

June 5, 2019

RE: TBH Series 4370, LLC

Dear Investor,

We are writing to provide an update on your investment in the above-referenced property. As you may recall from our previous communications, Ignite Funding, as Asset Manager, took ownership of this property on behalf of the investors at the foreclosure sale in January 2019. At that time, it was discovered that the borrower may have misappropriated some of the funds received at the original loan closing which resulted in an impairment of value to this property.

The investor majority (51% of the loan balance) voted to proceed with a deficiency claim and fraud lawsuit against Tailor Built Homes and the owners of the company. In April 2019, the claim and lawsuit were filed in Utah. Tailor Built Homes and one of the three owners **have not filed** for bankruptcy protection as of May 31, 2019, which is the last day to respond to the pleading. The remaining two owners **have filed** for bankruptcy protection and our attorney has filed an objection to the discharge of bankruptcy and the court granted an extension to file a complaint until July 12<sup>th</sup> for one owner and July 29<sup>th</sup> for the other owner.

The scenario above splits the court proceedings into state and federal court oversight, and as such requires Ignite Funding investors to be represented by a state and federal attorney given the unique circumstances surrounding the variances of state and federal law as we proceed in obtaining a judgement from Tailor Built Homes and its owners.

Ignite Funding has provided the attorneys with all support documentation to the deficiency claim and fraud allegations, which will be reviewed as they prepare their complaint to the courts. In addition, the attorneys will be conducting a Rule 2004 Examination for each owner of the company prior to the extension deadlines above. The following link defines the Rule 2004 Examination:

<https://www.federalrulesofbankruptcyprocedure.org/part-ii/rule-2004/>

As additional information is made available or any actions are taken in this matter, Ignite Funding will keep investors informed through additional correspondence.

Sincerely,

**Ignite Funding**