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## Message

**From:** J. Kyle Bass [k@haymancapital.com]  
**Sent:** 12/30/2015 2:35:38 AM  
**To:** Parker Lewis [PL@haymancapital.com]  
**CC:** Chris Kirkpatrick [CK@haymancapital.com]; Andy Jent [aj@haymancapital.com]; Charles Fitzgerald [cf@V3capgmt.com]  
**Subject:** Re: Another UDF IV Lawsuit  
**Attachments:** image001.jpg

Amazing. This is exactly what Mehrdad says about his dealings with UDF.

J. Kyle Bass  
Chief Investment Officer  
Hayman Capital Management

On Dec 29, 2015, at 2:07 PM, Parker Lewis <PL@haymancapital.com<mailto:PL@haymancapital.com>> wrote:

Kyle - see attached; but important takeaways are included below.

This lawsuit, filed by a third-party development firm contracted by UDF, is alleging that UDF is running a shell game to get around the limitation of not being able to develop land in the REIT structure, consistent with what Moayedhi is saying. This is from a legitimate, independent 3rd party development firm. The entity in question is an entity called "349 Memorial"; UDF IV has a loan issued to and owed from "349 Memorial." It is not a big loan but that is not the point.

The signer in the deeds for 349 Memorial is a guy named David Goduti. This individual has appeared in 3 different transactions in Dallas as well, involving three different third parties. In each instance in Dallas, the third-party sellers (who are selling land to entities for which David Goduti is signing) all believe from a practical perspective that they are selling land to UDF and/or Scott Felder homes which is owned 50% by Greenlaw/Etter and 25% by a former UDF IV director. We learned this information regarding the perspective of the sellers from contacts who know the sellers, in each separate instance.

The three different entities that have bought land around Dallas with Goduti as signer are:  
Frisco 39, LLC  
Prosper 236, LLC  
Plano 12, LLC

Frisco 39 and Prosper 236 have loans from UDF V (Prosper 236 originally had a loan from UDF IV prior to the loan from UDF V). Plano 12, LLC was financed by a seller's note which was supposed to be repaid earlier this month but the payment does not appear to have been made (possibly because of a lack of liquidity - payment was due after our release). As mentioned previously, 349 Memorial also has a loan from UDF IV.

In each instance where there is a UDF loan (either from UDF IV or UDF V), the loans are classified as "non-related party". This lawsuit alleges 349 Memorial is a shell that UDF uses to "get around the limitation" of the REIT structure. The plaintiff's detail that they have never met anyone from the shell entity and the representatives of the 'spin-off' entities "don't even know where the property is", which is allegedly according to UDF's principals. If 349 Memorial is a shell for which Goduti is signing, and Goduti and UDF are one in the same, then the other entities for which Goduti signs likely are as well.