

Stephanie Studebaker

From: Stephanie Studebaker
Sent: Sunday, March 08, 2009 12:25 AM
To: Kevin Padrick
Cc:

Subject: RE: Why haven't you approved the Boulder Colorado Offer?

Kevin,

I just reviewed the email you received from Bob Vanden Bos. The facts of the matter are as follows...

1. Terry Vance accepted a listing price of \$530K – This offer with full commissions to the realtor is only \$3K less than the offer being presented to you (\$500K less only 1% commission). The realtor it was being listed with gave a listing price range to Mark and Terry of 510K-530K. Terry Vance and the realtor are two completely unrelated people agreeing to a value on a residential home in a market like this. You told us that you would be reasonable, fair and that your company is knowledgeable with property transactions. By rejecting an offer in an economy like this due to a 3K difference demonstrates that you are not reasonable, fair and knowledgeable with property transactions as you have boasted about yourself.
2. The “not completely independent party” you are referring to are the parents of a track teammate of my brother, Kenyon. This is a sell by word of mouth (reason why commissions are only 1%). These parents of the track teammate are completely unknown to both Kenyon and my dad. I would really like to know why you think these buyers are not independent.
3. You were given heads up on this more than 24 hours. In today’s economy, buyers don’t have to give long offer times. They are really in the driving seat and they have lots of inventory to choose from. If you are going to reject offers that cover the debt and are within 10% of an accepted listing price, we simply will not be able to pay back the creditors like we would like to.

I have time and time again given you the benefit of the doubt. I thought you might be the right person for this job and gave my blessing to the US Trustee. The reason the principals and I gave you our blessing was that you looked us in the eye and told us you were reasonable, fair, and knowledgeable, but your actions say quite the opposite. I even thought your answer below was good, except nothing you said below is accurate. You say one day you care more than anybody else in mitigating the costs, but the next day you let an offer go because of a \$3K discrepancy in an economy where the government is doling out billions in an attempt to save an economic time that is unprecedented in our history. People are selling stocks at huge losses to get their cash out of the market and put it under their mattress. They are foreclosing and short selling because there is no financing, no jobs, and no money. There is not one work day that goes by where I don’t hear the word “survive”. The majority of people are just trying to figure out how to “survive” both the immediate future and the unknown duration of our country’s financial crisis.

The principals have wanted to pay the creditors since December 2008 and you know this because they hired you to do the work. You gave them your sales pitch and then disappeared. You said your reason for disappearing was not that you were trying to go behind their backs to get the job. You said you were being stopped by the attorney’s. So we thought if you had control you would be able to get things moving. Since you have been Trustee, I have not seen a single \$1 go to the creditors. Terry Vance would have already gotten some money by now if he would have been chosen as trustee. He had earned trust and respect from us because he showed us actions that demonstrate knowledge, reasonableness, and fairness. He isn’t as showy and well spoken as you, but you could trust what he said he was going to do would be what he was going to do. The only thing stopping him was the attorney’s. He wasn’t just saying this, it was actually true.

Last week, you expected the principals to sign your trust agreement with less than 24 hours notice. Instead of sending them a marked up version of the trust agreement so they could see what changes you made, they got a version that had to be compared side by side to the version their attorneys gave to you. It has been my experience that attorneys who do this trick are trying to get away with something. Even though you did not give them an adequate product to look at or adequate time to review the agreements, the 4 principals and their 4

attorney's were able to come to an agreement on part of your agreements with adjustments in time for the hearing in an attempt to get things moving. 8 people were able to come to a positive result in a short time, yet you can't figure out that this is a very decent offer with days of advance knowledge on this property's listing. The principals have been beating their heads against the wall to get reverse exchange properties back to the owners, distributions of the cash in Summit to the exchangers, giving you all the information in their files and by providing the start of your spreadsheet used for your presentation, taking Ewan to see the properties, and they want to sell their own assets to help pay the exchangers, but everywhere they turn the door is slammed in their faces. The progress we have made was only made because the principals are working very hard to accomplish their goal which it to pay back the exchangers.

Your spreadsheet notes present untrue information as well.

1. You have this property labeled as Mark Neuman's second home. He has never even used this house once for his personal use. This has always been a rental owned 50% by my dad and rental/residence owned 50% by my brother. Kenyon resides there and rents the rooms out to other college students.
2. You added the 4 principals' principal residences as assets as if they had withheld this information from you. They weren't aware that you needed the information on their personal residences at that time. Anybody could get this information. It is in the phone book and on public record. However, your notes in the spreadsheet say "No file. Property not on original schedule provided by Summit Principals that has been added as a result of Obsidian's diligence process". I can look this information up on the internet within minutes, but you say this was only obtained as a result of "Obsidian's diligence process". If you had such a good due diligence process, then you would already know that this offer is as reasonable as you are going to get. Your sales pitch seems to be just that – a sales pitch. Words don't impress me. Actions do. Your actions or lack there of are quite different from your words. Do we have to take everything to the judge to get approved? We can certainly provide all the necessary information due to our due diligence that will support why an offer like this should be accepted.

Sincerely,
Stephanie Studebaker

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From: Kevin Padrick [mailto:kpadrack@obsidianfinance.com]
Sent: Saturday, March 07, 2009 9:28 PM
To: Stephanie Studebaker
Cc: Mark Neuman; Ewan Rose; leon.simson@tonkon.com; JThomas@perkinscoie.com
Subject: RE: Why haven't you approved the Boulder Colorado Offer?

Stephanie, I have a fiduciary obligation to review the transaction. I was not presented with the actual offer until yesterday and then given less than 24 hours to review. The offer appears to be below market and the buyer is not completely independent. Those two factors and the limited time to consider have caused me to decide that I cannot recommend taking this offer. If the buyer is willing to extend their offer, we will look at this further. Thank you,

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From: Stephanie Studebaker [mailto:stephanie@tylerstudebaker.com]
Sent: Saturday, March 07, 2009 5:16 PM
To: Kevin Padrick
Cc:
Subject: Why haven't you approved the Boulder Colorado Offer?

There is a time limit on the offer. I believe the offer ends today. These buyers have plenty of other choices. It is not that easy to sell residential properties in this market. This is also not helping to mitigate costs.

Stephanie Studebaker, CPA

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