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8 *Attorneys for Geoff Winkler Receiver for*
CapSource, Inc., et al.
 9

10 **UNITED STATES DISTRICT COURT**
 11 **DISTRICT OF NEVADA**

12 SECURITIES AND EXCHANGE
 13 COMMISSION,

14 Plaintiff,

15 v.

16 CAPSOURCE, INC., STEPHEN J. BYRNE,
 and GREGORY P. HERLEAN

17 Defendants.
 18

Case No. 2:20-cv-02303-RFB-DJA

**FOURTH STATUS REPORT OF GEOFF
 WINKLER, RECEIVER CAPSOURCE,
 INC.**

19
 20 Geoff Winkler of American Fiduciary Services, LLC (the "Receiver"), the Court-appointed
 21 receiver for defendant CapSource, Inc., submits his Fourth Quarterly Report ("Report") for the
 22 period April 1, 2023, through June 30, 2023 ("Reporting Period"), regarding the receivership
 23 pursuant to Local Rule 66-4(b).

24 **I. PRELIMINARY STATEMENT**

25 As reflected in the Court's record and discussed further in this Report, the Receiver has
 26 been authorized, empowered, and directed to, among other things: (1) take exclusive authority and
 27 control over the Receivership Defendant; (2) conduct such investigation and discovery as
 28

1 necessary to identify and locate outstanding assets of the Receivership Defendants; and (3)
2 preserve and prevent the dissipation of such assets.

3 The Receiver has diligently pursued these goals since August 26, 2022, at the inception of
4 the receivership. As detailed herein, since the entry of the Order Appointing Receiver (the
5 "Appointment Order") (ECF. No. 17), the Receiver has made substantial progress, particularly in
6 connection taking possession of CapSource files and inventory and beginning analysis of same;
7 review of investor list and communication with investors; review accounting records;
8 communication with defendants; evaluating asset and properties of the estate; assessment of
9 income and investor payment options; evaluating and terminating a lease; analysis of ancillary
10 proceedings and communication with counsel; processing account information; evaluating estate
11 needs including tax issues; preparation of financial and quarterly reports; communication with
12 SEC regarding pending matters; and preparation of stipulations and court filings. However,
13 because the Receiver's work is ongoing, the conclusions presented herein are preliminary and
14 subject to modification or supplementation as more information becomes available.

15 As of the date of this Report, the Receiver has not completed an investigation or
16 accounting, nor arrived at any definitive conclusions, including as to the allegations made by the
17 plaintiff Securities and Exchange Commission in the above-entitled matter.

18 **II. SUMMARY OF THE RECEIVER'S OPERATIONS (LR 66-4(b)(1))**

19 ***A. THE RECEIVER'S INVESTIGATIVE AND MARSHALLING ACTIVITIES***

20 The Receiver and his counsel continued to work through five legal proceedings involving
21 CapSource. None of these legal proceedings were previously disclosed to the Receiver in his
22 capacity as either Receiver or CRO. Additional information on this matter can be found in section
23 V, subsection A.

24 During this reporting period the Receiver submitted his Motion for Approval Interim
25 Distribution Plan and Procedures for Disposition of the Estate's Interests in Certain Real Property
26 filed April 5, 2023 (ECF No. 48, 49) ("Motion for Distribution & Procedures"). The Receiver has
27 received a significant response from investors who hope to begin their personal financial recovery.
28

1 The Receiver also met with borrowers' agents to determine a resolution as well as process how the
2 Receivership will resolve outstanding notes.

3 Per investor requests the Receiver and his team have continued to investigate investments
4 and other outstanding loans that are not included in the list of outstanding note receivables below.
5 Investors continue to provide additional information and the Receiver is reviewing additional
6 documentation provided by CapSource. The Receiver will inform the court of his findings on this
7 investigation in future reporting periods.

8 The Receiver successfully secured \$152,345.30 in cash during this reporting period. A
9 description of all assets in the custody and control of the Receiver is included in Section III, below.

10 ***B. INVESTOR AND CREDITOR COMMUNICATION***

11 The Receiver has continued to update the investor website ([http://www.capsource-](http://www.capsource-receivership.com)
12 [receivership.com](http://www.capsource-receivership.com)). The Receiver and his team have continued to review registration forms directly
13 from investors and invite investors who have not done so yet to do so at their soonest convenience
14 (<http://www.capsource-receivership.com/register>). The investor list as of June 30, 2023, had
15 roughly 600 individuals. This is an increase from the 11 reported on the investor list submitted for
16 the previous reporting period.

17 ***C. THE RECEIVER'S FORENSIC ACCOUNTING ACTIVITIES***

18 During the reporting period, the Receiver and his team have worked with WestStar to
19 review outstanding loans and create a money-in money-out (MIMO) analysis for each of the
20 investors. This analysis includes all loan transactions for the outstanding loans and principal
21 reduction loans. The Receiver anticipates this analysis will be complete in the following period.

22 **III. INVENTORY OF ASSETS AND ESTIMATED VALUE (LR 66-4(b)(2))**

23 ***A. CASH***

24 From April 1 to June 30, 2023, the Receiver was able to recover approximately
25 \$152,345.30. The Standardized Fund Accounting Report for the period is attached to this report as
26 **Exhibit A**. This cash is made up of \$4,345.34 from interest received on money held in the
27 receivership estate bank account, \$129,999.96 from interest payments for ARC – RE, and \$18,000
28 from interest payments for JC Commercial.

B. NOTES RECEIVABLE

The notes receivable secured by the Receiver during the Reporting Period consist of

<i>Loan Name</i>	<i>Original Outstanding Balance</i>	<i>Receipts To-Date</i>	<i>Estimated Remaining Value¹</i>
5th Avenue Estates	\$857,313	\$653,376	\$0
Texas 156	\$42,000	\$0	\$20,967
Texas 156	\$106,521	\$0	\$53,178
Texas 156	\$111,883	\$0	\$55,855
King 261	\$515,000	\$35,000	\$480,000
Meadows 78	\$1,327,500	\$0	\$1,327,500
Fillmore RE Partners	\$559,388	\$0	\$273,411
JC Commercial	\$1,510,000	\$53,712	\$701,288
ARC RE	\$13,799,737	\$953,333	\$12,781,412
<i>Approximate Total</i>	<i>\$18,829,342</i>	<i>\$1,695,421</i>	<i>\$15,693,611</i>

The Receiver invites the Court and all interested parties to review the First Status Report (ECF No. 21) for a general summary of the relevant information for each of the outstanding notes listed below. The following information will include the most recent updates that have transpired.

Texas 156

The Receiver anticipates a compromise of the notes associated with Texas 156. As stated in previous reports, The Receiver has been presented with an offer from the borrower for the remaining four lots. In this Reporting Period, the offer has been reviewed by the Receiver. After a ruling is issued on the Motion for Distribution & Procedures, the Receiver will present this offer to the Court for approval.

¹ Estimated value that is subject to further revision.

1 **A. 5th Avenue Estates**

2 As discussed in the prior status report (ECF No. 28), the last parcel for 5th Avenue Estates
3 was sold on October 26, 2022, and proceeds were received by the Receivership Estate on October
4 27, 2022. The gross sales price was \$700,000. After closing costs and broker fees the net proceeds
5 were \$653,375.50.

6 **B. King 261 and Meadows 78**

7 The Receiver's team met with the developer and his team. The developer changed his business
8 from a build-to-own model to a build-to-rent model and has stated that this is an underserved
9 market in Midland County. The market is notably a strong oil-producing industry, and the
10 developer believes pivoting to this model will provide a positive outcome for the repayment of this
11 loan. Due to higher interest rates, many in the market are most comfortable with renting. The rent
12 model has allowed engineers to be able to have less commitment to a property and move to new
13 positions when needed. The developer has been discussing with investors on how to get additional
14 capital to allow for them to fully change their model to build to rent and move faster. They now
15 have the option to sell either at platting of land, improved land, or to build the houses for rent and
16 resell in a portfolio. Their primary buyer would be an insurance investment firm. As this project
17 progresses, there will be a determined best course of action for resolution.

18 Similarly to King 261, the developer plans to adjust his business plan by creating a build-
19 to-rent model on the remaining lots for Meadows 78. This transition is in the early stages, but the
20 developer anticipates making a normal paydown on the loan and payment of any accrued interest
21 as lots are sold.

22 The developer has inquired regarding investors' interest in selling earlier for less. The
23 Receiver will review this option, however previous guidance provided was anticipating full
24 repayment of the loan plus accrued interest by end of 2024. The developer will review the interim
25 distribution motion as well as the procedures that were presented to the court and will continue to
26 have conversations with their potential investment group. The Receiver plans to host a future call
27 regarding repayment. Any offers presented to the Receiver will be reviewed and the Court will be
28 presented with all recommended offers.

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1 **C. Fillmore Real Estate Partners**

2 The Receiver anticipates a compromise of the notes associated with Fillmore Real Estate
3 Partners. As stated in previous reports, The Receiver has been presented with an offer from the
4 borrower. The Receiver has let the borrower know of the pending motion to allow the sale of the
5 receivership estate’s interest in the first deed of trust. The Receiver intends to reopen discussion
6 with the borrower of the property after a decision is issue on the pending Motion for Distribution
7 & Procedures.

8 **D. JC Commercial**

9 Due to a foreclosure that occurred prior to the Receivership, the Estate is already in
10 possession of a fee simple interest in the land associated with the JC Commercial property. This
11 property must be sold to liquidate the Estate’s interest. The Receiver and his team have been in
12 contact with a broker to assist with understanding the value of the property. The tenant continues
13 to make monthly lease payments of \$6,000 to the Receivership Estate. The Receiver has been
14 presented with an offer from the current tenant. The Receiver has let the tenant know of the pending
15 motion to allow the sale of the receivership estates interest in real property and the Receiver intends
16 to negotiate with the tenant for the sale of the property once a decision is entered on the Motion
17 for Distribution & Procedures.

18 **E. ARC RE**

19 A settlement has been reached between the SEC and ARC RE and is approved. During the
20 Reporting Period, the Receiver and his team meet with ARC’s consultant to discuss the next steps.
21 ARC intends to seek new financing to pay off the note on the property. The Receiver hopes to
22 resolve this loan in the next six to twelve months. The proposed interim distribution plan includes
23 the Receiver making quarterly payments to ARC RE investors.

24 **IV. SCHEDULE OF RECEIVER’S RECEIPTS & DISBURSEMENTS (LR 66- 4(b)(3))**

25 Below is the schedule of Receiver’s Receipts and Disbursements pursuant to the Order
26 Appointing Receiver and Local Rule 66-4(b)(3).

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1 **A. EAST WEST BANK RECEIVERSHIP ACCOUNT (A/E 0057)**

- 2 • Balance (04/01/23): \$1,327,163.15
- 3 • Total inflows: \$ 152,345.30
- 4 • Total outflows: \$ 127,032.32
- 5 • Balance (06/30/23): \$ 1,352,476.13

6 See **Exhibit B** for a complete list of transactions.

7 In addition to the foregoing, please see the Standardized Financial Accounting Report
8 attached as **Exhibit A** and the Summary Cash Flow Statement and Summary Balance Sheet
9 attached as **Exhibit C**.

10 **V. OTHER ITEMS TO REPORT**

11 **A. CURRENT LITIGATION**

12 As previously reported, since the appointment of the Receiver, a number of legal
13 proceedings involving CapSource have been identified. In the Receivers' prior status reports,
14 information was provided regarding several actions which qualify as an "Ancillary Proceeding"
15 under Section VII of the Order Appointing Receiver, *see* ECF No. 17 at 9-10. Because there has
16 not been significant developments in this Reporting Period, in leu of a summary of each action,
17 the cases in which previous summaries were provide are identified in the table below.

18

PARTIES/CASE NAME	COURT	CASE NO.	STATUS
<i>CAC Investment Ventures, LLC et al. v. Andrew Jolley et al</i>	Eighth Judicial District Court	A-19-802088-B	Stayed as to CapSource, other parties proceeding to trial
<i>Entrust Group fbo Paul Uwe Pawlik v. Southern Highlands Community Association, et al.</i>	Eighth Judicial District Court	A-22-848762-C	CapSource dismissed
<i>CapSource, Inc. v. Bosch, et al.</i>	Eighth Judicial District Court	A-21-834367-C	Case dismissed
<i>CapSource v. Texas 156, LLC, Michael B. Zipprich, and Joseph A. Bond, III</i>	District Court of Midland County, Texas	CV56854	Case dismissed
<i>ARC RE v. Americans Rehab Campuses, LLC and Arizona Rehab Campus LLC</i>	Eighth Judicial District Court	A-21-8385920B	Case stayed

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1 In addition to the foregoing, during the Reporting Period the Receiver learned of three new
2 proceedings filed in the Eighth Judicial District Court against CapSource by various related
3 plaintiffs in violation of the stay order: Case No. A-23-869439 (*Arizona Rehab Campuses, LLC*
4 *et. al. v. CapSource, Inc. et. al.*); Case No. A-23-869523-B (*5th Avenue Estates, LLC et. al. v.*
5 *CapSource, Inc. et. al.*); and Case No. A-23-8699520-B (*Texas 156, LLC et. al. v. CapSource, Inc.*
6 *et. al.*) (collectively “New Litigation Matters”). After learning of the New Litigation Matters, the
7 SEC filed a motion for relief from the stay order that belatedly permitted the filing of the
8 complaints, but directed counsel for the plaintiffs in the New Litigation Matters to notify each
9 defendant and the respective court of this action and the stay order and enjoining further action in
10 the new proceedings (ECF No. 57). This Court entered the requested order enforcing the stay of
11 litigation and providing further directives regarding the New Litigation Matters on June 14, 2023
12 (ECF No. 59).

13 The Receiver will continue to review and evaluate litigation matters that may impact the
14 Receivership Estate as information becomes available.

15 ***B. FUTURE LITIGATION***

16 As previously reported, the Receiver anticipates additional litigation may be necessary in
17 the future to claw-back funds and/or assets for the benefit of the Receivership Estate. It may also
18 be appropriate for the Receiver to initiate litigation against third parties. As additional information
19 is reviewed and developed and third parties identified, the Receiver will update the Court regarding
20 his findings and intended next steps.

21 ***C. PENDING MATTER***

22 As referenced above, on April 5, 2023, the Receiver filed a Motion for Distribution &
23 Procedures² which seeks approval of an interim distribution plan and procedures for disposition
24 of the estate’s interests in certain real property. The Motion for Distribution & Procedures is
25 unopposed and if approved will allow the Receiver to make distributions to certain investors based
26 on funds already collected. Additionally, the Motion for Distribution & Procedures seeks Court
27

28 ² ECF No. 48, 49.

1 approval of sale procedures that can be utilized to bring in additional proceeds into the
2 Receivership Estate. The Receiver has received a number of phone calls from investors regarding
3 moving forward in the regard and respectfully requests the Court's consideration of the same.

4 **VI. RECOMMENDATION OF THE RECEIVER (LR 66-4(b)(5))**

5 At this juncture, the Receiver is evaluating the outstanding loans and identifying the
6 investors related to these loans. The Receiver recommends that the receivership continues to
7 identify assets and claims and pursue them for the benefit of the Receivership Estate.

8 Additionally, if the Court would like an opportunity to canvass the Receiver, the Receiver
9 requests that the Court promptly set an in-person or virtual hearing under Local Rules 66-4(b)
10 and/or 66-5. *See* LR 66-4(b) and 66-5 (governing proceedings related to the activities of court-
11 appointed Receivers). The Receiver and his counsel will endeavor to make themselves available
12 for any date(s) the Court proposes on fourteen days' notice, as contemplated by Local Rules 66-
13 4(b) and 66-5, or less, as the Court may order. *See id.*

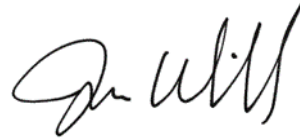
14 **VII. CONCLUSION AND REQUESTED RELIEF**

15 Assuming the Court authorizes the Receiver to undertake the actions recommended herein,
16 as well as to continue those actions provided for in the Appointment Order, any amendments
17 thereto and any subsequent orders, the Receiver proposes to submit further interim reports to this
18 Court, addressing his progress, findings, final conclusions, and additional recommendations,
19 approximately every 90 days. Accordingly, and based on the foregoing, the Receiver respectfully
20 requests that the Court set a hearing and/or enter an order:

- 21 1. Accepting this Fourth Status Report;
- 22 2. Authorizing the Receiver to continue to administer the Receivership Entities and their
23 estate in accordance with the terms of the Appointment Order;
- 24 3. Authorizing the Receiver to undertake the recommendations presented herein, including
25 a continued engagement of those professionals he deems necessary for the proper administration
26 of the Receivership Entities and their estate; and
- 27 4. Providing such other and further relief as the Court deems necessary and appropriate.

28 DATED THIS 31st day of July, 2023

1 I, Geoff Winkler, verify under penalty of perjury that the statements made in the foregoing report
2 are true and correct to the best of my knowledge.

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5
6 Geoff Winkler, Receiver

7 DATED this 31st day of July, 2023.

8 **GREENBERG TRAUIG, LLP**

9
10 By: 

11 KARA B. HENDRICKS, Bar No. 07743
12 KYLE A. EWING, Bar No. 014051
13 CHRISTIAN T. SPAULDING, Bar No.
14 14277

15 *Attorneys for Receiver Geoff Winkler*

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CERTIFICATE OF SERVICE

I hereby certify that, on the 31st day of July, 2023, a true and correct copy of the foregoing **FOURTH STATUS REPORT OF GEOFF WINKLER, RECEIVER CAPSOURCE, INC.** was filed electronically via the Court’s CM/ECF system. Notice of filing will be served on all parties by operation of the Court’s CM/ECF system, and parties may access this filing through the Court’s CM/ECF system.

/s/ Evelyn Escobar-Gaddi
An employee of GREENBERG TRAUIG, LLP

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SECURITIES & EXCHANGE COMMISSION V. CAPSOURCE, INC., STEPHEN J. BYRNE, and GREGORY P. HERLEAN

USDC CASE NO. 2:20-cv-02303-RFB-DJA

EXHIBIT	DESCRIPTION
Exhibit A	STANDARDIZED FUND ACCOUNTING REPORT
Exhibit B	EAST WEST BANK RECEIVERSHIP ACCOUNT
Exhibit C	SUMMARY CASH FLOW STATEMENT AND SUMMARY BALANCE SHEET

EXHIBIT A

EXHIBIT A

Standardized Fund Accounting Report

STANDARDIZED FUND ACCOUNTING REPORT for SEC v. CapSource Inc., Stephen J. Byrne, and Gregory P. Herlean
 Receivership; Civil Docket No. 2:20-cv-02303-RFB-DJA
 Reporting Period from 01/01/2023 to 03/31/2023

FUND ACCOUNTING (See instructions)				
		Detail	Subtotal	Grand Total
Line 1	Beginning Balance (As of 04/01/2023):	1,327,163.15		
	Increases in Fund Balance:			
Line 2	Business Income	147,999.96		
Line 3	Cash and Securities (in transit)	-		
Line 4	Interest/Dividend Income	4,345.34		
Line 5	Business Asset Liquidation	-		
Line 6	Personal Asset Liquidation	-		
Line 7	Third-Party Litigation Income	-		
Line 8	Miscellaneous - Other	-		
	Total Funds Available (Lines 1 - 8):		152,345.30	1,479,508.45
	Decreases in Fund Balance:			
Line 9	Disbursements to Investors			
Line 10	Disbursements for Receivership Operations			
Line 10a	<i>Disbursements to Receiver or Other Professionals</i>	(127,032.32)		
Line 10b	<i>Business Asset Expenses</i>	-		
Line 10c	<i>Personal Asset Expenses</i>	-		
Line 10d	<i>Investment Expenses</i>	-		
Line 10e	<i>Third-Party Litigation Expenses</i>	-		
	1. Attorney Fees	-		
	2. Litigation Expenses	-		
	Total Disbursements for Receivership Operations		(127,032.32)	
Line 10f	<i>Tax Administrator Fees and Bonds</i>		-	
Line 10g	<i>Federal and State Tax Payments</i>		-	
	Total Disbursements for Receivership Operations			(127,032.32)
Line 11	Disbursements for Distribution Expenses Paid by the Fund:			
Line 11a	<i>Distribution Plan Development Expenses:</i>			
	1. Fees:			
	Fund Administrator.....	-		
	Independent Distribution Consultant (IDC).....	-		
	Distribution Agent.....	-		
	Consultants.....	-		
	Legal Advisers.....	-		
	Tax Advisers.....	-		
	2. Administrative Expenses	-		
	3. Miscellaneous	-		
	Total Plan Development Expenses		-	
Line 11b	<i>Distribution Plan Implementation Expenses:</i>			
	1. Fees:			
	Fund Administrator.....	-		
	IDC.....	-		
	Distribution Agent.....	-		
	Consultants.....	-		
	Legal Advisers.....	-		
	Tax Advisers.....	-		
	2. Administrative Expenses	-		
	3. Investor Identification:			
	Notice/Publishing Approved Plan.....	-		
	Claimant Identification.....	-		
	Claims Processing.....	-		
	Web Site Maintenance/Call Center.....	-		
	4. Fund Administrator Bond	-		
	5. Miscellaneous	-		
	6. Federal Account for Investor Restitution (FAIR) Reporting Expenses	-		
	Total Plan Implementation Expenses		-	
	Total Disbursements for Distribution Expenses Paid by the Fund			-
Line 12	Disbursements to Court/Other:			
Line 12a	<i>Investment Expenses/Court Registry Investment System (CRIS) Fees</i>	-		
Line 12b	<i>Federal Tax Payments</i>	-		
	Total Disbursements to Court/Other:		-	
	Total Funds Disbursed (Lines 9 - 11):			(127,032.32)
Line 13	Ending Balance (As of 06/30/2023):			1,352,476.13
Line 14	Ending Balance of Fund - Net Assets:			
Line 14a	<i>Cash & Cash Equivalents</i>		1,352,476.13	
Line 14b	<i>Investments</i>		-	
Line 14c	<i>Other Assets or Uncleared Funds</i>		15,693,611.28	
	Total Ending Balance of Fund - Net Assets			17,046,087.41

STANDARDIZED FUND ACCOUNTING REPORT for SEC v. CapSource Inc., Stephen J. Byrne, and Gregory P. Herlean
 Receivership; Civil Docket No. 2:20-cv-02303-RFB-DJA
 Reporting Period from 01/01/2023 to 03/31/2023

OTHER SUPPLEMENTAL INFORMATION:		Detail	Subtotal	Grand Total
Line 15	Disbursements for Plan Administration Expenses Not Paid by the Fund:			
<i>Line 15a</i>	<i>Plan Development Expenses Not Paid by the Fund</i>			
	1. Fees:			
	Fund Administrator	-		
	IDC	-		
	Distribution Agent	-		
	Consultants	-		
	Legal Advisers	-		
	Tax Advisers	-		
	2. Administrative Expenses	-		
	3. Miscellaneous	-		
	Total Plan Development Expenses Not Paid by the Fund	-		
<i>Line 15b</i>	<i>Plan Implementation Expenses Not Paid by the Fund:</i>			
	1. Fees:			
	Fund Administrator	-		
	IDC	-		
	Distribution Agent	-		
	Consultants	-		
	Legal Advisers	-		
	Tax Advisers	-		
	2. Administrative Expenses	-		
	3. Investor Identification:	-		
	Notice/Publishing Approved Plan	-		
	Claimant Identification	-		
	Claims Processing	-		
	Web Site Maintenance/Call Center	-		
	4. Fund Administrator Bond	-		
	5. Miscellaneous	-		
	6. FAIR Reporting Expenses	-		
	Total Plan Implementation Expenses Not Paid by the Fund	-		
<i>Line 15c</i>	<i>Tax Administrator Fees & Bonds Not Paid by the Fund</i>			
	Total Disbursements for Plan Administration Expenses Not Paid by the Fund			-
Line 16	Disbursements to Court/Other Not Paid by the Fund			
<i>Line 16a</i>	<i>Investment Expenses/CRIS Fees</i>		-	
<i>Line 16b</i>	<i>Federal Tax Payments</i>		-	
	Total Disbursements to Court/Other Not Paid by the Fund:			-
Line 17	DC & State Tax Payments			-
Line 18	No. of Claims:			
<i>Line 18a</i>	<i># of Claims Received This Reporting Period</i>	-		
<i>Line 18b</i>	<i># of Claims Received Since Inception of Fund</i>	-		
Line 19	No. of Claimants/Investors:			
<i>Line 19a</i>	<i># of Claimants/Investors Paid This Reporting Period</i>	-		
<i>Line 19b</i>	<i># of Claimants/Investors Paid Since Inception of Fund</i>	-		

Receiver: **Geoff Winkler**

By: 

Geoff Winkler
 (printed name)

Chief Executive Officer
American Fiduciary Services LLC
Receiver, CapSource, Inc.

Date: July 31, 2023

EXHIBIT B

EXHIBIT B

East West Bank Receivership Account

EAST WEST BANK RECEIVERSHIP ACCOUNT (A/E 0057)
April 1, 2023 - June 30, 2023

<i>Date</i>	<i>Type</i>	<i>Amount</i>	<i>Payee</i>	<i>Description</i>
04/03/2023	Wire In	\$ 6,000.00	JACKSON AUTO GROUP LLC	Notes and Accounts Receivable
04/06/2023	Income Adjustment	\$ 43,333.32	ARC	Notes and Accounts Receivable
04/28/2023	Interest Credit	\$ 1,406.38	EastWestBank	Interest Income
05/01/2023	Wire In	\$ 6,000.00	JACKSON AUTO GROUP LLC	Notes and Accounts Receivable
05/03/2023	Income Adjustment	\$ 43,333.32	ARC	Notes and Accounts Receivable
05/31/2023	Interest Credit	\$ 1,512.25	East West Bank	Interest Income
06/01/2023	Wire In	\$ 6,000.00	JACKSON AUTO GROUP LLC	Notes and Accounts Receivable
06/15/2023	Expense Memo	\$ (88,021.20)	Geoff Winkler, Receiver	Receiver Fees
06/15/2023	Expense Memo	\$ (13,762.59)	Geoff Winkler, Receiver	Receiver Expenses
06/15/2023	Expense Memo	\$ (23,819.97)	Greenberg Traurig	Attorney for Receiver Fees
06/15/2023	Expense Memo	\$ (1,428.56)	Greenberg Traurig	Attorney for Receiver Expenses
06/16/2023	Income Adjustment	\$ 43,333.32	ARC	Notes and Accounts Receivable
06/30/2023	Interest Credit	\$ 1,426.71	East West Bank	Interest Income
	Total	\$ 25,312.98		

EXHIBIT C

EXHIBIT C

SUMMARY CASH FLOW STATEMENT AND BALANCE SHEET

**SEC v. CapSource Inc., Stephen J. Byrne,
and Gregory P. Herlean**

Summary Cash Flow Statement

June 30, 2023

<i>Cash at Beginning of Period</i>	<i>1,327,163</i>
<i>Cash Inflows</i>	
Notes and Accounts Receivable	148,000
Interest Income	4,345
<i>Total Cash Inflows</i>	<i>152,345</i>
<i>Cash Outflows</i>	
Receiver Fees	(88,021)
Receiver Expenses	(13,763)
Attorney for Receiver Fees	(23,820)
Attorney for Receiver Expenses	(1,429)
<i>Total Cash Outflows</i>	<i>(127,032)</i>
<i>Cash at End of Period</i>	<i>1,352,476</i>

**SEC v. CapSource Inc., Stephen J. Byrne,
and Gregory P. Herlean**

Summary Balance Sheet

June 30, 2023

<i>Assets</i>	
EWBK Account	1,352,476
Notes Receivable*	15,693,611
<i>Total Assets</i>	<i>17,046,087</i>
<i>Liabilities</i>	
Accrued Professional Holdbacks	92,781
Outstanding Loans	18,829,342
<i>Total Liabilities</i>	<i>18,922,123</i>
<i>Equity</i>	
Retained Earnings*	(1,876,036)
<i>Total Equity</i>	<i>(1,876,036)</i>

* Accounts are estimated values and are subject to change as more information is available and the Receiver completes his forensic accounting.