

Lupe Rose Shelby
P.O. Box 9312
Lancaster CA 93539
Phone | 661-675-5435
Lupeshelby1@gmail.com

UNITED STATES DISTRICT COURT
CENTRAL DISTRICT OF CALIFORNIA
WESTERN DIVISION

SECURITIES AND EXCHANGE COMMISSION

Case No.: 2:21-cv-07339-CAS-AS

Plaintiff,

vs.

LUPE ROSE & SHE BEVERAGE COMPANY

SUPPLEMENTAL MEMORANDUM REGARDING
SEC EXPERT'S SELECTIVE DATA
MANIPULATION
AND MISREPRESENTATION OF EVIDENCE

Defendant

To the Honorable Court:

I respectfully submit this supplemental memorandum to bring to the Court's attention several grave concerns regarding the SEC expert's methodology and conduct, specifically:

I. IMPROPER EXCLUSION OF LEGITIMATE BUSINESS ACTIVITIES

The SEC's financial expert has admitted, in his own analysis, to systematically eliminating vast amounts of legitimate business data through a four-step process that fundamentally distorts the financial reality of the enterprise:

1. Selective Account Analysis

The expert deliberately excluded all transactions not labeled specifically as "SHE Beverage" or "SHE Brand," despite the existence of legitimate subsidiary operations and acquisitions. This single action eliminated 36,189 legitimate business transactions from consideration.

2. Subsidiary Elimination

The expert explicitly removed all transactions related to legitimate subsidiary entities (including Pink Leaf and Just Go Green LLC), eliminating 2,102 additional transactions totaling \$315,603 in net outflows. This removal effectively erased legitimate business operations from the financial picture.

1 3. Cash Flow Manipulation

2 The expert systematically removed 2,555 cash inflow transactions, choosing to analyze only outflows. This
3 selective approach creates an inherently biased analysis that fails to present a complete picture of the
4 business's financial operations.

5 4. Arbitrary Time Restrictions

6 The expert imposed temporal limitations on the data, further restricting the scope of analysis without proper
7 justification.

8 II. MISREPRESENTATION TO DEFENDANT

9 Of particular concern to this Court should be that the SEC agent made representations to Ms. Lupe
10 Rose that her evidence would be presented to a judge, when in fact:

11 a) Such evidence was not allowed, or

12 b) The SEC agent failed to explain to the Court that he had systematically removed all legitimate company expenses
13 from his analysis

14 III. LEGAL IMPLICATIONS

15 This methodological approach raises serious concerns about:

16 1. Due Process Violations

17 The selective elimination of legitimate business data without proper disclosure to the Court constitutes a
18 potential violation of due process rights.

19 2. Misrepresentation of Financial Reality

20 The expert's methodology effectively:

- 21 ○ Ignored legitimate subsidiary operations
- 22 ○ Eliminated valid business transactions
- 23 ○ Created an artificially limited view of the business's financial operations
- 24 ○ Failed to account for the complete corporate structure and its associated financial obligations

25 IV. PREJUDICIAL IMPACT

26 The expert's admitted elimination of:

- 27 • 36,189 transactions in the initial cut

- 2,102 subsidiary-related transactions
- 2,555 cash inflow transactions
- All transactions outside an arbitrarily selected timeframe

represents a systematic attempt to create a distorted financial narrative that fails to reflect the true nature and scope of the business operations.

V. REQUEST FOR RELIEF

Based on these revelations, we respectfully request that this Court:

1. Review the complete financial record, including all eliminated transactions
2. Consider the prejudicial impact of the SEC expert's selective methodology
3. Recognize the legitimate business operations of all subsidiary entities
4. Acknowledge the improper exclusion of valid business expenses and transactions
5. Invalidate the Bifurcation Agreement
6. Restore SHE Beverage Company and Lupe Rose Reputation that was destroyed by the SEC
7. Remove all negative impacts and verbiage that was placed on Credit History and Credit file of the 3 Principals

The expert's own words document a systematic elimination of legitimate business activities, creating a fundamentally flawed analysis that cannot serve as a basis for any legitimate findings.

Respectfully submitted,

Attachments:

Exhibit Z-2: Expert's Original Methodology Statement

Dated this day of Month, year.

Lupe Rose Shelby

Lupe Rose Shelby Pro Se