

RSI & Associates, Inc.
6000 S. Padre Island Dr., Suite 250
Corpus Christi, TX 78412
361/994-8095
www.RSIvalue.com

May 26, 2023

RSI Addresses Statements Made Recently in the San Antonio Media and on Social Media Outlets

Corpus Christi, TX: Multiple, unfortunate statements have been made in error within the last two months in San Antonio media (print, online and on television) and on multiple social media outlets. The statements seem to stem from misunderstandings as to RSI's engagement by Alamo Trust and the scope of work RSI was engaged to do related to the Business Valuation on a San Antonio bar, Moses Rose's Hideout.

RSI wishes to address these errors with the truth as we know it. In general, statements have been made that:

Summary Statement #1:

RSI & Associates was coerced to skew and falsify numbers to maintain a certain percentage or lower value. If RSI did not carry out this falsification, Alamo Trust would not pay for the Business Valuation report;

Truth as We know it:

There was absolutely no coercion, manipulation or even a suggestion of desired outcome, neither before or after engagement.

As for payment, for over the past 20 years it has been our policy at RSI that:

- (i) We do not start a project until a 50% retainer is provided, and
- (ii) The value determination (written or verbal) is not released to a client before final payment for the report is received (i.e., our value determination is not contingent upon payment).

In other words, the business valuation report was not provided to Alamo Trust until after the balance of final payment was received, which they processed as soon as a final invoice was provided.

Summary Statement #2:

RSI & Associates was to include "projected lost revenue" in the value determination;

Truth as We know it:

RSI was engaged to perform a Fair Market Business Valuation on Moses Rose's. Prior to engagement, in separate conversations, we discussed and reviewed with both Moses Rose's representation and those representing Alamo Trust, the overall process, approach and the most common valuation methods used in business valuations; specifically, the fact that one of the methods RSI always uses is discounted future earnings methodology, which requires projecting net pre-tax revenue over 10 years. The projections are then discounted to determine 'today's' fair market value, based upon the future projected net earnings. As such, there is not a valuation method where the sum of those projections would be added together to determine a Fair Market Value.

Summary Statement #3:

A confidential source within RSI indicated that Alamo Trust threatened to not pay the appraisal firm unless it recalculated the discounted future earnings sum to result in a lower value.

Truth as We know it:

There is not a confidential or anonymous source within RSI; and Alamo Trust never requested or suggested modifying the terms of the agreement, our valuation methods or the scope of the engagement.

Again, these statements and insinuations are false. RSI has made a formal request to a news outlet that they remove an article and redact the information posted as the defamatory statements could have major ramifications on current and future business endeavors. To date, no action has been taken, and the article is still public.

About RSI: Founded in 1993, RSI & Associates, Inc. has performed comprehensive and formal business valuations, feasibility studies, exit plans, equipment appraisals and due diligence assignments across the US, Canada, and Mexico. Our appraisals are prepared and certified by accredited appraisers. RSI is an authorized and preferred vender of many SBA and USDA guaranteed lenders. Our Team consists of experts in the field of financial forensic analysis, business valuation, collateral examination, merger acquisition consulting, exit planning, project management, due diligence, analytical research and technical writing. Our experience is well known in the M&A industry and throughout the legal and lending community.

###