

<p>DISTRICT COURT, CITY AND COUNTY OF DENVER, COLORADO 1437 Bannock Street Denver, CO 80202</p>	<p>DATE FILED: May 21, 2020 7:13 PM FILING ID: 779DDCFAADB90 CASE NUMBER: 2019CV33770</p>
<p>TUNG CHAN, Securities Commissioner for the State of Colorado, Plaintiff, v. MARK RAY; REVA STACHNIW; CUSTOM CONSULTING & PRODUCT SERVICES, LLC; RM FARM & LIVESTOCK, LLC; MR CATTLE PRODUCTION SERVICES, LLC; SUNSHINE ENTERPRISES; UNIVERSAL HERBS, LLC; DBC LIMITED, LLC, Defendants.</p>	<p style="text-align: center;">▲ COURT USE ONLY ▲</p>
<p><i>Attorneys for Court-appointed Receiver Gary Schwartz:</i> John A. Chanin, #20749 Katherine A. Roush, #39267 FOSTER GRAHAM MILSTEIN & CALISHER, LLP 360 South Garfield Street, Suite 600 Denver, Colorado 80209 Phone: (303) 333-9810 Fax: (303) 333-9786 Email: jchanin@fostergraham.com; kroush@fostergraham.com</p>	<p>Case Number: 19CV33770 Division: 209</p>
<p style="text-align: center;">RECEIVER’S QUARTERLY REPORT</p>	

Gary Schwartz, the duly-appointed receiver (“Receiver”) for Mark Ray (“Ray”), Reva Stachniw (“Stachniw”), Custom Consulting & Product Services (“Custom Consulting”), MR Cattle Production Services (“MR Cattle”), Universal Herbs (“UH”), DBC Limited (“DBC”), RM Farm & Livestock (“RM Farm”), and Sunshine Enterprises (“Sunshine” and collectively with Ray, Stachniw, Custom Consulting, MR Cattle, UH, DBC, RM Farm, and Sunshine, “Ray and the Ray Entities”), submits this quarterly report (“Report”) concerning the status and condition of the Receivership Estate.

I. Procedural History

1. On September 30, 2019, David Cheval, then-Acting Securities Commissioner for the State of Colorado (the “Commissioner”), filed his Complaint for Injunctive and Other Relief against Ray and the Ray Entities.

2. On September 30, 2019, the Commissioner and Ray, Custom Consulting, MR Cattle, UH and DBC filed a Stipulated Motion for Appointment of Receiver, consenting to the appointment of a receiver over Ray, Custom Consulting, MR Cattle, UH and DBC pursuant to Colo. Rev. Stat. § 11-51-602(1) and C.R.C.P. 66.

3. On September 30, 2019, the Court entered a Stipulated Order Appointing Receiver (the “September 30 Order”) appointing Gary Schwartz of Betzer Call Lausten & Schwartz, LLP as receiver for Ray, Custom Consulting, MR Cattle, UH and DBC and their respective properties and assets, and interests and management rights in related affiliated and subsidiary businesses (the “Ray Estate”) September 30 Order at ¶ 3.

4. On September 30, 2019, the Securities and Exchange Commission (“SEC”) filed a Complaint against Ray and the Ray Entities and Ron Throgmartin in the United States District Court for the District of Colorado, case no. 19-cv-02789-DDD-NYW (the “Federal Case”).

5. On September 30, 2019 the SEC and Ray, Throgmartin, UH, Custom Consulting, MR Cattle, and DBC filed a stipulated request for the entry of consent orders in the Federal Case.

6. The Court in the Federal Case granted the request for entry of consent orders on October 10, 2019 (the “Ray Consent Judgments”).

7. On October 16, 2019, the SEC and Stachniw, RM Farm and Sunshine filed a second stipulated request for the entry of consent orders in the Federal Case.

8. The Court in the Federal Case granted the request for entry of consent orders on October 18, 2019 (the “Stachniw Consent Judgments”).

9. On October 30, 2019, the Commissioner and Stachniw, RM Farm and Sunshine filed a Second Stipulated Motion for Appointment of Receiver, consenting to the appointment of a receiver over Stachniw, RM Farm, and Sunshine pursuant to Colo. Rev. Stat. § 11-51-602(1) and C.R.C.P. 66.

10. On November 4, 2019, the Court entered a Stipulated Order Appointing Receiver (the “November 4 Order” and collectively with the September 30 Order, the “Receivership Orders”) appointing Gary Schwartz of Betzer Call Lausten & Schwartz, LLP as receiver for Stachniw, RM Farm, and Sunshine and RM Farm’s and Sunshine’s respective properties and assets, and interests and management rights in related affiliated and subsidiary businesses, and (the “Stachniw Estate”) and added the Stachniw Estate to the Ray Estate (collectively, the Stachniw

Estate and Ray Estate are referred to herein as the “Receivership Estate” or “Estate”). November 4 Order at ¶¶ 3, 4.

11. The Ray Consent Judgments and the Stachniw Consent Judgments both stay the Federal Case during the pendency of the above-captioned litigation.

12. This Report is submitted as required by paragraphs 9 in the Receivership Orders.

II. Receiver’s Activities

13. The Receiver has taken control of the operations and assets of Universal Herbs and is working to take control of the operations at Glencoe Ranch in Oklahoma.

14. The balance in bank accounts of entities subject to the Receivership Orders which the Receiver has been able to identify have been transferred to newly established Receivership Estate accounts, which are under the Receiver’s sole control. All income being generated by any Receivership assets is being deposited into the Receivership accounts.

15. The Receiver has retained counsel and forensic accounting experts to assist him in carrying out his duties.

16. The Receiver and his counsel have provided notice of the Receivership to all known investors and creditors of the Estate. Because the books and records currently available and in the possession of the Receiver relating to investors and creditors are incomplete and inadequate, the Receiver is continually providing notice of the Receivership to newly-identified investors and creditors of the estate as they become known to the Receiver.

17. The Receiver and/or his counsel notified the Colorado Department of Revenue and the Colorado Division of Marijuana of his appointment on October 2, 2019.

18. The Receiver and his staff are diligently working on performing a forensic accounting on the entire Estate, to establish what monies came into and went out of the Estate and the various entities. It is entirely possible that other entities and individuals involved in this scheme will be identified as the Receiver continues his analysis.

19. The Receiver and his forensic accountants are nearing the completion of the data collection phase of reconstructing the banking activity in the Ray Entity accounts. They have entered nearly 40,000 transactions and considered approximately 20,000 related check and deposited item images from thirty different accounts. To date, the Receiver has entered almost a billion dollars of funds flow through the various accounts. During this process, The Receiver has identified timeframes and accounts with apparent information gaps, and counsel for the Receiver is subpoenaing additional information to fill these gaps. the Receiver’s analysis of the investor information continues in the context of the banking information.

20. During the course of the Receiver’s work, the Receiver and the forensic accountants have also identified additional accounts that provided or received funds to/from the Ray Entity

accounts, and together with his counsel, the Receiver is working to obtain additional information through appropriate channels. Due to the complexity and breadth of the financial information, the process is necessarily iterative, and the accounting reconstruction work continues.

21. To date, counsel for the Receiver has issued over a dozen subpoenas to various entities, particularly banks. The requested records include bank statements for accounts with information gaps and for accounts the Receiver has identified as providing or receiving funds to or from the Ray Entity accounts, including individual investors. The Receiver has also requested and received permission to issue federal subpoenas from the Federal Case to banks that have relevant information but do not have a presence in Colorado. The Receiver has received account information for over two dozen bank accounts and anticipates receiving information for at least ten more. Counsel for the Receiver continues to make efforts to obtain comprehensive information but in some cases it may not be available.

22. The Receiver also continues to identify and trace assets of the estate, including real estate, high value personal property, business interests, and cattle, and to take necessary steps to preserve those assets, including by sending hold letters to entities and individuals in possession of Estate assets. Specifically, the Receiver is aware of numerous high-value show cattle in which Mark Ray owns a percentage interest, as well as potentially valuable show cattle embryos. These show cattle are located in farms around the country and the Receiver is in contact with the individuals and entities that are maintaining the show cattle in which the Estate has an interest.

23. The Receiver continues to investigate the facts of the Ponzi scheme, including by interviewing fact witnesses, and to investigate possible third-party claims designed to bring additional assets into the Estate.

24. Additionally, the Receiver keeps and maintains a full creditor matrix that he updates regularly. The Receiver continues to identify and communicate with potential creditors of the Estate as they are identified and to collect information of their claims against the Estate.

III. Assets of the Receivership Estate

A. Estate Cash

25. To date, the Receiver has identified twenty-four (24) accounts owned by Mark Ray and the Ray Entities. The Receiver continues to actively enter information related to these accounts into the transaction database and has entered approximately ten thousand transactions thus far to enable an accounting reconstruction. To date, the data entry has identified over \$500 million in funds flow through the various accounts.

26. This is an iterative process and the Receiver may need to issue additional subpoenas at a later date for additional accounts identified during the analysis. This process is ongoing, and the Receiver does not yet have an estimate as to the completion date because it is clear that relevant transactions took place directly between investors, requiring their banking records in addition to

the bank records for the Ray Entities. The completion date will depend on the timing and quality of information that has been requested but not yet provided.

27. UH had previously opened bank accounts at a financial institution in Colorado Springs, Colorado. Shortly after the appointment of the Receiver, the financial institution elected to close the UH bank accounts and opened new accounts under the direct control of the Receiver.

28. The Receiver has attempted to open and maintain other bank accounts, primarily for the operating funds related to UH. However, because UH is a marijuana operation, and despite full disclosure to the banks, the accounts that were previously opened have since been closed to any marijuana funds. Thus, the Receiver has to hold cash at the various retail locations as well as at other off-site secure locations. The Receiver continues to maintain a payroll account and a checking account for the Receivership, which has been used to pay certain bills and expenses, and to make deposits for non-marijuana transactions.

29. As of April 30, 2020, the balance in the Receivership checking account was \$67,806.71 and the payroll account had a balance of \$12,067.66. The payroll account is typically funded with amount equal to the periodic payroll, and thus is intended to operate like a zero-balance account.

30. However, there are several accounts for which the previous balances are unknown and or unsupported. The financials prepared by the previous management group are unreliable, inadequate and incomplete. Thus, the Receiver was required to start from scratch in preparing financial statements. A balance sheet and income statement since the inception of the Receivership is contained at Exhibits A and B. There are still adjustments being made to these financials based upon new information. These are based upon the most current information but are subject to change.

31. As of May 18, 2020, UH was holding cash at various locations of approximately \$188,000. All of those funds are earmarked for the immediate payment of liabilities.

B. Universal Herbs

32. UH, a marijuana dispensary and growing operation, is one of the primary assets of the Estate. UH has two retail dispensaries (“Jason St” and “Park Ave.”) and one grow facility (“39th St.”).

33. Prior to the appointment of the Receiver, on August 26, 2019, UH had entered into an Asset Purchase Agreement (“APA”) with Lifestream Holdings, LLC, a Colorado corporation (“Lifestream”). The APA included the purchase of all tangible personal property, including, but not limited to, furniture, fixtures and equipment, all marketable inventory, cannabis inventory and related products, and leasehold improvements and intangible personal property, including, but not limited to, “all licenses and permits necessary for the conduct of a retail and medical marijuana business.”, leases, tradenames, lease rights.

34. The original purchase price identified in the APA was \$5.0 million, with \$2.0 million at closing and a \$3.0 million secured promissory note with a term of 36 months and monthly payments of \$83,500. The APA was later amended several times as a result of the expiration of certain deadlines within the APA as well as other issues.

35. The potential purchaser recently asked for a revision of the APA. One of the issues that the Receiver has run into is UH's inability to get the landlord for one of the retail stores to agree to execute a lease assignment from UH to the potential purchaser. This is a requirement for the filing and ultimate approval of the Change of Ownership ("COO") application and the consummation of the sale. As a result, the most recent iteration for the APA is the immediate purchase of the grow facility and one of the retail operations, with the purchase of the second retail location to follow once the landlord agrees to assign the current lease to the new potential buyer or the new buyer finds an alternative location. Both the Receiver and the potential buyer are hoping to have this lease situation resolved as soon as possible. The deal structure is \$750,000 before or at closing, with a secured owner carry-back note of \$2.250 million bearing an interest rate of 14% and a minimum monthly payment of \$75,000. Once the lease situation is resolved, the purchase will be consummated on the remaining retail store, with the terms to be similar to those of the first note, a principal balance of \$1.0 million, an interest rate of 14%, and a minimum monthly payment of \$25,000 per month. After discussion with regulatory counsel, the Receiver believes that this bifurcated structure is the best and quickest way to get the deal closed and moving forward. When the issue with the lease assignment is resolved, the Receiver and the buyer intend to close on the second part as quickly as possible. The APA, the Management Agreement and the related documents were executed on May 21, 2020.

36. The current situation related to the COVID-19 epidemic has had a profound and material impact on the nation's entire economy, and especially the Colorado marijuana industry. Guidelines, rules and regulations have changed constantly, and the future is unknown. Limitations and constraints on the sale of both recreational and medical marijuana continue to impact UH's sales and revenues. Based on discussions with various business brokers and individuals involved in the industry, as well as his own extensive experience in the marijuana industry, the Receiver believes that this sale is the quickest and best way to get money back into the Estate. Even prior to the COVID epidemic, sales of marijuana operations have slowed considerably and prices have declined.

37. Prior to the Receiver's appointment, much of the day-to-day management of the operation was performed by individuals employed by or associated with Diego Pellicer and/or its other related entities. These entities include, but are not limited to Royal Asset Management, LLC, E2T2 LLC and Itachi Advisory Group, LLC. It is the Receiver's understanding that some of the individuals ultimately became employees of UH, while others were working as independent contractors. It is the Receiver's understanding that no formalized consulting or employment agreements were ever executed between the parties.

38. As noted above, the financial records of UH at the time the Receiver was appointed were incomplete, inadequate, and inaccurate. The revenue amounts that the Receiver is relying on for the pre-receivership period are the various regulatory and taxing authorities. Book, records and

documentation related to UH's Cost of Good Sold and operating expenses are again, inadequate, incomplete or inaccurate.

39. UH uses a system entitled METRC to monitor, track and verify the marijuana inventory in real time that it grows, purchases, and sells. The use of METRC is required by the Colorado Marijuana Enforcement Division ("MED") to be used by all MED licensed medical and recreational marijuana businesses.

40. Upon taking control of UH, the Receiver performed an inventory audit of all locations, to confirm available assets and to reconcile this information to various accounting and regulatory information.

41. The audit findings were that the information previously maintained and administered by the Diego Pellicer staff that was managing and overseeing the UH operations was materially out of balance. This situation has finally been rectified with material adjusted required to be made to the METRC data.

42. As noted above and in the Receiver's Preliminary Report, the financial records were incomplete and inadequate. At the time the Receiver took control of UH, there were a significant amount of past due and unpaid bills, totaling well over \$1.0 million. Many of these obligations were not included in the UH liability information provided by the Diego Pellicer management staff at the time of their removal.

43. In addition to vendors which are owed monies, UH continues to owe significant sums to various state and local agencies and authorities for pre-Receivership obligations. Many of these obligations relate to unpaid taxes from early to mid-2019. These include, but are not limited to, payroll taxes, sales taxes, excise taxes and related penalties and interest.

44. At the time of the Receiver's appointment, the Receiver was provided with a listing of what was represented to be the current liabilities for UH. That schedule indicated total liabilities for UH of \$1,487,701.07. As previously noted, there were numerous vendors who were either not included on the schedule or for which the amounts reported were inaccurate.

45. As of April 30, 2020, the Receiver has identified current liabilities of \$2,021,933. This amount includes confirmed vendors, of \$388,526, unconfirmed vendors and amounts of \$231,524, and disputed or claims subject to litigation of \$276,088. In addition, UH still owes the State of Colorado and the City of Denver a total of \$723,252 for unpaid sales tax, excise and other taxes. A significant portion of this obligation relates to pre-Receivership unpaid taxes, interest and penalties. The various taxing authorities and their counsel have been cooperative in working with the Receiver on deferred payments of this obligations.

46. Since that time, the Receiver has made some progress in repaying some of the critical debt obligations, including the City of Denver, the State of Colorado, Xcel Energy, and several critical suppliers. As noted in the Receiver's Preliminary Report, the "current liability" list provided by the previous management group was incomplete and/or inaccurate. As of the date

of this Report, the Receiver has estimated that the current **known** liabilities of UH are still approximately \$1.9 million.

C. Assets held by Express Ranches (“ER”)

47. The Receiver and his counsel have had several conversations with counsel for Express Ranches, a cattle ranching operation that is holding and maintaining cattle in which the Estate has an interest. Express Ranches has provided certain reports that indicate that, as of October 22, 2019, Ray and his related entities currently own some percentage ownership in 900 animals. Other owners in these animals include ER and Mr. Joe Porter (“JPorter”). No values were included on this report.

48. Since his appointment in September 2019, the Receiver has collected approximately \$140,000 in net proceeds from regularly scheduled cattle auctions conducted by Express Ranches. These funds were deposited into the Receivership account to pay expenses related to UH.

49. The Receiver understands that additional proceeds from cattle auctions are forthcoming upon collection of those funds from purchasers of the cattle. Once these funds are collected, the Receiver will take possession of these funds and deposit them into a Receivership bank account.

50. As noted below, there is pending litigation or other claims involving the Defendants, some of which involves cattle currently maintained at ER.

D. The Glencoe Ranch

51. Per the Second Stipulated Motion for Appointment of Receiver, filed on November 4, 2019, the Court confirmed the fact that the Receivership estate included “...the real property, equipment, supplies or inventory located at 12700 E. Lone Chimney Rd., Glencoe, OK.” It is the Receiver’s understanding that the property is in the name of and/or under the control of Ms. Stachniw.

52. The Receiver has requested information related to the operation of this asset and is in the process of securing this asset.

E. Pending Litigation against Ray and the Ray Entities

53. Before the Receiver was appointed, various lawsuits were pending against Ray and the Ray Entities. The following table summarizes that litigation.

PENDING LITIGATION AGAINST RAY AND RAY ENTITIES

Case Caption	Court	Case Number	Date Commenced	Nature of Suit	Status
<i>John Landry v. Mark Ray, individually, and Custom Consulting and Product Services, LLC</i>	United States District Court for the Southern District of Mississippi	1:19-CV-556 LG-RHW	9/4/2019	Breach of contract	Dismissed for lack of subject matter jurisdiction on 9/26/2019
<i>Youngdon Yun v. Mark David Ray, Custom Consulting and Product Services, LLC and MR Cattle Production Services, LLC</i>	Denver District Court	2019CV3 2728	7/16/2019	Breach of contract	Case stayed pursuant to Receivership Orders
<i>Henderson State Bank v. Universal Herbs, LLC</i>	United States District Court for the District of Nebraska	19-cv-03070	7/10/2019	Fraud	Case stayed pursuant to Order dated January 8, 2020
<i>Helen Squire v. Mark D. Ray, Universal Herbs, LLC and Custom Consulting and Product Services, LLC</i>	Denver District Court	2019CV0 32167	6/3/2019	Breach of contract, fraud	Dismissed without prejudice on 9/19/2019
<i>Beacon Integrated Technologies, Inc. and Secure Shield</i>	Denver District Court	2019CV3 2882	8/14/2019	Breach of contract, theft,	Stayed and administratively closed pursuant

<i>Enforcement Solutions v. Universal Herbs, LLC, Mark Ray, Elite Security Services, LLC and E2T2, LLC</i>					to Receivership Orders as of 10/17/2019
<i>Clark v. Ray and Custom Consulting and Product Services, LLC</i>	Denver District Court	2019CV033554	9/12/2019	Breach of contract, theft	Notice of stay filed 11/10/2019

54. In addition to the foregoing litigation, The Receiver has resolved a pending EEOC investigation, *Uriah Dydell v. Universal Herbs, LLC*, EEOC Charge No. 32A-2019-00477, CCRD Charge No. FE2019901018, via a conciliation agreement. Per that agreement, the complainant agreed to waive, release and covenant not to sue UH. UH in turn agreed to a priority \$10,000 payment to the complainant, to post Colorado Anti-Discrimination posters in its facilities, and to a review of its EEO policies. Two other EEOC investigations are apparently pending (*Isaiah Coleman v. Universal Herbs, LLC*, EEOC Charge No. 32A-2019-00495, CCRD Charge No. FE2019584874; and *Alexander Caldwell v. Universal Herbs, LLC*, EEOC Charge No. 32A-2019-00443, CCRD Charge No. FE2019244319) but the Receiver has not received any information of the status of those investigations after notifying the various investigators of the Receivership.

F. Miscellaneous Other Assets

55. Books and Records.

The Receiver has requested all books and records for all of the Ray entities. These books and records have been maintained by various individuals and entities. The books and records for UH were apparently maintained by various individuals related to the Diego entities.

56. Litigation Claims.

The Receiver is identifying and investigating potential litigation claims against various parties. these potential claims may allow the Receiver to recover asserts transferred before and after the Receivership Orders were entered. At this time, the Receiver cannot provide any reasonable estimate of the value, if any, of these claims.

IV. Summary of the Estate’s Liabilities

57. The full extent of the Estate’s liabilities is presently unknown. TheReceiver summarized UH’s known liabilities above, and continues to identify investors and creditors of the Estate.

58. In addition, the Estate has incurred obligations to counsel and experts to assist in recovering the Estate's assets as follows:

Obligee	Amount of Obligation:	Basis of Obligation:
Betzer, Lausten Call & Schwartz, LLP	\$290,257	Receiver and Accounting Fees
Gary Schwartz, Receiver	\$117,379	Receiver's fees
Foster Graham Milstein & Calisher, LLP	\$203,032.10	Legal Fees

The Receiver's fees noted above includes monies paid to various consultants assisting with the administration and operation of UH. In addition, the Receiver has paid certain expenses and obligations of UH through the extension of a loan to the Estate. These represent critical expenses that were time sensitive. This loan will be repaid as funds become available.

59. The Receiver continues to investigate the assets and liabilities of the Estate and will file additional quarterly periodic reports as contemplated by the Receivership Orders.

60. The Receiver plans to seek Court approval in the next quarter to begin liquidating Estate assets, including show cattle interests, real estate interests, and business interests, including Universal Herbs. The Receiver also plans to seek Court approval in the next quarter for a claims administration and distribution process.

DATED this 21st day of May, 2020.

FOSTER GRAHAM MILSTEIN & CALISHER, LLP

By: /s/ John A. Chanin
 John A. Chanin, #20749
 Katherine A. Roush, #39267

Attorneys for Court-appointed Receiver Gary Schwartz

Balance Sheet

As of April 30, 2020

Apr 30, 20

ASSETS

Current Assets

Checking/Savings

Cash Accounts

Jason Street Cash	53,269
Park Ave Cash	19,324
Grow Cash (39th Avenue)	4,797

Total Cash Accounts 77,390

Bank Accounts

BBVA Checking	18,461
BBVA Payroll Checking	34,201

Total Bank Accounts 52,662

Cash - Prior 3,214,304

Total Checking/Savings 3,344,356

Other Current Assets

Other Cash

Petty Cash	1,000
Registers	2,200

Total Other Cash 3,200

Other Current Assets

Payroll Advance/Asset	1,820
Loan Receivable - B.Mellenthin	17,745

Total Other Current Assets 19,565

Total Other Current Assets 22,765

Total Current Assets 3,367,121

Fixed Assets

Leasehold Improvements

5959 E 39th Avenue 3,530

Total Leasehold Improvements 3,530

Total Fixed Assets 3,530

TOTAL ASSETS 3,370,651

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Balance Sheet

As of April 30, 2020

Apr 30, 20

LIABILITIES & EQUITY**Liabilities****Current Liabilities****Accounts Payable**

Accounts Payable 112,255

Total Accounts Payable 112,255**Other Current Liabilities**

Gift Cards Payable 866

Payroll Liabilities

Denver OPT -1,060

Fed WH/FICA/Medicare 250,555

Federal Unemployment 2,477

CO Unemployment 22,378

CO Withholdings 23,737

OPT Reimbursement 6

Total Payroll Liabilities 298,093**Short-term Loans Payable****Loan - G. Schwartz**

Infusion 100,000

Credit Card Activities 88,650

Cash Activities -54,571

Total Loan - G. Schwartz 134,079

Royal Asset Management, LLC 48,853

Total Short-term Loans Payable 182,932**Taxes Payable**

CDOR Sales Tax Payable 366,237

CDOR Excise Tax Payable 171,506

Denver Sales Tax Payable 128,709

Total Taxes Payable 666,452**Total Other Current Liabilities** 1,148,343**Total Current Liabilities** 1,260,598**Long Term Liabilities****Loans**

Helen Squires 231,000

Joseph Porter 150,000

MCJB Enterprises, LLC 200,000

Monte Lowderman 40,000

Reva Stachniw 4,295,325

Youngdon Yun 476,000

Total Loans 5,392,325**Total Long Term Liabilities** 5,392,325**Total Liabilities** 6,652,923

Balance Sheet

As of April 30, 2020

Apr 30, 20

Equity	
Members Draw	
Mark Ray	-40,500
Total Members Draw	-40,500
Retained Earnings	-3,036,751
Net Income	-205,019
Total Equity	-3,282,270
TOTAL LIABILITIES & EQUITY	3,370,653

Universal Herbs, LLC
Profit & Loss
 October 2019 through April 2020

	<u>Oct 19</u>	<u>Nov 19</u>	<u>Dec 19</u>	<u>Jan 20</u>	<u>Feb 20</u>	<u>Mar 20</u>	<u>Apr 20</u>	<u>TOTAL</u>
Ordinary Income/Expense								
Income								
Retail Store Sales	186,374	164,768	174,667	177,246	209,188	256,313	281,134	1,449,690
Grow Wholesales	22,197	0	2,000	16,033	20,468	71,577	40,250	172,525
Total Income	<u>208,571</u>	<u>164,768</u>	<u>176,667</u>	<u>193,279</u>	<u>229,656</u>	<u>327,890</u>	<u>321,384</u>	<u>1,622,215</u>
Cost of Goods Sold								
Grow Operating Expenses	176,433	193,300	172,529	195,075	223,943	232,456	236,891	1,430,627
Retail Inventory Purchases	7,875	30,832	459	10,997	9,865	38,806	26,606	125,440
Total COGS	<u>184,308</u>	<u>224,132</u>	<u>172,988</u>	<u>206,072</u>	<u>233,808</u>	<u>271,262</u>	<u>263,497</u>	<u>1,556,067</u>
Gross Profit	<u>24,263</u>	<u>-59,364</u>	<u>3,679</u>	<u>-12,793</u>	<u>-4,152</u>	<u>56,628</u>	<u>57,887</u>	<u>66,148</u>
Expense								
SG&A - Retail	92,894	118,214	82,678	66,083	73,928	44,793	68,308	546,898
SG&A - Corporate	9,935	34,539	13,426	8,432	10,185	15,902	12,950	105,369
Uncategorized Expenses	45,011	-49,848	35,330	-45	0	0	744	31,192
Total Expense	<u>147,840</u>	<u>102,905</u>	<u>131,434</u>	<u>74,470</u>	<u>84,113</u>	<u>60,695</u>	<u>82,002</u>	<u>683,459</u>
Net Ordinary Income	<u>-123,577</u>	<u>-162,269</u>	<u>-127,755</u>	<u>-87,263</u>	<u>-88,265</u>	<u>-4,067</u>	<u>-24,115</u>	<u>-617,311</u>
Other Income/Expense								
Other Income								
ATM Income	805	0	651	538	442	557	639	3,632
Interest Income	0	0	1	30	3	0	0	34
Total Other Income	<u>805</u>	<u>0</u>	<u>652</u>	<u>568</u>	<u>445</u>	<u>557</u>	<u>639</u>	<u>3,666</u>
Other Expense								
Bank Service Charges	9	229	410	53	644	328	105	1,778
Cash Over and Short	41	-783	-3,972	438	1,185	26	741	-2,324
Penalties & Interest Expense	2,962	0	0	0	0	0	0	2,962
Total Other Expense	<u>3,012</u>	<u>-554</u>	<u>-3,562</u>	<u>491</u>	<u>1,829</u>	<u>354</u>	<u>846</u>	<u>2,416</u>
Net Other Income	<u>-2,207</u>	<u>554</u>	<u>4,214</u>	<u>77</u>	<u>-1,384</u>	<u>203</u>	<u>-207</u>	<u>1,250</u>
Net Income	<u><u>-125,784</u></u>	<u><u>-161,715</u></u>	<u><u>-123,541</u></u>	<u><u>-87,186</u></u>	<u><u>-89,649</u></u>	<u><u>-3,864</u></u>	<u><u>-24,322</u></u>	<u><u>-616,061</u></u>

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