09	SJ28	9/30/2009	2009Q3 COST BASIS/MKT VAL ADJ		0.00	1,283.27	
						Sub	041-012763-0000	Total	0.00	2,576.54	2,576.54
1E030			Land, ESA				Sub: 041-012764-0000			I-2) E, Sawtooth	
	* GJ	GL	005369	10-09	SJ28	8/18/2009	Phase 1 ESA - River Tract		1,406.94	0.00	
	* GJ	GL	005450	10-09	SJ28	9/30/2009	2009Q3 COST BASIS/MKT VAL ADJ		0.00	1,406.94	
	* GJ	GL	005453	10-09	SJ28	9/30/2009	2009Q3 COST BASIS/MKT VAL ADJ		1,406.94	0.00	
	* GJ	GL	005454	10-09	SJ28	9/30/2009	2009Q3 COST BASIS/MKT VAL ADJ		0.00	1,406.94	
						Sub	041-012764-0000	Total	0.00	2,813.88	2,813.88
1E530			Land, ESA				Sub: 041-012816-0000			I-2) E, Shockley	
	GJ	GL	005798	01-10	SJ28	1/27/2010	Phase 1 Enviro Credit		1,800.00	0.00	
	* GJ	GL	006187	04-10	SJ28	3/31/2010	2010Q1 COST BASIS/MKT VAL ADJ		0.00	1,800.00	
						Sub	041-012816-0000	Total	0.00	1,800.00	1,800.00

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Jml	Tran	Est	Per	Reference	Tran	Tran	Beginning	Debit	Credit	Ending			
Type	Type	Nbr	Ent	Nbr	Date	Description	Balance	Amount	Amount	Balance			
							Acct	18030	Total	0.00	14,775.00	14,775.00	0.00
Acct:	18050	Land, Legal Fees			Sub:	041-012815-0000	I-20 E Shockley						
	AP	VO	008716	04-10	012815	4/26/2010	Shockley Purchase	3,742.00	0.00				
	^ GJ	GL	008565	07-10	SJ26	6/30/2010	2010Q2 COST BASIS/MKT VAL ADJ	0.00	3,742.00				
							Sub	041-012815-0000	Total	0.00	3,742.00	3,742.00	0.00
							Acct	18050	Total	0.00	3,742.00	3,742.00	0.00
Acct:	18070	Land, Road Constr.			Sub:	041-000000-0000	I-20 E						
	GJ	GL	002929	06-08	RECLASS	6/9/2009	Rd/pond improvements	0.00	14,000.00				
	AP	VO	003401	06-08	004904	6/9/2009	Rd/pond improvements	14,000.00	0.00				
	^ AP	VO	006233	06-09	009324	5/11/2009	road work firebreaks	1,600.00	0.00				
	^ GJ	GL	005143	07-09	SJ26	6/30/2009	2009Q2 COST BASIS/MKT VAL ADJ	0.00	1,600.00				
							Sub	041-000000-0000	Total	0.00	15,600.00	15,600.00	0.00
Acct:	18070	Land, Road Constr.			Sub:	041-005683-0000	I-20 E.Giswson						
	^ GJ	GL	003104	07-08	2008Q2VAL	6/30/2008	2008Q2 COST BASIS/MKT VAL ADJ	0.00	32,822.18				
	GJ	GL	002329	06-08	RECLASS	6/9/2008	Rd/pond improvements	14,000.00	0.00				
	AP	VO	003480	06-08	004977	6/16/2008	Rd construction/pond improvemt	18,822.18	0.00				
	^ GJ	GL	003686	08-08	SJ21	6/23/2008	rd. construction	12,165.00	0.00				
	^ GJ	GL	003686	08-03	SJ21	6/30/2008	rd. construction	15,020.00	0.00				
	AP	VO	003628	07-03	005216	7/6/2008	Rd. construction/pond improvemt	19,771.09	0.00				
	AP	VO	003684	07-08	005273	7/14/2008	new rd. construction	20,779.36	0.00				
	AP	VO	003727	07-03	005364	7/21/2008	Rd. construction	1,305.85	0.00				
	AP	VO	003787	07-03	005467	7/28/2008	rd. construction	1,260.00	0.00				
	AP	VO	003827	08-08	005524	8/4/2008	Rd. construction	5,548.36	0.00				
	AP	VO	003885	08-08	005591	8/12/2008	Rd. construction	13,055.00	0.00				
	AP	VO	003889	08-03	005594	8/16/2008	new rd. construction	12,295.00	0.00				
	AP	VO	003914	08-08	005626	8/25/2008	rd./pond construction	9,101.00	0.00				
	^ AP	VO	003978	09-08	005763	9/8/2008	Rd. construction	760.00	0.00				
	^ GJ	GL	004063	11-08	2008Q3VAL	9/30/2008	2008Q3 COST BASIS/MKT VAL ADJ	0.00	131,560.64				
	AP	VO	003977	09-08	005762	9/8/2008	Rd. construction	13,414.96	0.00				
	AP	VO	004008	09-06	005764	9/15/2008	Rd. construction	7,065.00	0.00				
	^ AP	VO	004574	11-08	006715	11/25/2008	Rd construction	675.00	0.00				
	AP	VO	004512	11-08	006565	11/14/2008	Road Construction - Phase II	920.00	0.00				

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Jrnl	Tran	Bal	Per	Reference	Tran	Tran	Beginning	Debit	Credit	Ending
Type	Type	Nbr	Ent	Nbr	Date	Description	Balance	Amount	Amount	Balance
^ GJ	GL	004383	01-09	2008Q4VAL	12/31/2008	2008Q4 COST BASIS/MKT VAL ADJ		0.00	1,495.00	
AP	VO	005246	02-09	007667	2/11/2009	Rd Construction		3,309.14	0.00	
AP	VO	005320	02-09	008039	2/19/2009	Rd Construction		9,955.14	0.00	
AP	VO	005351	02-09	008082	2/26/2009	Clearingshaping new roads		2,843.00	0.00	
AP	VO	005364	02-09	008131	2/27/2009	Rd Construction		5,224.65	0.00	
^ GJ	GL	004787	05-09	SJ26	3/31/2009	2009Q1 COST BASIS/MKT VAL ADJ		0.00	21,330.23	
^ AP	VO	006139	06-09	009196	6/2/2009	pipe upgrade - road crossing		7,641.76	0.00	
^ GJ	GL	005143	07-09	SJ26	6/30/2009	2009Q2 COST BASIS/MKT VAL ADJ		0.00	17,010.53	
AP	VO	005272	06-09	009366	6/16/2009	GAB Stone on new road		3,428.13	0.00	
AP	VO	005272	06-09	009367	6/19/2009	Gab Stone PVC pipe on new road		5,939.82	0.00	
^ GJ	GL	005450	10-09	SJ26	9/30/2009	2009Q3 COST BASIS/MKT VAL ADJ		0.00	6,364.69	
^ GJ	GL	005453	10-09	SJ26	9/30/2009	2009Q3 COST BASIS/MKT VAL ADJ		0.00	6,364.69	
^ GJ	GL	005454	10-09	SJ26	9/30/2009	2009Q3 COST BASIS/MKT VAL ADJ		0.00	6,364.69	
AP	VO	005591	09-09	013308	9/23/2009	GAB stone PA Rd		6,364.69	0.00	
AP	VO	006671	04-10	012863	4/22/2010	road culverts		2,894.00	0.00	
^ GJ	GL	006556	07-10	SJ26	6/30/2010	2010Q2 COST BASIS/MKT VAL ADJ		0.00	2,854.00	
AP	VO	009462	07-10	014019	7/27/2010	field road work		13,075.00	0.00	
^ GJ	GL	006895	10-10	SJ26	9/30/2010	2010Q3 COST BASIS/MKT VAL ADJ		0.00	13,075.00	
Sub 041-006663-0000 Total							0.00	232,957.35	232,957.35	0.00
Acct:	18070	Land, Road Constr.			Sub:	041-006621-0000	I-20 E, Higley			
AP	VO	004343	10-08	005374	10/27/2008	Rd. construction		8,970.00	0.00	
^ AP	VO	004434	11-08	006521	11/3/2008	Rd. construction		6,355.00	0.00	
AP	VO	004484	11-08	006564	11/10/2008	Rd. construction		1,832.50	0.00	
^ GJ	GL	004383	01-09	2008Q4VAL	12/31/2008	2008Q4 COST BASIS/MKT VAL ADJ		0.00	17,697.50	
Sub 041-006621-0000 Total							0.00	17,697.50	17,697.50	0.00
Acct:	18070	Land, Road Constr.			Sub:	041-006822-0000	I-20 E, Prior			
AP	VO	003914	08-08	005626	8/25/2008	rd./pond construction		4,060.00	0.00	
^ AP	VO	003978	09-08	005763	9/8/2008	Rd. construction		11,790.00	0.00	
^ GJ	GL	004063	11-08	2008Q3VAL	9/30/2008	2008Q3 COST BASIS/MKT VAL ADJ		0.00	64,140.00	
AP	VO	003977	09-08	005752	9/8/2008	Rd. construction		14,000.00	0.00	
AP	VO	004038	09-08	005764	9/15/2008	Rd. construction		14,000.00	0.00	
AP	VO	004059	09-08	005892	9/22/2008	Rd construction-Prior		9,770.00	0.00	
AP	VO	004100	09-08	005916	9/26/2008	Rd. construction		10,530.00	0.00	

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Jrnl	Yr	Bk	Per	Reference	Tran	Tran	Beginning	Debit	Credit	Ending
Type	Tpe	Nr	Ent	Nbr	Date	Description	Balance	Amount	Amount	Balance
AP	VO	04212	10-08	006132	10/7/2008	Rd. construction		10,610.00	0.00	
AP	VO	04267	10-08	006275	10/13/2008	Rd Construction - Prior		7,345.00	0.00	
AP	VO	04319	10-08	006353	10/20/2008	Rd. construction		10,040.00	0.00	
AP	VO	04484	11-08	006584	11/10/2008	Rd. construction		3,611.02	0.00	
AP	VO	04512	11-08	006597	11/14/2008	Road Construction -Prior		2,810.00	0.00	
^ GJ	C	04383	01-09	2008Q4VAL	12/31/2008	2008Q4 COST BASIS/MKT VAL ADJ		0.00	40,456.02	
^ GJ	C	05188	04-10	CJ01	3/14/2010	Rd Work - gravel		0.00	1,480.00	
^ AP	VO	05575	04-10	012783	4/14/2010	Rd. Work - Gravel		1,410.00	0.00	
GJ	C	05189	04-10	CJ01	3/14/2010	Rd Work - gravel		1,410.00	0.00	
AP	VO	05965	05-10	010305	5/27/2010	stumping/rdwrk/burning piles		2,300.00	0.00	
^ GJ	C	05565	07-10	SJ26	6/30/2010	2010Q2 COST BASIS/MKT VAL ADJ		0.00	3,790.00	
AP	VO	06837	08-11	019369	8/16/2011	Appalachee Rd Maint/Clearing		11,810.00	0.00	
^ GJ	C	06840	11-11	SJ26	9/30/2011	2011Q3 COST BASIS/MKT VAL ADJ		0.00	11,850.00	
Sub 041-006822-0000 Total							0.00	121,716.02	121,716.02	0.00
Acct: 18070		Lnd, Road Constr.			Sub: 041-012763-0000		I-20 E,River			
^ AP	VO	04431	11-09	010977	11/9/2009	rd wrk and food plots		1,010.00	0.00	
^ GJ	C	05782	01-10	SJ26	12/31/2009	2009Q4 COST BASIS/MKT VAL ADJ		0.00	2,090.00	
Sub 041-012763-0000 Total							0.00	2,090.00	2,090.00	0.00
Acct: 18070		Lnd, Road Constr.			Sub: 041-012764-0000		I-20 E,Sawtooth			
^ AP	VO	04431	11-09	010977	11/9/2009	rd wrk and food plots		2,010.00	0.00	
^ GJ	C	05782	01-10	SJ26	12/31/2009	2009Q4 COST BASIS/MKT VAL ADJ		0.00	2,090.00	
Sub 041-012764-0000 Total							0.00	2,010.00	2,090.00	0.00
Acct: 18070		Lnd, Road Constr.			Sub: 041-012816-0000		I-20 E,Shoekle			
AP	VO	06368	07-10	013848	7/14/2010	culverts apalachee Rd		7,770.00	0.00	
^ GJ	C	06865	10-10	SJ26	9/30/2010	2010Q3 COST BASIS/MKT VAL ADJ		0.00	7,770.00	
Sub 041-012816-0000 Total							0.00	7,770.00	7,770.00	0.00
Acct 18070 Total							0.00	400,110.88	400,120.88	0.00
Acct: 18080		Lnd, Survey			Sub: 041-000000-0000		I-20 E			
^ GJ	C	06244	09-09	SJ26	8/18/2009	Survey Costs Moredock		10,014.28	0.00	
^ GJ	C	06244	09-09	SJ26	8/18/2009	Survey Moredock		5,417.76	0.00	
^ GJ	C	06388	10-09	SJ26	8/18/2009	Survey Cost Moredock		0.00	16,412.04	
^ GJ	C	06409	08-10	CJ01	4/1/2010	ReimbSurveyMoredock		5,417.76	0.00	

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Jrnl	Tran	Bar	Per	Reference	Tran	Tran	Beginning	Debit	Credit	Ending
Type	Type	Nbr	Ent	Nbr	Date	Description	Balance	Amount	Amount	Balance
GJ	GL	006169	04-10	SJ21	4/1/2010	ReimbSurvey/Moredock(18083)		0.00	6,407.76	
Sub: 041-000000-0000 Total							0.00	22,819.80	22,819.80	0.00
Acct:	18080	Land, Survey			Sub:	041-005683-0000	I-20 E, Clawson			
GJ	GL	004329	01-03	SJ28	1/14/2009	Survey		2,974.31	0.00	
^	GJ	GL	004510	03-09	SJ28	1/14/2009	Survey Approval-Clawson Addition	125.00	0.00	
^	GJ	GL	004767	05-09	SJ28	3/31/2009	2009Q1 COST BASIS/MKT VAL ADJ	0.00	3,099.31	
Sub: 041-005683-0000 Total							0.00	3,099.31	3,099.31	0.00
Acct:	18083	Land, Survey			Sub:	041-012762-0000	I-20 E, Block			
^	GJ	GL	005389	10-09	SJ28	8/18/2009	Survey Cost Block Tract	3,773.77	0.00	
^	GJ	GL	005450	10-09	SJ26	9/30/2009	2009Q3 COST BASIS/MKT VAL ADJ	0.00	3,773.77	
^	GJ	GL	005453	10-09	SJ26	9/30/2009	2009Q3 COST BASIS/MKT VAL ADJ	3,773.77	0.00	
^	GJ	GL	005454	10-09	SJ26	9/30/2009	2009Q3 COST BASIS/MKT VAL ADJ	0.00	3,773.77	
Sub: 041-012762-0000 Total							0.00	7,547.54	7,547.54	0.00
Acct:	18083	Land, Survey			Sub:	041-012763-0000	I-20 E, River			
^	GJ	GL	005389	10-09	SJ28	8/18/2009	Survey Cost Sawtooth	6,040.91	0.00	
^	GJ	GL	005450	10-09	SJ26	9/30/2009	2009Q3 COST BASIS/MKT VAL ADJ	0.00	6,040.91	
^	GJ	GL	005453	10-09	SJ26	9/30/2009	2009Q3 COST BASIS/MKT VAL ADJ	6,040.91	0.00	
^	GJ	GL	005454	10-09	SJ26	9/30/2009	2009Q3 COST BASIS/MKT VAL ADJ	0.00	6,040.91	
^	GJ	GL	006409	06-10	CJ01	4/1/2010	ReimbSurvey/Moredock	0.00	2,375.16	
^	GJ	GL	006565	07-10	SJ26	6/30/2010	2010Q2 COST BASIS/MKT VAL ADJ	2,375.16	0.00	
Sub: 041-012763-0000 Total							0.00	14,456.98	14,456.98	0.00
Acct:	18083	Land, Survey			Sub:	041-012764-0000	I-20 E, Sawtooth			
^	GJ	GL	005389	10-09	SJ28	8/18/2009	Survey Cost River Tract	6,597.37	0.00	
^	GJ	GL	005450	10-09	SJ26	9/30/2009	2009Q3 COST BASIS/MKT VAL ADJ	0.00	6,597.37	
^	GJ	GL	005453	10-09	SJ26	9/30/2009	2009Q3 COST BASIS/MKT VAL ADJ	6,597.37	0.00	
^	GJ	GL	005454	10-09	SJ26	9/30/2009	2009Q3 COST BASIS/MKT VAL ADJ	0.00	6,597.37	
^	GJ	GL	006409	06-10	CJ01	4/1/2010	ReimbSurvey/Moredock	0.00	2,156.23	
^	GJ	GL	006565	07-10	SJ26	6/30/2010	2010Q2 COST BASIS/MKT VAL ADJ	2,156.23	0.00	
Sub: 041-012764-0000 Total							0.00	15,350.97	15,350.97	0.00
Acct:	18083	Land, Survey			Sub:	041-012816-0000	I-20 E, Shockley			
^	GJ	GL	006409	06-10	CJ01	4/1/2010	ReimbSurvey/Moredock	0.00	1,876.37	
^	GJ	GL	006565	07-10	SJ26	6/30/2010	2010Q2 COST BASIS/MKT VAL ADJ	1,876.37	0.00	

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Jrnl	Tran	Bat	Per	Reference	Tran	Tran	Beginning	Debit	Credit	Ending
Type	Type	Nbr	Ent	Nbr	Date	Description	Balance	Amount	Amount	Balance
Sub: 041-012816-0000 Total							0.00	1,876.37	1,876.37	0.00
Acct: 18080 Total							0.00	65,150.97	65,150.97	0.00
Acct:	18085	Land, Allocation			Sub:	041-000000-0000	I-20 E			
^	GJ	GL	003104	07-08	2008Q2VAL	5/30/2008	2008Q2 COST BASIS/MKT VAL ADJ	32,822.18	0.00	
^	GJ	GL	004053	11-08	2008Q3VAL	9/30/2008	2008Q3 COST BASIS/MKT VAL ADJ	2,029,004.60	0.00	
^	GJ	GL	004383	01-09	2008Q4VAL	12/31/2008	2008Q4 COST BASIS/MKT VAL ADJ	72,814.69	0.00	
^	GJ	GL	004787	05-09	SJ26	3/31/2009	2009Q1 COST BASIS/MKT VAL ADJ	310,555.38	0.00	
^	GJ	GL	005143	07-09	SJ26	6/30/2009	2009Q2 COST BASIS/MKT VAL ADJ	70,488.17	0.00	
^	GJ	GL	005450	10-09	SJ26	9/30/2009	2009Q3 COST BASIS/MKT VAL ADJ	20,000.00	0.00	
^	GJ	GL	005453	10-09	SJ26	9/30/2009	2009Q3 COST BASIS/MKT VAL ADJ	0.00	20,000.00	
^	GJ	GL	005454	10-09	SJ26	9/30/2009	2009Q3 COST BASIS/MKT VAL ADJ	2,331,037.47	0.00	
^	GJ	GL	005782	01-10	SJ26	12/31/2009	2009Q4 COST BASIS/MKT VAL ADJ	45,092.02	0.00	
^	GJ	GL	006187	04-10	SJ26	3/31/2010	2010Q1 COST BASIS/MKT VAL ADJ	674,606.20	0.00	
^	GJ	GL	006565	07-10	SJ26	6/30/2010	2010Q2 COST BASIS/MKT VAL ADJ	0.00	3,916,461.99	
^	GJ	GL	006612	08-10	SJ26	6/30/2010	2010Q2 COST BASIS/MKT VAL ADJ	3,926,375.48	0.00	
^	GJ	GL	006895	10-10	SJ26	9/30/2010	2010Q3 COST BASIS/MKT VAL ADJ	20,845.00	0.00	
^	GJ	GL	008303	09-11	SJ26	6/30/2011	2011Q2 COST BASIS/MKT VAL ADJ	105,855.42	0.00	
^	GJ	GL	008640	11-11	SJ26	9/30/2011	2011Q3 COST BASIS/MKT VAL ADJ	23,036.38	0.00	
^	GJ	GL	009085	01-12	SJ26	12/31/2011	2011Q4 COST BASIS/MKT VAL ADJ	33,712.00	0.00	
^	GJ	GL	009753	04-12	SJ26	3/31/2012	2012Q1 COST BASIS/MKT VAL ADJ	5,865.00	0.00	
Sub: 041-000000-0000 Total							10,813,654.02	9,502,263.19	3,936,461.99	16,379,455.22
Acct: 18098 Total							0.00	9,502,263.19	3,936,461.99	5,565,801.20
Acct:	18099	Land Misc. Expense			Sub:	041-005683-0000	I-20 E, Glawson			
^	AP	VO	003849	03-08	005553	8/11/2008	shooting towers	5,550.00	0.00	
^	GJ	GL	004053	11-08	2008Q3VAL	9/30/2008	2008Q3 COST BASIS/MKT VAL ADJ	0.00	8,245.00	
^	AP	VO	004102	09-08	005916	9/26/2008	Lake Design/Engineering	2,695.00	0.00	
^	AP	VO	004462	11-08	005555	11/10/2008	powerline	5,200.00	0.00	
^	GJ	GL	004383	01-09	2008Q4VAL	12/31/2008	2008Q4 COST BASIS/MKT VAL ADJ	0.00	13,200.00	
^	AP	VO	004667	12-08	006852	12/8/2008	Install Columns	6,000.00	0.00	
^	GJ	GL	005450	10-09	SJ26	9/30/2009	2009Q3 COST BASIS/MKT VAL ADJ	0.00	7,225.00	
^	GJ	GL	005453	10-09	SJ26	9/30/2009	2009Q3 COST BASIS/MKT VAL ADJ	7,225.00	0.00	
^	GJ	GL	005454	10-09	SJ26	9/30/2009	2009Q3 COST BASIS/MKT VAL ADJ	0.00	7,225.00	

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Jrnl	Tran	Bat	Per	Reference	Tran	Tran	Beginning	Debit	Credit	Ending	
Type	Type	Nbr	Ent	Nbr	Date	Description	Balance	Amount	Amount	Balance	
AP	VO	006991	03-03	010308	9/23/2009	Cleaning Duck Ponds		7,225.00	0.00		
GJ	GL	007758	04-11	CJ01	4/28/2011	RentTruckUsedAsContractDeposit		0.00	7,530.66		
AP	VO	011654	04-11	017454	4/11/2011	Equipment Rental		7,530.66	0.00		
AP	VO	011777	04-11	017654	4/20/2011	BuildPond@ElksClubRd		25,415.00	0.00		
AP	VO	011895	04-11	017818	4/28/2011	BuildPond@ElksClubRd		29,147.05	0.00		
^ AP	VO	011936	05-11	017840	5/3/2011	Glawson Cell foam Deck CAP		457.96	0.00		
^ AP	VO	011936	05-11	017840	5/3/2011	Glawson Cell foam Deck CAP		214.00	0.00		
^ AP	VO	011938	05-11	017840	5/3/2011	Glawson ACE Wood dock CAP		1,176.41	0.00		
^ AP	VO	012062	05-11	018031	5/16/2011	BuildPond@ElksClubRd		17,600.00	0.00		
^ GJ	GL	006503	08-11	SJ26	6/30/2011	2011Q2 COST BASIS/MKT VAL ADJ		0.00	105,855.42		
AP	VO	012213	08-11	018327	6/3/2011	BuildPond@ElksClubRd		31,245.00	0.00		
AP	VO	012479	07-11	018656	7/8/2011	BuildPond@ElksClubRd		8,050.00	0.00		
^ GJ	GL	008840	11-11	SJ26	9/30/2011	2011Q3 COST BASIS/MKT VAL ADJ		0.00	11,236.35		
AP	VO	013052	09-11	018827	9/14/2011	PondSupplies-MKCroweInvoice		3,156.39	0.00		
AP	VO	013518	11-11	020831	11/11/2011	Pole Barn-Trusses&MetalRoof		8,000.00	0.00		
AP	VO	013617	11-11	020906	11/16/2011	Pole barn - Siding and Lights		8,350.00	0.00		
AP	VO	013687	11-11	021141	12/1/2011	Pole Barn - ramp/bulbs/windows		1,092.00	0.00		
GJ	GL	009951	12-11	CJ01	12/29/2011	Dock/Swamp Box/Materials-Windo		0.00	3,053.00		
AP	VO	013769	12-11	021320	12/12/2011	PoleBamconcrete/dock/bridge		2,135.00	0.00		
AP	VO	013769	12-11	021320	12/12/2011	Pole Barn materials		5,000.00	0.00		
AP	VO	013884	12-11	021643	12/22/2011	Dock/Swamp Box/Materials-Windo		3,053.00	0.00		
^ AP	VO	014225	02-12	022295	2/6/2012	PorchExtension/RepairRock		752.00	0.00		
^ AP	VO	014285	02-12	022371	2/13/2012	Dock Construction		583.00	0.00		
^ AP	VO	014285	02-12	022371	2/13/2012	Pole Barn Construction		1,575.00	0.00		
^ GJ	GL	009691	04-12	SJ21	3/31/2012	Dock/SwampBox/Mater/Wind		3,053.00	0.00		
Sub 041-005883-0000 Total							24,577.00	194,112.46	163,570.46	55,119.00	
Acct: 18099	Land. Misc. Expense						Sub: 041-006822-0000	1-20 E.Prior			
AP	VO	013255	10-11	026281	10/12/2011	PondDam,RdWork,Cafe/stall		9,135.00	0.00		
Sub 041-006822-0000 Total							0.00	9,135.00	0.00	9,135.00	
Acct 18099 Total							0.00	203,247.46	163,570.46	39,677.00 ***	
Total Assets							0.00	10,189,299.50	4,583,821.30	5,605,478.20	

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EXHIBIT B

New Forestry

Capital Expenses and Additions 01/09-0

Account	Sub Account	Property	Date	Description
18070	004-000000-0000	4	2/27/2009	Road work / extension
18070	004-000000-0000	4	2/20/2009	Road Work Extension
		4 Total		
18990	006-000000-0000	6	3/31/2009	1Q09 Land Amortization
18990	006-000000-0000	6	6/30/2009	2Q09 Land Amortization
18990	006-000000-0000	6	9/30/2009	3Q09 Land Amortization
		6 Total		
18070	007-005393-0000	7	9/22/2009	Rd Access Qualls Comp 3 St 1,2
18070	007-005393-0000	7	7/31/2009	road const/access qualls prep
		7 Total		
18070	012-005535-0000	12	1/1/2009	Bidwell Rd Wrk(18070)
18070	012-005535-0000	12	1/21/2009	Bridwell creek crossing
18070	012-005535-0000	12	1/21/2009	Bridwell new road entrance
18070	012-005518-0000	12	1/1/2009	Elsie Callen Rd Wrk(18070)
18070	012-000000-0000	12	7/20/2009	road entrance avertte5541tract
18070	012-005516-0000	12	3/10/2009	Road Work- Entrance & Access
		12 Total		
20070	023-009889-0000	23	2/18/2009	Hand planting Plnt 2009 slash
20070	023-009891-0000	23	2/18/2009	Hand planting Plnt 2009 slash
20070	023-009894-0000	23	2/18/2009	Hand planting Plnt 2009 slash
20070	023-009898-0000	23	2/18/2009	Hand planting Plnt 2009 slash
20070	023-009829-0000	23	2/18/2009	Hand plantingPlnt2009 joblofly
20070	023-010569-0000	23	2/18/2009	Hand plantingPlnt2009 joblofly
20090	023-009829-0000	23	2/18/2009	seedling, pltn 2009
20090	023-009889-0000	23	2/18/2009	seedling, pltn 2009
20090	023-009891-0000	23	2/18/2009	seedling, pltn 2009
20090	023-009894-0000	23	2/18/2009	seedling, pltn 2009
20090	023-009898-0000	23	2/18/2009	seedling, pltn 2009
20090	023-010569-0000	23	2/18/2009	seedling, pltn 2009
20100	023-009891-0000	23	2/12/2009	T10, Site Prep Burn-PLTN 2009
20100	023-009894-0000	23	2/12/2009	T13, Site Prep Burn-PLTN 2009
20100	023-009898-0000	23	2/12/2009	T17, Site Prep Burn-PLTN 2009
20100	023-010569-0000	23	2/12/2009	T22, Site Prep Burn-PLTN 2009
20100	023-010569-0000	23	2/12/2009	T25, Site Prep Burn-PLTN 2009
20100	023-010569-0000	23	2/12/2009	T-28, Site Prep Burn-PLTN 2009
20100	023-010569-0000	23	2/12/2009	T30, Site Prep Burn-PLTN 2009
20100	023-009829-0000	23	2/12/2009	T5, Site Prep Burn-PLTN 2009
20100	023-009889-0000	23	2/12/2009	T8, Site Prep Burn-PLTN 2009
20101	023-009829-0000	23	2/3/2009	Site prep spraying - PLTN 2009
20101	023-009889-0000	23	2/3/2009	Site prep spraying - PLTN 2009
20101	023-009891-0000	23	2/3/2009	Site prep spraying - PLTN 2009
20101	023-009894-0000	23	2/3/2009	Site prep spraying - PLTN 2009
20101	023-009898-0000	23	2/3/2009	Site prep spraying - PLTN 2009
20101	023-010569-0000	23	2/3/2009	Site prep spraying - PLTN 2009
20101	023-010569-0000	23	2/3/2009	Site prep spraying - PLTN 2009
20101	023-010569-0000	23	2/3/2009	Tract 28,30 Spraying-PLTN 2009
20102	023-010569-0000	23	2/6/2009	T-28,30 Chopping-PLTN 2009
		23 Total		
20070	024-000342-0000	24	4/20/2009	102 acres Tree Plant - PLTN 09
20070	024-000340-0000	24	4/20/2009	406 acres Tree Plant - PLTN 09

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20070	024-000341-0000	24	4/20/2009 50 acres Tree Plant - PLTN 09
20090	024-000342-0000	24	4/20/2009 102 acre - Lob Seeds - PLTN 09
20090	024-000340-0000	24	4/20/2009 406 acre - Lob Seeds - PLTN09
20090	024-000341-0000	24	4/20/2009 50 acre- Lob Seeds - PLTN 09
20100	024-000342-0000	24	4/20/2009 102ac - Site Prep Burn- PLTN09
20100	024-000340-0000	24	4/20/2009 406ac - Site Prep Burn- PLTN09
20100	024-000341-0000	24	4/20/2009 50ac- Site Prep Burn - PLTN09
24 Total			
20070	026-008628-0000	26	5/6/2009 17 acres Planting-2009PLTN
20070	026-008630-0000	26	5/8/2009 3acres Planting-2009PLTN
20090	026-008628-0000	26	7/15/2009 seedlings pltn 2009 13 acres
20102	026-008628-0000	26	4/27/2009 Mech. Site Prep 17ac PLTN09
20102	026-008628-0000	26	8/25/2009 spot piling c10,2010plt
20102	026-008628-0000	26	8/25/2009 spot piling comp 16 2010 pit
20150	026-008628-0000	26	1/1/2009 2003PLT Pre-commThinning(20150)
26 Total			
18070	027-000000-0000	27	7/14/2009 RoadBuilding/Trackhoe/Bridge
18070	027-010243-0000	27	9/1/2009 Wolfcreek/Swan Crk Tract
20070	027-010243-0000	27	1/12/2009 PinePlant-Pltn2009-admin fee
20070	027-010243-0000	27	1/12/2009 PinePlant-Pltn2009-T-1,191acre
20070	027-010243-0000	27	1/12/2009 PinePlant-Pltn2009-T-18,30acre
20070	027-010243-0000	27	1/12/2009 PinePlant-Pltn2009-T-25,150acr
20070	027-010243-0000	27	1/12/2009 PinePlant-Pltn2009-T-26,122acr
20101	027-010243-0000	27	7/29/2009 grnd/ArelalHerbicide pltn 2009
27 Total			
18070	034-000000-0000	34	7/8/2009 baker lake upgrade
18070	034-010242-0000	34	7/31/2009 Baker Lake Upgrade Project
18070	034-010242-0000	34	7/22/2009 baker rd project
18070	034-010242-0000	34	8/11/2009 baker rd project
18070	034-010242-0000	34	7/8/2009 Baker Road Upgrade
18070	034-010242-0000	34	7/7/2009 Baker Road Upgrade
18070	034-010242-0000	34	8/25/2009 dlch dirt baker upgrade
20070	034-010242-0000	34	8/31/2009 Tree Pit premerch softwood
20090	034-010242-0000	34	8/31/2009 seedling trans, premerch softw
20090	034-010242-0000	34	8/30/2009 Seedlings Delivery - 2009 PLTN
20090	034-010242-0000	34	7/6/2009 seedlings pltn 2009
34 Total			
17040	041-005683-0000	41	1/14/2009 addition to Clawson
17040	041-005683-0000	41	1/14/2009 Legal fees
17040	041-000000-0000	41	8/18/2009 Legal Fees Moredock
17040	041-000000-0000	41	8/18/2009 Legal Fees Moredock
17040	041-000000-0000	41	8/18/2009 Moredock acq
17040	041-000000-0000	41	8/18/2009 Moredock acq
17050	041-012762-0000	41	8/18/2009 Moredock Acq Block Tract
17050	041-012764-0000	41	8/18/2009 Moredock Acq River Tract
17050	041-012763-0000	41	8/18/2009 Moredock Acq Sawtooth
17050	041-005683-0000	41	1/14/2009 Purch Price-Clawson Addition
17060	041-005683-0000	41	1/14/2009 Escrow fees
17060	041-005683-0000	41	1/14/2009 Premium and exam fees
17060	041-012762-0000	41	8/18/2009 Title & Insurance Block Tract
17060	041-012764-0000	41	8/18/2009 Title & Insurance River Tract
17060	041-012763-0000	41	8/18/2009 Title & Insurance Sawtooth
18030	041-012762-0000	41	8/18/2009 Phase 1 ESA - Block Tract
18030	041-012764-0000	41	8/18/2009 Phase 1 ESA - River Tract

18030	041-012763-0000	41	8/18/2009 Phase 1 ESA - Sawtooth
18030	041-005683-0000	41	1/14/2009 Phase I ESA for Clawsonm Addl
18070	041-005683-0000	41	2/26/2009 Clearingshaping new roads
18070	041-005683-0000	41	6/15/2009 GAB Stone on new road
18070	041-005683-0000	41	9/23/2009 GAB stone PA Rd
18070	041-005683-0000	41	6/19/2009 Gab Stone PVC pipe on new road
18070	041-005683-0000	41	02/2009 pipe upgrade - road crossing
18070	041-005683-0000	41	2/11/2009 Rd Construction
18070	041-005683-0000	41	2/18/2009 Rd Construction
18070	041-005683-0000	41	2/27/2009 Rd Construction
18070	041-000000-0000	41	5/11/2009 road work firebreaks
18080	041-005683-0000	41	1/14/2009 Survey
18080	041-000000-0000	41	8/18/2009 Survey Costs Moredock
18080	041-000000-0000	41	8/18/2009 Survey Moredock
18080	041-005683-0000	41	1/14/2009 SurveyApproval-GlawsonAddition
18099	041-005683-0000	41	9/23/2009 Clearing Duck Ponds
20070	041-005683-0000	41	3/12/2009 PinLoblollySeed 54ac/PLTN2009
20100	041-005683-0000	41	3/13/2009 Drum Chopp- Site Prep- PLN09
20102	041-005683-0000	41	3/13/2009 Drum Chopp- Site Prep- PLN09
21990	041-005683-0000	41	5/8/2009 Alcovy Barn
21990	041-005683-0000	41	1/26/2009 Alcovy Cabin Construction
21990	041-005683-0000	41	9/23/2009 Barn/Cleared shooting lanes
21990	041-005683-0000	41	2/18/2009 Construction Alcovy Cabin
21990	041-005683-0000	41	8/31/2009 instal interior of barn600elk
21990	041-005683-0000	41	8/5/2009 install barn 600 elks club
21990	041-005683-0000	41	2/3/2009 LumberSuppl.-ConstrAlcovyCabin
41 Total			
17040	044-000000-0000	44	5/14/2009 Acq Exp. Due Bill - Escambia
17040	044-000000-0000	44	3/10/2009 Acquisition - Escambia Legal
17040	044-000000-0000	44	5/14/2009 Enviro- due diligence oil&gas
17050	044-000000-0000	44	3/26/2009 Escambia Purchase Price
17060	044-000000-0000	44	3/26/2009 Premium and search fees
17060	044-000000-0000	44	3/26/2009 Recording costs
17070	044-000000-0000	44	3/26/2009 State Transfer Tax - AL
44 Total			
17040	045-000000-0000	45	8/1/2009 Seven Oaks Acquisition
17050	045-000000-0000	45	6/1/2009 Purchase Price- Salem
17050	045-000000-0000	45	6/1/2009 PurchPrice-TCCTermination
17060	045-000000-0000	45	6/1/2009 Recording Fees- Stewart Title
17060	045-000000-0000	45	6/1/2009 Title Fees - Stewart Title
17099	045-000000-0000	45	6/1/2009 Shipping Fees- Overnight
45 Total			
20070	102-008519-0000	102	4/21/2009 23. ac - Plant Trees - PLTN 09
20070	102-008520-0000	102	5/8/2009 79 acres 2009 PLTN
20090	102-008519-0000	102	1/21/2009 Cone Processing-PLTN 2010
20090	102-008520-0000	102	2/12/2009 PonderPineSeed-PLTN2010-Bauman
20090	102-008520-0000	102	2/12/2009 PonderPineSeed-PLTN2010-Big19
20090	102-008520-0000	102	9/22/2009 Seedling PLT 2009, Bauman
20090	102-008520-0000	102	9/22/2009 Seedling PLT 2009, Big 19
20090	102-008520-0000	102	9/22/2009 Seedling PLT 2010, Bauman
20090	102-008519-0000	102	9/22/2009 Seedling PLT 2010, Refuge
20090	102-008520-0000	102	5/27/2009 Tree Trailer rental seedling09
20100	102-008519-0000	102	1/12/2009 Pile Burning-Pltn 2009
20100	102-008520-0000	102	1/12/2009 Pile Burning-Pltn 2010

20100	102-000000-0000	102	1/12/2009 Slash Piling - Pltn 2010
102 Total			
20070	104-010035-0000	104	4/9/2009 35.21 ac Plant - PLTN 09
20090	104-010035-0000	104	2/18/2009 Seedlings PL TN 2009
20090	104-010035-0000	104	2/18/2009 Seedlings PLTN 2009
104 Total			
20040	105-005695-0000	105	6/22/2009 Herbicide App for HWC 2009 PLT
20040	105-005695-0000	105	6/22/2009 Herbicide App for HWC 2009 PLT
20040	105-005695-0000	105	6/22/2009 herbicide app for HWC 2009 PLT
20070	105-005695-0000	105	1/12/2009 HandPlanting-pltn2009-T-1
20070	105-005695-0000	105	1/12/2009 HandPlanting-pltn2009-T-2
20070	105-005695-0000	105	1/12/2009 HandPlanting-pltn2009-T-5
20071	105-005695-0000	105	6/22/2009 Hand Planting 2009 PLT
20090	105-005695-0000	105	2/12/2009 PLTN 2009, T-1,2,5
20091	105-005695-0000	105	5/8/2009 SeedlingCstDueToCasully2009PLN
105 Total			
20071	120-004453-0000	120	6/22/2009 Hand Planting 2009 PLT
20091	120-004453-0000	120	5/8/2009 SeedlingCstDueToCasully2009PLN
120 Total			
Grand Total			

✓ - Selected for Capital Additions Other Than Property testing at w/p 4150.15A. See Property Acquisitions (real property, usually entire purchase units) are tested at w/p 4 Note> Scanned list looking for unusual items. Nothing unusual noted.

Add'ns Per Rollforward Reports	
45,976,848	4150.12A
840,605	4150.12A
46,817,453	
46,804,410	This Schedule
13,043	Unlocated Diff, pass since i/m

19-09

	Amount
Randy Hodges Excavating, Inc	20,420.00 ✓
Randy Hodges Excavating, Inc	5,000.00
	<u>25,420.00</u>
	-17,448.00
	-17,448.00
	-17,448.00
	<u>-52,344.00</u>
Elliott Services	20,833.13
Elliott Services	19,644.00
	<u>40,477.13</u>
Forestry & Wildlife Consulting	9,574.35
Forestry & Wildlife Consulting	5,003.02
Forestry & Wildlife Consulting	3,025.23
Forestry & Wildlife Consulting	4,938.06
Forestry & Wildlife Consulting	5,009.64
Forestry & Wildlife Consulting	5,559.71
	<u>33,200.01</u>
SouthPine, Inc.	2,914.00
SouthPine, Inc.	4,100.00
SouthPine, Inc.	1,105.00
SouthPine, Inc.	959.50
SouthPine, Inc.	307.50
SouthPine, Inc.	21,330.00
Weyerhaeuser NR Company	186.12
Weyerhaeuser NR Company	1,763.78
Weyerhaeuser NR Company	2,481.64
Weyerhaeuser NR Company	608.83
Weyerhaeuser NR Company	580.75
Weyerhaeuser NR Company	12,910.56
Complete Forestry Services	2,765.40
Complete Forestry Services	663.00
Complete Forestry Services	537.00
Complete Forestry Services	5,586.30
Complete Forestry Services	831.50
Complete Forestry Services	574.50
Complete Forestry Services	6,741.00
Complete Forestry Services	124.50
Complete Forestry Services	1,852.80
Red River Specialties, Inc, AL	320.00
Red River Specialties, Inc, AL	4,640.00 ✓
Red River Specialties, Inc, AL	5,920.00
Red River Specialties, Inc, AL	2,080.00
Red River Specialties, Inc, AL	1,440.00
Red River Specialties, Inc, AL	14,880.00
Red River Specialties, Inc, AL	1,680.00
Red River Specialties, Inc, AL	22,590.00
SouthPine, Inc	26,823.50
	<u>149,157.19</u>
Guest Forestry Services, Inc	7,242.00
Guest Forestry Services, Inc	20,014.00 ✓

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Guest Forestry Services, Inc	3,600.00
F&W Forestry Services	2,844.21
F&W Forestry Services	11,321.07
F&W Forestry Services	1,394.22
F&W Forestry Services	2,010.75
F&W Forestry Services	8,003.58
F&W Forestry Services	985.67
	<u>65,415.50</u>
Superior Forestry Service, Inc	716.92
Superior Forestry Service, Inc	126.51
F&W Forestry Services	559.00
Central VA BMP Service, Inc.	2,703.00
Central VA BMP Service, Inc.	3,307.50
Central VA BMP Service, Inc.	2,142.00
G&P Forestry Services, Inc	5,847.00
	<u>15,401.93</u>
Jimmy Daniels	11,900.00
Jimmy Daniels	8,100.00
Forest Marketing Group, LLC	700.00
Forest Marketing Group, LLC	14,516.00
Forest Marketing Group, LLC	2,280.00
Forest Marketing Group, LLC	11,400.00
Forest Marketing Group, LLC	9,272.00
Forest Marketing Group, LLC	22,241.00
	<u>80,409.00</u>
Clayton Lake Woodlands Holding	4,994.98
Allen Construction, Inc.	2,103.60
Allen Construction, Inc.	6,069.30
Allen Construction, Inc.	7,838.85
Allen Construction, Inc.	5,282.87 ✓
Allen Construction, Inc.	5,720.62
Allen Construction, Inc.	305.70
Richard Poirier	387.50
Benolt Fortin	200.00
Transport Raymond Tardif Inc.	1,266.14
G&P Forestry Services, Inc	24,924.00
	<u>59,093.56</u>
Parker Hudson Rainer & Dobbs	626.00
Parker Hudson Rainer & Dobbs	3,972.50
Parker Hudson Rainer & Dobbs	7,500.00
Parker Hudson Rainer & Dobbs	-13,043.00
	2,588.50
	2,954.50
Moredock Family	488,842.48
Moredock Family	854,603.84
Moredock Family	782,521.67
Project Adventure, Inc.	233,500.00
Chicago Title Insurance, Co.	350.00
Chicago Title Insurance, Co.	720.00
Fidelity National Title Ins Co	843.00
Fidelity National Title Ins Co	1,473.76
Fidelity National Title Ins Co	1,340.45
	804.79
	<u>1,406.94</u>

	1,288.27
Allclean Environmental LLC	1,000.00
Miller Grading Co., Inc.	2,840.00
Miller Grading Co., Inc.	3,428.93
Miller Grading Co., Inc.	6,384.89
Miller Grading Co., Inc.	5,939.82
Miller Grading Co., Inc.	7,541.78
Miller Grading Co., Inc.	3,308.84
Miller Grading Co., Inc.	9,956.54
Miller Grading Co., Inc.	5,224.85
J & M Forestry and Grading Inc	1,800.00
Byron L. Farmer Surveyor, P.C.	2,974.31
Byron L. Farmer Surveyor, P.C.	10,004.28
	6,407.76
	125.00
Miller Grading Co., Inc.	7,225.00
B & S Air, Inc.	7,946.04
J & M Forestry and Grading Inc	675.00
J & M Forestry and Grading Inc	7,670.00
L.L. Designs, Inc.	51,677.64
L.L. Designs, Inc.	15,935.83
Miller Grading Co., Inc.	1,030.00
L.L. Designs, Inc.	25,501.66
L.L. Designs, Inc.	49,514.70
L.L. Designs, Inc.	34,303.49
Pollard Lumber Co, Inc	4,552.85
	<u>2,645,372.51</u>
Adams and Reese LLP	21,507.20
Adams and Reese LLP	9,446.94
SLR International Corp	3,366.99
Rayonier Forest Resources, LP	12,875,526.00
First American Title Ins. Co.	21,782.87
First American Title Ins. Co.	268.50
	6,438.00
	<u>12,938,336.50</u>
	324.19
Hancock Timber Resource Group	30,510,509.48
	26,800.00
Stewart Title	6,250.00
Stewart Title	120,667.00
Stewart Title	425.00
	<u>30,668,975.67</u>
Hector Ordaz, SP	1,725.00
Hector Ordaz, SP	5,402.00
Pacific Forest Seeds, Inc.	503.45
Fruit Growers Supply Comp, Corp	232.27
Fruit Growers Supply Comp, Corp	258.48
Cal Forest Nurseries	2,098.25
Cal Forest Nurseries	3,108.05
Cal Forest Nurseries	2,165.60
Cal Forest Nurseries	959.15
Robinson Enterprises, Inc.	2,034.63
Robinson Enterprises, Inc.	2,249.40
Robinson Enterprises, Inc.	6,307.18

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Robinson Enterprises, Inc.	5,985.00
	<u>33,028.46</u>
Herman L. Moore	2,464.70
Arborgen, LLC	406.25
Arborgen, LLC	1,013.35
	<u>3,884.30</u>
Crop Production Services, Inc	3,019.48
Crop Production Services, Inc	2,759.18
Crop Production Services, Inc	4,138.77
Superior Forestry Service, Inc	5,241.60
Superior Forestry Service, Inc	5,845.50
Superior Forestry Service, Inc	7,174.80
Superior Forestry Service, Inc	1,286.55
Arborgen, LLC	15,952.03 ✓
Arborgen, LLC	016.00
	<u>46,234.51</u>
Superior Forestry Service, Inc	1,173.15
Arborgen, LLC	830.40
	<u>2,003.55</u>
	46,752,065.82
Add back Butler Land Amort	<u>52,344</u>
Per Above As adjusted	<u><u>46,804,410</u></u>

testwork for purpose, procedures & conclusion.

150.14A.

EXHIBIT C

**Timbervest 2008 Annual Review of New Forestry
(ATT Pension and Subsidiaries) Timberland Portfolio**

Date: July 31, 2008

Time: 10:00 am – 1:30 pm

Location: ATT Investment Management Office, Warren, NJ

Attendees:

Timbervest: Joel Shapiro, Bill Boden, Joel Rosenberg

ATT: Frank Ranlett, Bill Hammond, Avneet Singh Kochar, Alan Casey

The following matters were discussed:

10am -10:30 am: Pleasantries and overview of the current State of the Timberland Markets (Shapiro and Boden)

Timber prices are generally soft but New Forestry (NF) holdings are stable. Land prices are keeping a firm buffer on portfolio value.

ATT participants were satisfied with the answer.

10:30 am – 11:30 am: Portfolio Review (Boden and Shapiro)

Discussion of individual properties, acquisitions and improvements to properties. ATT agrees that Timbervest's "private equity/real estate" approach is their preferred strategy from a strategic perspective—and seem to agree with tactical implementations on the property level. Review of pictures from HBU/Land improvements.

11:30 am – 12:00 pm: Discussion of NCREIF and operational issues: (Shapiro, Boden, Ranlett, Kochar, Hammond and Casey)

Kochar said that ATT Investment Management Employees were incentivized to beat the NCREIF Timberland Index. Hammond reiterated and stated that the use of conservative appraisals may hurt performance and ATT was willing to accept more volatility. ATT's preference (Hammond) was to reduce timber discounts applied by Timbervest. ATT (Ranlett and Hammond) questioned the use of debt and the New Forestry Line of Credit. Ranlett and Hammond said they would discuss the use of the Line of Credit and get back to Timbervest with recommendation for use or termination.

Shapiro asked for clarification on payment terms. Hammond and Ranlett stated that Timbervest should be paid in a timely manner and that they would discuss this with the ATT Custodian.

12:00 pm: Meeting adjourned for lunch.

12:00 pm – 1:30 pm: Lunch - continued general discussion regarding the NF Portfolio

EXHIBIT D

Exhibit D

1. Valuation back-up for all properties - details to support spreadsheet already provided

This information was provided to FIA in 2012. Specifically as follows:

Data provided	Date submitted	Description
QMV Purchase Unit Summary	November 20, 2012 <i>Submitted to Box.com</i>	Market value as of September 30, 2012 for each property by major component (land, merchantable timber, young growth).
Cruise reports	September 14, 2012 <i>Submitted to Box.com</i>	Most recent cruise report for each property held by the entity at September 30, 2012.
Appraisals	August 27, 2012 <i>Submitted directly to the client</i>	Most recent appraisal report for each property held by the entity at September 30, 2012.
3Q Cost Basis and Volumes	November 8, 2012 <i>Submitted to Box.com</i>	Detailed asset inventory of each property by tract at September 30, 2012.

2. Tax parcel list, with payment detail, with future dates

Information regarding the tax parcels for all New Forestry properties was provided to FIA in 2012. We are not willing to provide speculative information about future due dates of taxes. The official due dates for current property taxes will be on the official tax invoices received by New Forestry. We have specifically provided the following:

Data provided	Date submitted	Description
Property Tax Assessments	October 3, 2012 <i>Submitted to Box.com</i>	All property tax assessments that were received by Timbervest as of October 3, 2012.
Property Tax Bills	October 3, 2012 <i>Submitted to Box.com</i>	All property tax bills for the current calendar year that were received by Timbervest as of October 3, 2012.
Property Tax Summary	September 26, 2012 <i>Submitted to Box.com</i>	A listing of all tax parcels by property and taxing unit.
Property Tax Accruals	November 20, 2012 <i>Submitted to Box.com</i>	Detailed worksheet of property tax accruals for each property, supporting the balances of the accrued property tax accounts in the September 30, 2012 trial balance.

3. Chart of Accounts

As we have previously explained, we do not maintain a Chart of Accounts for the New Forestry account, but rather maintain a single Chart of Accounts for all clients and all accounting accounts. This accounting organization was developed by and is proprietary to Timbervest. It also includes information regarding other clients that cannot be shared with AT&T or FIA. As previously offered on several occasions, should AT&T or FIA have specific questions about accounting entries, we are happy to provide helpful information.

4. 2012 Timber sales detail

This information has been provided to FIA and/or PWC. Specifically as follows:

<u>Data provided</u>	<u>Date submitted</u>	<u>Description</u>
Timber Sales Activity Report	November 20, 2012 <i>Submitted to Box.com</i>	A detailed listing of all active, in progress, and recently completed timber sales as of September 30, 2012.
General Ledger Detail	November 8, 2012 <i>Submitted to Box.com</i>	General Ledger detail for the period of January 1, 2012 through September 30, 2012.
Property Level Trial Balances	November 8, 2012 <i>Submitted to Box.com</i>	Trial balance of the entity and each specific property for the period of January 1, 2012 through September 30, 2012.
Timber Cutting Contracts	September 14, 2012 <i>Submitted to Box.com</i>	All open timber cutting
Timber Sales Audit Support	December 19, 2012 <i>Provided to PWC for the audit</i>	A listing of all timber sales for the period from January 1, 2012 through September 30, 2012 was provided to PWC for the audit. Additionally, all supporting documentation was made available to the auditors during their fieldwork to test the proper accounting for these transactions.
Transaction Details	March 19, 2013 <i>Provided to PWC for tax preparation</i>	Detailed transaction log for each property. This information is provided annually to PWC for the audit and tax filing. PWC has all relevant historical information.

5. 2012 Land sales detail

This information has been provided to FIA and/or PWC. Specifically as follows:

<u>Data provided</u>	<u>Date submitted</u>	<u>Description</u>
Land Disposition Sheet	November 20, 2012 <i>Submitted to Box.com</i>	A detailed listing of each land sale for the period requested, including sales price, date, acres, and purchaser information.
Closing binders	September 17, 2012 <i>Delivered via courier to FIA</i>	All closing binders in our possession. These closing binders include closing statements, purchase/sales agreements, and other documents pertinent to the transaction.
General Ledger Detail	November 8, 2012 <i>Submitted to Box.com</i>	General Ledger detail for the period of January 1, 2012 through September 30, 2012.
Property Level Trial Balances	November 8, 2012 <i>Submitted to Box.com</i>	Trial balance of the entity and each specific property for the period of

Land Sale Audit Support	December 19, 2012 <i>Provided to PWC for the audit</i>	January 1, 2012 through September 30, 2012. A listing of all land sales for the period from January 1, 2012 through September 30, 2012 was provided to PWC for the audit. Additionally, all supporting documentation was made available to the auditors during their fieldwork to test the proper accounting for these transactions.
Transaction Details	March 19, 2013 <i>Provided to PWC for tax preparation</i>	Detailed transaction log for each property. This information is provided annually to PWC for the audit and tax filing. PWC has all relevant historical information.

6. Description of all accounting policies, including depletion and valuation methodologies

We have previously discussed our accounting policies with FLA, including the depletion and valuation methodologies. In addition, these policies and methodologies are described in detail in the audited financial statements of New Forestry previously provided. Lastly, New Forestry's auditors, PricewaterhouseCoopers (PWC) has previously reviewed and audited all financial information produced under these policies and methodologies. PWC should be able to provide any needed authoritative information.

7. All historical trial balances and general ledgers by property - to be delivered electronically, not by PDF

This is the first request we have seen for this information in this format. This information will be re-provided to FLA in Excel format.

8. All historical financial statements - to be delivered electronically, not by PDF

New Forestry's annual financial statements are produced by New Forestry's third party auditors. Timbervest only has annual audited financial statements in pdf format. AT&T will need to obtain any needed information from Babush, Nieman, Koruman & Johnson LLLP (2009 and prior) or PWC (2010 and 2011).

9. Historical inventory detail and valuation information supporting quarterly financials

This information has been provided to FLA and/or PWC. Specifically as follows:

Data provided	Date submitted	Description
QMV Purchase Unit Summary	November 20, 2012 <i>Submitted to Box.com</i>	Market value as of September 30, 2012 for each property by major component (land, merchantable timber, young growth).
Cruise reports	September 14, 2012 <i>Submitted to Box.com</i>	Most recent cruise report for each property held by the entity at September 30, 2012.
Appraisals	August 27, 2012	Most recent appraisal report for each

	<i>Submitted directly to the client</i>	property held by the entity at September 30, 2012.
Cost Basis and Volumes	November 8, 2012 <i>Submitted to Box.com</i>	Detailed asset inventory of each property by tract for the periods ended June 30, 2012 and September 30, 2012.
Tract level pricing details	December 19, 2012 <i>Provided to PWC for the audit</i>	Pricing details for each property. This information is provided annually to PWC for the audit and tax filing. PWC has all relevant historical information.
Transaction Details	March 19, 2013 <i>Provided to PWC for tax preparation</i>	Detailed transaction log for each property. This information is provided annually to PWC for the audit and tax filing. PWC has all relevant historical information.

10. Subsidiary schedules of all acquisition and land sales transactions, including detail supporting the account for such transactions

This is the first request we have seen for this information. We do not understand what is being asked.

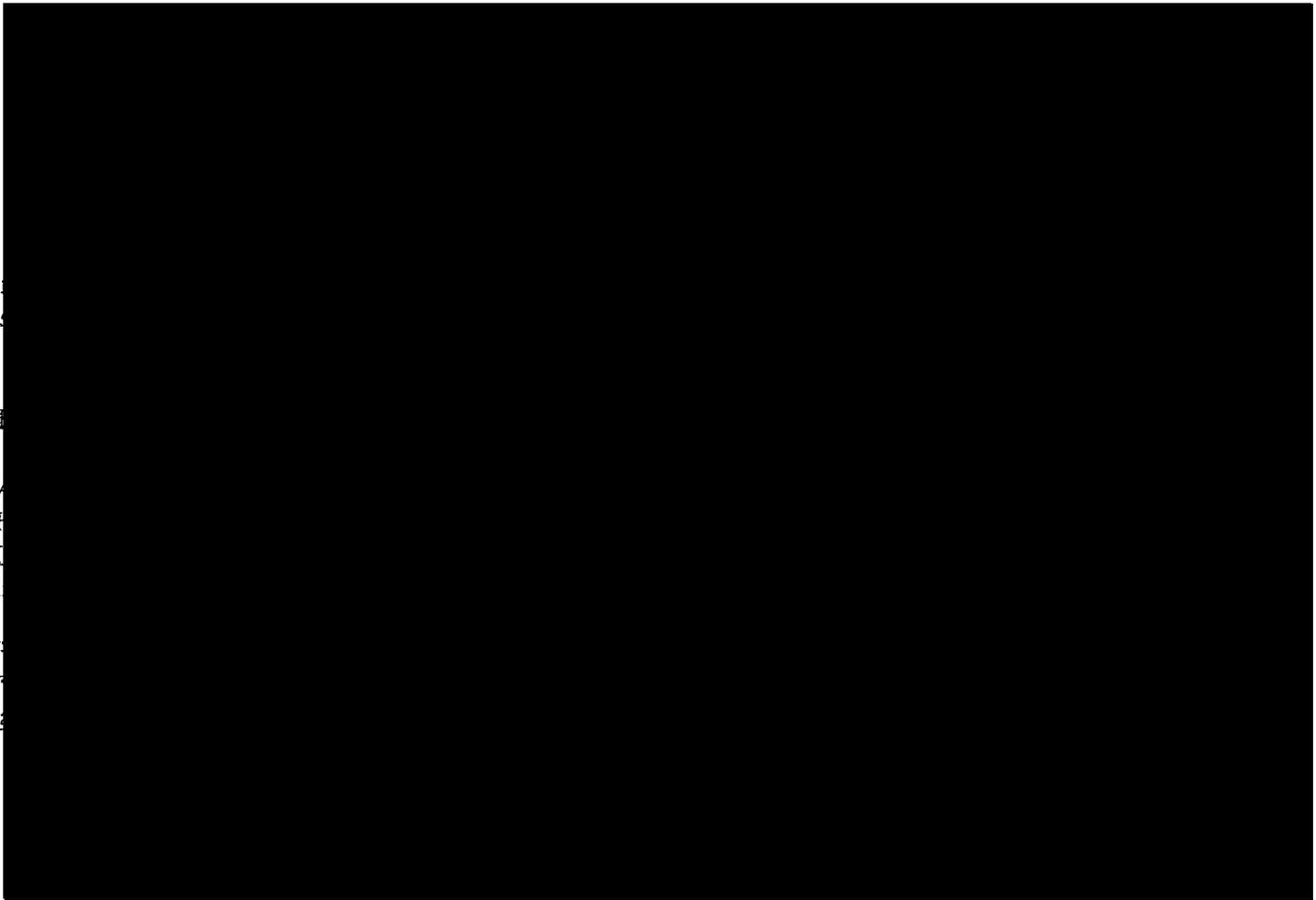
11. Schedule of all capital contributions and distributions, to and from client entities since inception

This information has been provided to AT&T on numerous occasions. We will resend this information to AT&T in case it has been misplaced.

12. Quarterly return information since inception, both gross and net of fees at the portfolio level

This is the first request we have seen for this information. This information has been provided to AT&T on an annual basis for many years. We will resend this information to AT&T in case it has been misplaced.

EXHIBIT E



The information from Timbervest, LLC in this email is confidential and may be legally privileged. It is intended solely for the addressee. Access to this email by anyone else is unauthorized. If you are not the intended recipient, please notify sender and delete this email. In addition, be aware that any disclosure, copying, distribution or any action taken or omitted to be taken in reliance on this email, is prohibited and may be unlawful. IRS Circular 230 disclosure: To ensure compliance with requirements imposed by the IRS, we inform you that any U.S. federal tax advice contained in this communication (including any attachments) is not intended or written to be used, and cannot be used, for the purpose of (1) avoiding penalties under the Internal Revenue Code or any other applicable federal tax law, (2) promoting, marketing or recommending to another party any transaction or matter addressed therein.

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EXHIBIT F

From: RANLETT, FRANK G <fr9271@att.com>
Sent: Tuesday, November 06, 2012 9:48 AM
To: Joel Shapiro; Carolyn Seabolt
Cc: monty.hill@att.com; Sam Grice (sgrice@forestinvest.com)
Subject: New Forestry - Additional Info.

Follow Up Flag: Follow up
Flag Status: Flagged

Carolyn and Joel: Sorry to bother you with this, but further to my email of yesterday, as part of our making sure we wind this up without a lingering trail of requests to you, I am hoping that you are going to send all the historical information on the account over to FIA. Is that your understanding?

The immediate reason for this request is that in looking over what we have here, I have the audited financials going back to the 90s through 2005, and then forward from 2010. 2006-2009 are missing. I believe this is the period of time when ORG was managing the account on BellSouth's behalf. I asked Ed Schwartz for all their material on New Forestry and the BellSouth account, but they didn't keep any records other than copies of their reports to BellSouth.

So, I guess I'm saying we need all the historical information that you have on New Forestry, but in particular the financial statements.

Thanks again for your patience,

Frank

Frank Ranlett

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