

"CAREIC"

DEBTOR: Castle Arch Real Estate Investment Company, LLC. **MONTHLY OPERATING REPORT**

CHAPTER 11

CASE NUMBER: 11-35082

**Form 2-A  
COVER SHEET**

For Period Ending 1/31/2013

Accounting Method:  Accrual Basis  Cash Basis

**THIS REPORT IS DUE 14 DAYS AFTER THE END OF THE MONTH**

Mark One Box for Each  
Required Document:

Debtor must attach each of the following reports/documents unless the U. S. Trustee  
has waived the requirement in writing. File the original with the Clerk of Court.  
Submit a duplicate, with original signature, to the U. S. Trustee.

Report/Document Attached	Previously Waived	REQUIRED REPORTS/DOCUMENTS
<input checked="" type="checkbox"/>	<input type="checkbox"/>	1. Cash Receipts and Disbursements Statement (Form 2-B)
<input checked="" type="checkbox"/>	<input type="checkbox"/>	2. Balance Sheet (Form 2-C)
<input checked="" type="checkbox"/>	<input type="checkbox"/>	3. Profit and Loss Statement (Form 2-D)
<input checked="" type="checkbox"/>	<input type="checkbox"/>	4. Supporting Schedules (Form 2-E)
<input checked="" type="checkbox"/>	<input type="checkbox"/>	5. Quarterly Fee Summary (Form 2-F)
<input checked="" type="checkbox"/>	<input type="checkbox"/>	6. Narrative (Form 2-G)
<input checked="" type="checkbox"/>	<input type="checkbox"/>	7. Bank Statements for All Bank Accounts IMPORTANT: Redact account numbers and remove check images
<input checked="" type="checkbox"/>	<input type="checkbox"/>	8. Bank Statement Reconciliations for all Bank Accounts

**I declare under penalty of perjury that the following Monthly Operating Report, and any  
attachments thereto are true, accurate and correct to the best of my knowledge and belief.**

Executed on: 3/6/13 Print Name: D. Ray Strong

Signature: 

Title: Chapter 11 Trustee

**DEBTOR:** Castle Arch Real Estate Investment Company, LLC.      **CASE NO:** 11-35082

**Form 2-B**  
**CASH RECEIPTS AND DISBURSEMENTS STATEMENT**  
For Period: 1/1/13 to 1/31/13

<b>CASH FLOW SUMMARY</b>	<u>Current Month</u>	<u>Accumulated</u>
<b>1. Beginning Cash Balance</b>	\$ <u>128,918.72</u> (1)	\$ <u>250,496.48</u> (1)
<b>2. Cash Receipts</b>		
Operations	34,402.27	337,468.45
Sale of Assets	-	500.00
Loans/advances	-	-
Other	-	1,172.98
<b>Total Cash Receipts</b>	<b>\$ <u>34,402.27</u></b>	<b>\$ <u>339,141.43</u></b>
<b>3. Cash Disbursements</b>		
Operations	2,578.60	423,194.41
Debt Service/Secured loan payment	-	-
Professional fees/U.S. Trustee fees	-	2,603.11
Other	-	3,098.00
<b>Total Cash Disbursements</b>	<b>\$ <u>2,578.60</u></b>	<b>\$ <u>428,895.52</u></b>
<b>4. Net Cash Flow (Total Cash Receipts less     Total Cash Disbursements)</b>	<b><u>31,823.67</u></b>	<b><u>(89,754.09)</u></b>
<b>5 Ending Cash Balance (to Form 2-C)</b>	<b>\$ <u>160,742.39</u> (2)</b>	<b>\$ <u>160,742.39</u> (2)</b>

<b>CASH BALANCE SUMMARY</b>	<u>Financial Institution</u>	<u>Book Balance</u>
Petty Cash	_____	\$ -
DIP Operating Account	<u>Zions Bank *****4950 (Closed)</u>	-
Trustee Operating Account	<u>Preferred Bank ***3333</u>	160,742.39
Trustee Payroll Account	<u>Preferred Bank ***4658</u>	-
Other Operating Account	_____	-
Other Interest-bearing Account	_____	-
<b>TOTAL (must agree with Ending Cash Balance above)</b>		<b>\$ <u>160,742.39</u> (2)</b>

**(1) Accumulated beginning cash balance is the cash available at the commencement of the case.**

**Current month beginning cash balance should equal the previous month's ending balance.**

**(2) All cash balances should be the same.**

**Note: Cash Receipts and Disbursements are net of account transfers.**

DEBTOR: Castle Arch Real Estate Investment Company, LLC.

CASE NO: 11-35082

**Form 2-B  
CASH RECEIPTS AND DISBURSEMENTS STATEMENT**

For Period: 1/1/13 to 1/31/13

**CASH RECEIPTS DETAIL**  
*(attach additional sheets as necessary)*

Account No: Preferred Bank-\*\*\*3333

Date	Payer	Description	Amount
			\$
01/17/13	CAS	December Management Fee	7,000.00
01/17/13	CAOPI	December Management Fee	13,000.00
01/17/13	CAOPII	December Management Fee	13,000.00
01/07/13	Judge Building LLC	Refund of Deposit	1,302.27
01/18/13	Division of Water Rights	Refund of Water Rights Fees	100.00

**CASH RECEIPTS DETAIL**  
*(attach additional sheets as necessary)*

Account No: Preferred Bank-PR-\*\*\*4658

Date	Payer	Description	Amount
			\$

**Total Cash Receipts**      \$ 34,402.27 (1)

(1) Total for all accounts should agree with total cash receipts listed on Form 2-B, page 1

DEBTOR: Castle Arch Real Estate Investment Company, LLC.

CASE NO: 11-35082

**Form 2-B**  
**CASH RECEIPTS AND DISBURSEMENTS STATEMENT**

For Period: 1/1/13 to 1/31/13

**CASH DISBURSEMENTS DETAIL** Account No: Preferred Bank-\*\*\*3333  
*(attach additional sheets as necessary)*

Date	Check No.	Payee	Description (Purpose)	Amount
01/17/13	354	Travelers	Insurance	1,618.00
01/17/13	357	Strong Connexions	Website Maintenance	150.00
01/22/13	356	Paychex	Payroll Management Fee	118.60
1/22/2013	EFT	Paychex	Payroll Taxes	42.00
01/29/2013	358	US Trustee	4th Qtr 2012 Trustee Fees	650.00

**CASH DISBURSEMENTS DETAIL** Account No: Preferred Bank-PR-\*\*\*4658  
*(attach additional sheets as necessary)*

Date	Check No.	Payee	Description (Purpose)	Amount
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**Total Cash Disbursements** \$ 2,578.60 (1)

(1) Total for all accounts should agree with total cash disbursements listed on Form 2-B, page 1

DEBTOR: Castle Arch Real Estate Investment Company, LLC.

CASE NO:

11-35082

**Form 2-C**  
**COMPARATIVE BALANCE SHEET**

For Period Ended: 1/31/2013

<b>ASSETS</b>	Current Month (1)	Petition Date (2)
<b>Current Assets:</b>		
Cash (from Form 2-B, line 5)	\$ 160,742.39	\$ 250,496.48
Accounts Receivable (from Form 2-E)	364,824.64	800.00
Receivable from Officers, Employees, Affiliates	-	-
Inventory	-	-
Other Current Assets (List):		
<u>Pre-Paid Legal</u>	312,500.00	257,500.00
<u>I/C Post Trustee-CAK Receivable</u>	476.13	-
<u>Notes Receivable</u>	424,347.95	442,497.95
<b>Total Current Assets</b>	<b>\$ <u>1,262,891.11</u></b>	<b>\$ <u>951,294.43</u></b>
<b>Fixed Assets:</b>		
Land	\$ -	\$ -
Building	-	-
Equipment, Furniture and Fixtures	-	16,381.24
<b>Total Fixed Assets</b>	<b><u>-</u></b>	<b><u>16,381.24</u></b>
Less: Accumulated Depreciation	( - )	( 6,262.88 )
<b>Net Fixed Assets</b>	<b>\$ <u>-</u></b>	<b>\$ <u>10,118.36</u></b>
Other Assets (List):		
<u>Star Valley Property</u>	400,000.00	401,730.95
<u>Land Deposits CAK, CAS</u>	12,000.00	13,500.00
<b>TOTAL ASSETS</b>	<b>\$ <u>1,674,891.11</u></b>	<b>\$ <u>1,376,643.74</u></b>
<b>LIABILITIES</b>		
Post-petition Accounts Payable (from Form 2-E)	\$ 12,582.75	\$ -
Post-petition Accrued Professional Fees (from Form 2-E)	1,508,795.71	-
Post-petition Taxes Payable (from Form 2-E)	-	-
Post-petition Notes Payable	-	-
Other Post-petition Payable(List):		
<u>Note Interest Payable</u>	47,608.77	-
<u>Accrued Payroll</u>	137,048.56	-
<u>Preferred Dividends Payable</u>	3,073,928.27	-
<b>Total Post Petition Liabilities</b>	<b>\$ <u>4,779,964.06</u></b>	<b>\$ <u>-</u></b>
<b>Pre Petition Liabilities:</b>		
Secured Debt	343,380.71	343,380.71
Priority Debt	-	-
Unsecured Debt	9,818,613.87	9,829,378.69
<b>Total Pre Petition Liabilities</b>	<b>\$ <u>10,161,994.58</u></b>	<b>\$ <u>10,172,759.40</u></b>
<b>TOTAL LIABILITIES</b>	<b>\$ <u>14,941,958.64</u></b>	<b>\$ <u>10,172,759.40</u></b>
<b>OWNERS' EQUITY</b>		
Owner's/Stockholder's Equity	\$ 26,439,379.74	\$ 29,513,308.01
Retained Earnings - Prepetition	(38,309,423.67)	(38,309,423.67)
Retained Earnings - Post-petition	(1,397,023.60)	-
<b>TOTAL OWNERS' EQUITY</b>	<b>\$ <u>(13,267,067.53)</u></b>	<b>\$ <u>(8,796,115.66)</u></b>
<b>TOTAL LIABILITIES AND OWNERS' EQUITY</b>	<b>\$ <u>1,674,891.11</u></b>	<b>\$ <u>1,376,643.74</u></b>

(1) The Trustee has not conducted an detailed analysis of the historical accounting balances contained herein to determine the accuracy of the information presented.

(2) Petition date values are taken from the Debtor's balance sheet as of the petition date or are the values listed on the Debtor's schedules.

Page 1 of 1

Rev. 12/10/2009

DEBTOR: Castle Arch Real Estate Investment Company, LLC.CASE NO: 11-35082

**Form 2-D**  
**PROFIT AND LOSS STATEMENT**  
For Period 1/1/2013 to 1/31/2013

	<u>Current Month (1)</u>	<u>Accumulated Total (2)</u>
Gross Operating Revenue	\$ 46,000.00	\$ 638,601.64
Less: Discounts, Returns and Allowances	( - )	( - )
<b>Net Operating Revenue</b>	<b>\$ 46,000.00</b>	<b>\$ 638,601.64</b>
Cost of Goods Sold	-	1,730.95
<b>Gross Profit</b>	<b>\$ 46,000.00</b>	<b>\$ 636,870.69</b>
Operating Expenses		
Officer Compensation	\$ -	\$ 326,311.56
Selling, General and Administrative	1,736.60	192,666.48
Rents and Leases	197.73	10,687.72
Depreciation, Depletion and Amortization		4,914.42
Other (list):		
<u>Payroll Taxes</u>	42.00	192.00
<u>Licenses and Permits</u>	(100.00)	100.00
<b>Total Operating Expenses</b>	<b>\$ 1,876.33</b>	<b>\$ 534,872.18</b>
<b>Operating Income (Loss)</b>	<b>\$ 44,123.67</b>	<b>\$ 101,998.51</b>
Non-Operating Income and Expenses		
Other Non-Operating Expenses	\$ -	\$ (300.00)
Gains (Losses) on Sale of Assets	-	(3,523.94)
Interest Income	1.59	30,608.72
Interest Expense	-	-
Other Non-Operating Income	-	1,191.93
<b>Net Non-Operating Income or (Expenses)</b>	<b>\$ 1.59</b>	<b>\$ 27,976.71</b>
Reorganization Expenses		
Legal and Professional Fees	\$ 199,154.39	\$ 1,513,798.82
Other Reorganization Expense (Chapter 11 Trustee Bond)	650.00	13,200.00
<b>Total Reorganization Expenses</b>	<b>\$ 199,804.39</b>	<b>\$ 1,526,998.82</b>
<b>Net Income (Loss) Before Income Taxes</b>	<b>\$ (155,679.13)</b>	<b>\$ (1,397,023.60)</b>
Federal and State Income Tax Expense (Benefit)	-	-
<b>NET INCOME (LOSS)</b>	<b>\$ (155,679.13)</b>	<b>\$ (1,397,023.60)</b>

(1) The Trustee has not conducted an detailed analysis of the historical accounting balances contained herein to determine the accuracy of the information presented.

(2) Accumulated Totals include all revenue and expenses since the petition date.

DEBTOR: Castle Arch Real Estate Investment Company, LLC.

CASE NO: 11-35082

**Form 2-E  
SUPPORTING SCHEDULES  
For Period: 1/1/2013 to 1/31/2013**

**POST PETITION TAXES PAYABLE SCHEDULE**

	<u>Beginning Balance (1)</u>	<u>Amount Accrued</u>	<u>Amount Paid</u>	<u>Date Paid</u>	<u>Check Number</u>	<u>Ending Balance</u>
Income Tax Withheld:						
Federal	\$ 0.00	\$ 0.00	\$ 0.00			\$ 0.00
State	0.00	0.00	0.00			0.00
FICA Tax Withheld	0.00	0.00	0.00			0.00
Employer's FICA Tax	0.00	0.00	0.00			0.00
Unemployment Tax						
Federal	0.00	0.00	0.00			0.00
State	0.00	0.00	0.00			0.00
Sales, Use & Excise Taxes	0.00	0.00	0.00			0.00
Property Taxes	0.00	0.00	0.00			0.00
Accrued Income Tax:						
Federal	0.00	0.00	0.00			0.00
State	0.00	0.00	0.00			0.00
Other: _____	0.00	0.00	0.00			0.00
<b>TOTALS</b>	<b>\$ 0.00</b>	<b>\$ 0.00</b>	<b>\$ 0.00</b>			<b>\$ 0.00</b>

(1) For first report, Beginning Balance will be \$0; thereafter, Beginning Balance will be Ending Balance from prior report.

**INSURANCE SCHEDULE**

	<u>Carrier</u>	<u>Amount of Coverage</u>	<u>Expiration Date</u>	<u>Premium Paid Through</u>
Workers' Compensation	None	\$ -		
General Liability	Travelers (1)	\$ 2,000,000.00	10/18/2012	10/18/2012
Property (Fire, Theft)	Travelers (1)	\$ 25,000.00	10/27/2012	10/27/2012
Vehicle	None	\$ -		
Other (list):				
Primary D&O	Rockhill Insurance	\$ 5,000,000.00	11/20/2010	See Note 2
Excess D&O	RSUI Indemnity	5,000,000.00	11/20/2010	See Note 2
Excess D&O	Zurich America	5,000,000.00	11/20/2010	See Note 2
Excess D&O	Navigator Insurance	5,000,000.00	11/20/2010	See Note 2
D&O	Axis Surplus Insurance	5,000,000.00	12/20/2011	See Note 2
D&O	Axis Surplus Insurance	1,000,000.00	1/20/2013	See Note 2

(1) The Trustee was informed in late May that the vacant land policy for the Tooele, Kingman, Star Valley, and Smyrna properties was terminate. The Trustee worked with Travelers to get the policy reinstated in June 2012.

(2) The D&O policies are claims made policies and were paid by CAREIC through December 2011. At that time, the Trustee understands the premiums are being paid by the former officers and directors.

DEBTOR: Castle Arch Real Estate Investment Company, LLC.

CASE NO: 11-35082

**Form 2-E  
SUPPORTING SCHEDULES**

For Period 1/1/2013 to 1/31/2013

**ACCOUNTS RECEIVABLE AND POST PETITION PAYABLE AGING**

<u>Due</u>	<u>Accounts Receivable</u>	<u>Post Petition Accounts Payable</u>
Under 30 days	\$ 13,000.00	\$ 0.00
30 to 60 days	13,000.00	0.00
61 to 90 days	13,000.00	0.00
91 to 120 days	13,000.00	0.00
Over 120 days	312,824.64	12,582.75
<b>Total Post Petition</b>	364,824.64	
<b>Pre Petition Amounts</b>	0.00	
Total Accounts Receivable	\$ 364,824.64	
Less: Bad Debt Reserve	0.00	
<b>Net Accounts Receivable (to Form 2-C)</b>	\$ 364,824.64	
	<b>Total Post Petition Accounts Payable</b>	\$ 12,582.75

\* Attach a detail listing of accounts receivable and post-petition accounts payable

**SCHEDULE OF PAYMENTS TO ATTORNEYS AND OTHER PROFESSIONALS**

	<u>Month-end Retainer Balance</u>	<u>Current Month's Accrual</u>	<u>Paid in Current Month</u>	<u>Date of Court Approval</u>	<u>Month-end Balance Due *</u>
Trustee	\$ 0.00	\$ 44,600.00	\$ 0.00	0.00	\$ 237,550.00
Trustee Counsel (1)	0.00	99,895.74	0.00	0.00	660,654.83
Trustee Accountants (1)	0.00	47,000.00	0.00	0.00	203,700.00
Former Debtor's Counsel	100,000.00	0.00	0.00	0.00	243,951.13
Counsel for Unsecured Creditors' Committee	0.00	7,508.65	0.00	0.00	162,939.75
Other:	212,500.00	0.00	0.00	0.00	0.00
<b>Total</b>	\$ 312,500.00	\$ 199,004.39	\$ 0.00	0.00	\$ 1,508,795.71

\*Balance due to include fees and expenses incurred but not yet paid.

**SCHEDULE OF PAYMENTS AND TRANSFERS TO PRINCIPALS/EXECUTIVES\*\***

<u>Payee Name</u>	<u>Position</u>	<u>Nature of Payment</u>	<u>Amount</u>
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____

\*\*List payments and transfers of any kind and in any form made to or for the benefit of any proprietor, owner, partner, shareholder, officer or director. Upon the Trustee's appointment, Jeff Austin and David Hunt were terminated. Glen Martinsen was retained by the Trustee to assist with day-to-day accounting. Amounts do not include Payroll taxes paid.  
(1) Includes substantial fees and costs relating to Longview that are covered by the D&O policies.



DEBTOR: Castle Arch Real Estate Investment Company, LLC.

CASE NO: 11-35082

**Form 2-F**  
**QUARTERLY FEE SUMMARY \***  
 For the Month Ended: 1/31/2013

<u>Month</u>	<u>Year</u>	<u>Cash Disbursements **</u>	<u>Quarterly Fee Due</u>	<u>Check No.</u>	<u>Date Paid</u>
January	<u>2013</u>	\$ 34,402.27			
February	<u>2013</u>				
March	<u>2013</u>				
TOTAL 1st Quarter	\$	<u>34,402.27</u> \$	<u>650.00</u>		
April	<u>2012</u>	\$ 32,715.44			
May	<u>2012</u>	36,386.11			
June	<u>2012</u>	14,064.88			
TOTAL 2nd Quarter	\$	<u>83,166.43</u> \$	<u>975.00</u>	<u>320</u>	<u>7/27/2012</u>
July	<u>2012</u>	\$ 31,636.54			
August	<u>2012</u>	11,336.65			
September	<u>2012</u>	12,805.99			
TOTAL 3rd Quarter	\$	<u>55,779.18</u> \$	<u>650.00</u>	<u>344</u>	<u>10/23/2012</u>
October	<u>2012</u>	\$ 26,985.04			
November	<u>2012</u>	8,835.07			
December	<u>2012</u>	325.00			
TOTAL 4th Quarter	\$	<u>36,145.11</u> \$	<u>650.00</u>	<u>358</u>	<u>1/29/2013</u>

**FEE SCHEDULE (as of JANUARY 1, 2008)**

*Subject to changes that may occur to 28 U.S.C. §1930(a)(6)*

<u>Quarterly Disbursements</u>	<u>Fee</u>	<u>Quarterly Disbursements</u>	<u>Fee</u>
\$0 to \$14,999.....	\$325	\$1,000,000 to \$1,999,999.....	\$6,500
\$15,000 to \$74,999.....	\$650	\$2,000,000 to \$2,999,999.....	\$9,750
\$75,000 to \$149,999.....	\$975	\$3,000,000 to \$4,999,999.....	\$10,400
\$150,000 to \$224,999.....	\$1,625	\$5,000,000 to \$14,999,999.....	\$13,000
\$225,000 to \$299,999.....	\$1,950	\$15,000,000 to \$29,999,999....	\$20,000
\$300,000 to \$999,999.....	\$4,875	\$30,000,000 or more	\$30,000

\* This summary is to reflect the current calendar year's information cumulative to the end of the reporting period

\*\* Should agree with line 3, Form 2-B. Disbursements are net of transfers to other debtor in possession bank accounts

*Failure to pay the quarterly fee is cause for conversion or dismissal of the chapter 11 case. [11 U.S.C. Sec. 1112(b)(10)]  
 In addition, unpaid fees are considered a debt owed to the United States and will be assessed interest under 31 U.S.C. §3717*

**DEBTOR:** Castle Arch Real Estate Investment Company, LLC

**CASE NO:** 11-35082

**Form 2-G  
NARRATIVE**

**For Period Ending:** 01/31/13

**Please provide a brief description of any significant business and legal actions taken by the debtor, its creditors, or the court during the reporting period, any unusual or non-recurring accounting transactions that are reported in the financial statements, and any significant changes in the financial condition of the debtor which have occurred subsequent to the report date.**

On May 3, 2012, D. Ray Strong was appointed as Chapter 11 Trustee of Castle Arch Real Estate Investment Company, LLC ("Trustee"). Pursuant to the Trustee's appointment and the existing ownership structure of the other related debtors, the Trustee also functions as the Manager of CAOP Managers, LLC ("CAOP Managers"), Castle Arch Opportunity Partners I, LLC ("CAOPI"), Castle Arch Opportunity Partners II, LLC ("CAOPII"), Castle Arch Secured Development Fund, LLC ("CASDF"), Castle Arch Kingman, LLC ("CAK"), and Castle Arch Smyrna, LLC ("CAS") (collectively the "Debtors").

Shortly after his appointment, the Trustee engaged Dorsey & Whitney, LLP as his counsel and Berkeley Research Group, LLC as his accountants. Their employment was approved by the Bankruptcy Court on June 13, 2012.

Upon the Trustee's appointment, the Trustee terminated all existing management except Glen Martinsen who was retained to assist with the day-to-day operations and accounting. The Trustee utilized a payroll services, Paychex, for the calculation and reporting of payroll. The payroll related expenses are netted and paid to Paychex in a lump-sum for the payroll period. Mr. Martinsen provides services for the Trustee/Manager relating to CAREIC and the other Debtors. As of November 30, 2012, the Trustee/Manager has closed the Castle Arch office located at 8 East Broadway, Salt Lake City, Utah. As a result, Mr. Martinsen's employment with Castle Arch has been terminated. Additionally, certain office equipment and other related personal property was moved to Erkelens & Olson, the Trustee/Manager's approved auctioneer, where the property was sold at public auction on December 15, 2012. The Trustee/Manager has taken steps and precautions to protect any personal information of investors or creditors that was located on computers or included in files at the Castle Arch office.

On June 5, 2012, the Trustee filed a motion seeking approval of a proposed cash management plan. The cash management plan included, among other things, the assessment of monthly CAREIC management fees for the various Debtors, establishment of a quarterly procedure by the Court to reassess the monthly management fees, and authorization of minimal loans from CAOPI and CAOPII to certain Debtors to pay ongoing expenses. The management fees from July 2012 through September 2012 are: (a) \$2,000 for CAOP Managers; (b) \$13,000 for CAOPI; (c) \$13,000 for CAOPII; (d) \$7,000 for CAK; (e) \$7,000 for CAS; and (f) \$4,000 for CASDF. The amounts requested for the certain Debtors to borrow on an as needed bases are up to: (a) \$5,000 for CAOP Managers; (b) \$20,000 for CAK; (c) \$15,000 for CASDF. The cash management plan motion was granted by the Bankruptcy Court on June 29, 2012. On October 1, 2012, the Court approved a stipulated motion to continue the use of cash and the payment of the existing approved management fees at the current amounts with a reservation of rights as to a reconciliation and true-up of these amounts based on the actual level of efforts to manage the cases. On December 31, 2012, the Court approved another stipulated motion to continue the use of cash and payment of existing approved management fees through April 1, 2013.

On June 18, 2012, the Trustee/Manager engaged and subsequently submitted a motion to the Bankruptcy Court to employ Commerce Real Estate Solutions ("Commerce") as its real estate broker to sell certain real property and water rights owned by CAREIC and/or its related entities. The identified real property to be sold included approximately: (a) 348 acres in Tooele, Utah; (b) 534 acres in Kingman, Arizona; (c) 484 acres in Smyrna, Tennessee; and 39 acres in Thayne, Wyoming. Commerce has been

**Form 2-G – Page 2****NARRATIVE****For Period Ending:** 01/31/13

**Please provide a brief description of any significant business and legal actions taken by the debtor, its creditors, or the court during the reporting period, any unusual or non-recurring accounting transactions that are reported in the financial statements, and any significant changes in the financial condition of the debtor which have occurred subsequent to the report date.**

reviewing the various parcels, existing entitlements, and related documentation. The real property transactions are complex and convoluted which is taking time to fully understand the properties in order to list the properties. Commerce has listed the Tooele, Kingman, Smyrna, and Star Valley properties which information can be accessed on the Trustee and the commercial real estate LoopNet websites. Commerce visited with city officials in Kingman the first week of September 2012 to gather additional information about entitlements, water rights, and mineral rights. As a result, the Trustee/Manager and Commerce have been working with several interested parties.

On August 8, 2012, the Trustee/Manager filed an objection to the proofs of claim filed by William Davidson, a member of the Board of Directors of CAREIC. Mr. Davidson filed a claim in CAREIC and CAS relating to a purported loan secured by CAREIC and Smyrna related property. In September 2012, the Trustee/Manager filed objections to claims filed by Robert Geringer (approximately \$8.5 million) ("Geringer"), David Demerest ("Demerest"), and an Omnibus objection involving 19 other claims. The Trustee reached a stipulated claim amount on the Demerest claim and a hearing was held on October 30, 2012 regarding the Omnibus objection involving the other 19 other claims. Orders regarding these claims have been entered and are currently included on the Trustee's website. Discovery for the Geringer claims continued in November and December 2012. On December 31, 2012, the Court approved a motion to extend the deadline to file intercompany claims until to April 1, 2013. A two day trial was held on February 28, 2013 and March 1, 2013 regarding the Geringer claim. At the conclusion of the hearing, the Court requested that both parties prepare and submit their own findings of fact and conclusions of law which are due on March 22, 2013.

The Trustee/Manager and his professionals have spent a significant amount of time reviewing and analyzing the multi-million dollar claims totaling over \$8.2 million filed by Longview Financial Holdings, Inc. and Longview Financial Group, Inc. (collectively "Longview") against CAREIC and the related Debtors in an effort to potentially resolve the claims. The Trustee/Manager and his professionals continue to analyze the claims and related issues. On July 3, 2012, Longview filed an amended motion seeking relief from the automatic stay, which the Trustee/Manager opposed on July 23, 2012. Longview replied to the Trustee's objection on August 2, 2012. A preliminary hearing was scheduled and held on August 8, 2012 which scheduled an evidentiary hearing for August 27, 2012. The August 27, 2012 hearing was held and continued until September 13, 2012 while Longview and the Trustee attempt to settle the matter. In October 2012, the Trustee/Manager, Insurance Carrier, Longview, and other Individual Defendants reached a global settlement to resolve the matter. The parties have finalized a formal settlement agreement which has been submitted to the Bankruptcy Court for approval. The material terms of the settlement include a \$1 million cash payment to Longview from a Private Company Management Liability insurance policy, an allowed unsecured claim in the various Debtors totaling \$385,000, Longview's acceptance of the Trustee's proposed plan of liquidation, and dismissal of litigation currently pending in various jurisdictions. The agreed upon allowed unsecured claim of Longview was allocated to the individual bankruptcy estates as follows: \$290,896.49 (CAREIC), \$2,337.87 (CAK), \$6,424.11 (CAS), \$10,095.19 (CASDF), \$60,341.85 (CAOPI), and \$15,086.49 (CAOPII). The hearing to approve the settlement was held on December 10, 2012. On December 13, 2012, an Order was entered by the Court approving the settlement and no appeals were filed.

**Form 2-G – Page 3**

**NARRATIVE**

**For Period Ending:** 01/31/13

**Please provide a brief description of any significant business and legal actions taken by the debtor, its creditors, or the court during the reporting period, any unusual or non-recurring accounting transactions that are reported in the financial statements, and any significant changes in the financial condition of the debtor which have occurred subsequent to the report date.**

The Trustee/Manager and his professionals have developed and analyzed a plan concept that was shared with the Bankruptcy Court at the June 29, 2012 hearing regarding the cash management plan. The Trustee/Manager filed his proposed disclosure statement and plan with the Court on September 29, 2012 for Court approval. On November 26, 2012, several objections were filed with the Court regarding the adequacy of the Disclosure Statement by Hunt Law Corporation, Prince Yeates, Robert Geringer, Certain Investors, and the CAREIC Creditors Committee. A hearing on the adequacy of the Disclosure Statement was originally scheduled for December 3, 2012; however, as a result of the objections filed, this hearing was changed to a preliminary hearing with the final hearing on the Disclosure Statement to occur on January 31, 2013. As a result of the responses by several parties, the Trustee/Manager has determined in his business judgment to address the substantive consolidation issues prior to finalizing the amended proposed disclosure statement and seeking confirmation of his proposed plan. A motion for substantive consolidation of CAREIC, CAOP Managers, CAK, CAS, CASDF, and a Castle Arch Star Valley, LLC ("Legacy Debtors") was filed on December 28, 2012 by the Trustee/Manager. The hearing for the substantive consolidation motion was held on January 31, 2013. At the hearing, the Court granted the Trustee's motion for substantive consolidation of the Legacy Debtors. The Court entered its Findings of Fact and Conclusion of Law and Order granting substantive consolidation on February 8, 2013. As a result, the Trustee filed its Amended Proposed Disclosure Statement and Plan of Liquidation on February 25, 2013. The final hearing for the Proposed Disclosure Statement is scheduled for March 21, 2013.

The Trustee has relied on the currently available records and records prepared by the Debtors to obtain historical activity included on the balance sheet referenced in Form 2C and the profit and loss statement in Form 2D. Work is ongoing to ascertain and determine appropriate balances. Balances may be over or understated and are subject to material modification. The financial statements may change as information becomes available to the Trustee. The Trustee may dispute the nature and amount of the assets and liabilities presented in these financial statements. As new information becomes available, these balances may be adjusted and updated to reflect the correct amounts. The fact that liabilities and assets may have been omitted, listed and/or adjusted, does not necessarily reflect the final opinion as to the eventual treatment under a plan of reorganization or otherwise.

Historically, activity between the Debtors was recorded through various intercompany accounts which have been very convoluted and commingled.

The Trustee/Manager has been actively requesting turnover of Debtor related documents from various parties. During September and October the Trustee/Manager has filed various motions to compel several of the parties to turnover or produce the requested information and documentation. Additionally, the Trustee/Manager has filed numerous 2004 examinations/document requests to third parties seeking additional documentation and information.

Form 2-G – Page 4

**NARRATIVE**

For Period Ending: 01/31/13

**Please provide a brief description of any significant business and legal actions taken by the debtor, its creditors, or the court during the reporting period, any unusual or non-recurring accounting transactions that are reported in the financial statements, and any significant changes in the financial condition of the debtor which have occurred subsequent to the report date.**

On October 17, 2012, Prince Yeates, former counsel to CAREIC filed a fee application with the Bankruptcy Court for fees and costs of \$243,951. The Trustee and Creditors' Committee have objected to these fees and costs and have been negotiating with Prince Yeates for certain fee reductions. On December 12, 2012, Prince Yeates filed a motion seeking to have the Trustee removed or alternatively convert the CAREIC case to Chapter 7. The Trustee/Manager and Creditors' Committee have reached a settlement with Prince Yeates in late December 2012. On February 12, 2013, a motion to approve the settlement was filed with the Court. The hearing on the motion is scheduled for March 21, 2013.

On December 2, 2012, certain investors filed a motion for the appointment of a Trustee for CASDF. The motion has not been noticed for hearing and the Trustee/Manager has met with counsel to these investors and provided additional information in an effort to resolve the various issues raised. The motion was withdrawn on January 31, 2012.

On December 14, 2012, Trent Waddoups, former Receiver of the Debtors, filed a motion for discharge and payment of fees and costs. The Trustee objected to the Receiver's motion on January 17, 2013. A hearing relating to this motion was originally set for January 31, 2013. This hearing was rescheduled to March 5, 2013 while the Receiver and Trustee engage in settlement discussions. Prior to the scheduled hearing, the Trustee requested a status conference with the Court. At that status conference, the Trustee indicated to the Court that the Receiver has refused to return the pre-petition retainer and until the Receiver files a conforming application for compensation and costs, those fees and costs can't be properly evaluated and approved. As a result, the Court continued the hearing without date.

In an effort to provide interested parties with as much information as possible, the Trustee/Manager has created a website located at [www.castlearchtrustee.com](http://www.castlearchtrustee.com). Interested parties should reference the website for more detailed information.

***BEGINNING IN THE FEBRUARY 2013 MONTHLY OPERATING REPORT, ALL MONTHLY ACTIVITY FOR CASTLE ARCH REAL ESTATE INVESTMENT COMPANY, LLC; CASTLE ARCH KINGMAN, LLC; CASTLE ARCH SMYRNA, LLC; CASTLE ARCH SECURED DEVELOPMENT FUND, LLC; CAOP MANAGERS, LLC; AND CASTLE ARCH STAR VALLEY, LLC WILL BE COMBINED IN ONE MONTHLY OPERATING REPORT PURSUANT TO THE COURT'S APPROVAL OF THE TRUSTEE'S REQUEST FOR SUBSTANTIVE CONSOLIDATION OF THESE ENTITIES ON FEBRUARY 8, 2013.***

11:47 AM

02/27/13

**Castle Arch Real Estate Investment Company**  
**A/R Aging Summary**  
**As of January 31, 2013**

	<u>Current</u>	<u>1 - 30</u>	<u>31 - 60</u>	<u>61 - 90</u>	<u>91 - 120</u>	<u>&gt; 120</u>	<u>TOTAL</u>
Accelerated Capital Group - Customer	0.00	0.00	0.00	0.00	0.00	0.00	0.00
CAK	7,000.00	0.00	7,000.00	7,000.00	7,000.00	21,000.00	49,000.00
CAOPM	2,000.00	0.00	2,000.00	2,000.00	2,000.00	6,000.00	14,000.00
CASDF	4,000.00	0.00	4,000.00	4,000.00	4,000.00	12,000.00	28,000.00
Castle Arch Lease-to-Own Income Fund, LLC	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Castle Arch Opportunity Fund I	0.00	0.00	0.00	0.00	0.00	198,620.35	198,620.35
Castle Arch Opportunity Fund II	0.00	0.00	0.00	0.00	0.00	75,204.29	75,204.29
Child, Van Wagoner & Bradshaw PLLC	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Howell, Jad - Customer	0.00	0.00	0.00	0.00	0.00	0.00	0.00
HSBC Bank	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Koidin, Mark - CUSTOMER	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Millstream Land	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Paychex - CUSTOMER	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Securities Institute	0.00	0.00	0.00	0.00	0.00	0.00	0.00
<b>TOTAL</b>	<b>13,000.00</b>	<b>0.00</b>	<b>13,000.00</b>	<b>13,000.00</b>	<b>13,000.00</b>	<b>312,824.64</b>	<b>364,824.64</b>

11:47 AM

02/27/13

**Castle Arch Real Estate Investment Company**  
**A/P Aging Summary**  
As of January 31, 2013

	<u>Current</u>	<u>1 - 30</u>	<u>31 - 60</u>	<u>61 - 90</u>	<u>91 - 120</u>	<u>&gt; 120</u>	<u>TOTAL</u>
<b>BRG</b>	47,000.00	8,000.00	13,700.00	5,600.00	0.00	129,400.00	203,700.00
<b>Dorsey Whitney LLP</b>	99,895.74	71,032.31	70,160.18	0.00	-1,222.85	420,789.45	660,654.83
<b>Jones Waldo</b>	7,508.65	9,227.00	12,608.14	8,510.24	0.00	125,085.72	162,939.75
<b>Prince, Yeates &amp; Geldzahler</b>	0.00	0.00	0.00	0.00	0.00	243,951.13	243,951.13
<b>Ray Strong - Trustee</b>	44,600.00	23,000.00	24,500.00	25,000.00	0.00	120,450.00	237,550.00
<b>TOTAL</b>	<b><u>199,004.39</u></b>	<b><u>111,259.31</u></b>	<b><u>120,968.32</u></b>	<b><u>39,110.24</u></b>	<b><u>-1,222.85</u></b>	<b><u>1,039,676.30</u></b>	<b><u>1,508,795.71</u></b>

11:48 AM

02/27/13

**Castle Arch Real Estate Investment Company**  
**A/P Aging Summary**  
As of January 31, 2013

	<u>Current</u>	<u>1 - 30</u>	<u>31 - 60</u>	<u>61 - 90</u>	<u>91 - 120</u>	<u>&gt; 120</u>	<u>TOTAL</u>
AT&T	0.00	0.00	0.00	0.00	0.00	326.11	326.11
California Franchise Tax Board	0.00	0.00	0.00	0.00	0.00	-40.00	-40.00
Chisholm, Bierwolf, Nilson & Morrill	0.00	0.00	0.00	0.00	0.00	30,980.71	30,980.71
Cohne Rappaport & Segal	0.00	0.00	0.00	0.00	0.00	10,005.70	10,005.70
Colonial Stock Transfer	0.00	0.00	0.00	0.00	0.00	1,691.67	1,691.67
CT Corporation	0.00	0.00	0.00	0.00	0.00	348.00	348.00
Daily Brand LLC	0.00	0.00	0.00	0.00	0.00	19,730.60	19,730.60
Entrust Arizona, LLC	0.00	0.00	0.00	0.00	0.00	700.00	700.00
Fact Finders Information Services LLC	0.00	0.00	0.00	0.00	0.00	487.50	487.50
Fortius Financial Advisors	0.00	0.00	0.00	0.00	0.00	3,300.00	3,300.00
Global Security	0.00	0.00	0.00	0.00	0.00	83.85	83.85
Greene, Jeffrey PC	0.00	0.00	0.00	0.00	0.00	6,434.00	6,434.00
Hunt, David S. P.C.	0.00	0.00	0.00	0.00	0.00	285,000.00	285,000.00
Illinois Department of Employment Securit	0.00	0.00	0.00	0.00	0.00	108.07	108.07
Judge Building LLC	0.00	0.00	0.00	0.00	0.00	-0.70	-0.70
Kaysville City	0.00	0.00	0.00	0.00	0.00	-0.69	-0.69
Lincoln County Treasurer	0.00	0.00	0.00	0.00	0.00	1,766.38	1,766.38
Michelle Turpin P.C.	0.00	0.00	0.00	0.00	0.00	2,440.77	2,440.77
Mohave County Treasurer	0.00	0.00	0.00	0.00	0.00	15,299.62	15,299.62
Mohave Engineering Associates, Inc.	0.00	0.00	0.00	0.00	0.00	59,961.08	59,961.08
NetChemistry	0.00	0.00	0.00	0.00	0.00	77,500.00	77,500.00
Olson Communications, Inc.	0.00	0.00	0.00	0.00	0.00	500.50	500.50
Parsons, Behle & Latimer	0.00	0.00	0.00	0.00	0.00	48,454.30	48,454.30
RFC Properties, LLC	0.00	0.00	0.00	0.00	0.00	9,164.00	9,164.00
Ryan, Inc	0.00	0.00	0.00	0.00	0.00	14,652.03	14,652.03
Sierra Construction & Excavation, INC.	0.00	0.00	0.00	0.00	0.00	780.00	780.00
Snell and Wilmer	0.00	0.00	0.00	0.00	0.00	59,228.17	59,228.17
SouthWest Traffic Engineering	0.00	0.00	0.00	0.00	0.00	9,255.30	9,255.30
Stevens & Lee	0.00	0.00	0.00	0.00	0.00	19,628.24	19,628.24
The Dot Printer	0.00	0.00	0.00	0.00	0.00	3,029.73	3,029.73
Tooele County Treasurer	0.00	0.00	0.00	0.00	0.00	89,404.43	89,404.43
Town of Thayne	0.00	0.00	0.00	0.00	0.00	148.00	148.00
<b>TOTAL</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>770,367.37</b>	<b>770,367.37</b>



11:48 AM  
 02/27/13  
 Accrual Basis

**Castle Arch Real Estate Investment Company**  
**Balance Sheet**  
 As of January 31, 2013

	Jan 31, 13
<b>ASSETS</b>	
<b>Current Assets</b>	
Checking/Savings	
10003 · Pref Bank-Trustee [REDACTED]	160,742.39
<b>Total Checking/Savings</b>	<b>160,742.39</b>
Accounts Receivable	
13000 · Accounts Receivable	364,824.64
<b>Total Accounts Receivable</b>	<b>364,824.64</b>
<b>Other Current Assets</b>	
13602 · Interest Recvbl- Valley Gardens	169,347.95
15010 · Loan Receivable - Valley Garden	255,000.00
16000 · Prepaid Expense	312,500.00
22501 · I/C Post Trustee - CAK	469.04
22510 · I/C Interest Accrual	7.09
<b>Total Other Current Assets</b>	<b>737,324.08</b>
<b>Total Current Assets</b>	<b>1,262,891.11</b>
<b>Other Assets</b>	
17100 · Properties Held for Investment	
17104 · Star Valley, WY	
17105 · Phase A hard costs	400,000.00
<b>Total 17104 · Star Valley, WY</b>	<b>400,000.00</b>
<b>Total 17100 · Properties Held for Investment</b>	<b>400,000.00</b>
18100 · Investment in CA Kingman, LLC	6,000.00
18101 · Investment in CA Symrna, LLC	6,000.00
<b>Total Other Assets</b>	<b>412,000.00</b>
<b>TOTAL ASSETS</b>	<b>1,674,891.11</b>
<b>LIABILITIES &amp; EQUITY</b>	
<b>Liabilities</b>	
<b>Current Liabilities</b>	
Accounts Payable	
20000 · Accounts Payable	770,367.37
20001 · Prof. Fees Payable - BK Related	1,508,795.71
<b>Total Accounts Payable</b>	<b>2,279,163.08</b>
<b>Other Current Liabilities</b>	
23200 · Interest Payable - Bill Grundy	60,623.01
<b>23400 · Payroll Liabilities</b>	
Accrued Payroll	137,048.56
Deferred Compensation	1,063,791.30
<b>Total 23400 · Payroll Liabilities</b>	<b>1,200,839.86</b>
<b>25050 · Intercompany Notes</b>	
23508 · CAOPM	-100.00
25051 · CAOPI	-128,073.08
25052 · CAOPII	-108,750.17
25054 · CASDF	-909,542.42
25057 · CAK	-2,326,772.40
25058 · CAS	-2,741,185.83
25200 · Accrued Interest	1,918.09
<b>Total 25050 · Intercompany Notes</b>	<b>-6,212,505.81</b>
<b>Total Other Current Liabilities</b>	<b>-4,951,042.94</b>
<b>Total Current Liabilities</b>	<b>-2,671,879.86</b>
<b>Long Term Liabilities</b>	
23600 · Preferred Dividend Payable	16,373,064.53
24000 · BOD Bonus payable	660,000.00

11:48 AM  
 02/27/13  
 Accrual Basis

**Castle Arch Real Estate Investment Company**  
**Balance Sheet**  
 As of January 31, 2013

	Jan 31, 13
<b>25000 · Notes Payable</b>	
25003 · Star Valley, WY	350,773.97
25005 · Star Valley, WY - Bill Grundy	230,000.00
<b>Total 25000 · Notes Payable</b>	580,773.97
<b>Total Long Term Liabilities</b>	17,613,838.50
<b>Total Liabilities</b>	14,941,958.64
<b>Equity</b>	
30000 · Preferred Units Round A	1,000,000.00
30001 · Preferred Units Round B	2,000,000.00
30002 · Preferred Units Round C	3,300,000.00
30003 · Preferred Units Round D	24,931,403.00
30004 · Preferred Units Round E	7,196,399.00
<b>30100 · Common Units</b>	
30101 · CU Board	4,700,250.00
30102 · CU Consulting	1,383,013.84
30103 · CU Referral Fees	869,956.90
30104 · CU Founders	16,000.00
<b>Total 30100 · Common Units</b>	6,969,220.74
39000 · Retained Earnings	-39,550,768.14
<b>39100 · Equity Adjustments</b>	
39101 · Preferred Dividends Accrued	-16,373,064.52
39102 · Preferred Dividends Paid	-13,830.15
39103 · CU Referral Fees	-869,956.90
39104 · Reinvested Referral Fees	-55,470.00
39105 · Offering Costs	-370,341.00
39106 · Cash Referral Fees	-939,251.37
39107 · Cash Commissions	-335,729.06
<b>Total 39100 · Equity Adjustments</b>	-18,957,643.00
<b>Net Income</b>	-155,679.13
<b>Total Equity</b>	-13,267,067.53
<b>TOTAL LIABILITIES &amp; EQUITY</b>	<b>1,674,891.11</b>

11:49 AM  
02/27/13  
Accrual Basis

Castle Arch Real Estate Investment Company  
**Profit & Loss**  
January 2013

	<u>Jan 13</u>
<b>Ordinary Income/Expense</b>	
Income	
42000 · Management Fee Income	46,000.00
<b>Total Income</b>	<u>46,000.00</u>
<b>Gross Profit</b>	46,000.00
Expense	
Administrative/Other Unit	
Insurance	1,618.00
Licenses and permits	-100.00
Office Expenses	118.60
Payroll Taxes	42.00
Rent	197.73
<b>Total Administrative/Other Unit</b>	<u>1,876.33</u>
<b>Total Expense</b>	<u>1,876.33</u>
<b>Net Ordinary Income</b>	44,123.67
<b>Other Income/Expense</b>	
Other Income	
Interest Income	1.59
<b>Total Other Income</b>	1.59
Other Expense	
65000 · Trustee Fees	45,250.00
65010 · Trustee Firm Fee	47,150.00
65100 · DIP Creditor Committee - Legal	7,508.65
65500 · Trustee Legal Fees	99,895.74
<b>Total Other Expense</b>	<u>199,804.39</u>
<b>Net Other Income</b>	<u>-199,802.80</u>
<b>Net Income</b>	<u><u>-155,679.13</u></u>

11:49 AM

02/27/13

**Castle Arch Real Estate Investment Company**  
**Reconciliation Detail**  
 10003 · Pref Bank-Trustee-██████████, Period Ending 01/31/2013

Type	Date	Num	Name	Clr	Amount	Balance
<b>Beginning Balance</b>						127,564.71
<b>Cleared Transactions</b>						
<b>Checks and Payments - 5 items</b>						
Check	1/17/2013	354	Travelers	X	-1,618.00	-1,618.00
Check	1/17/2013	357	Strong Connexions	X	-150.00	-1,768.00
Check	1/22/2013	356	Paychex	X	-118.60	-1,886.60
Check	1/22/2013		Paychex	X	-42.00	-1,928.60
Check	1/29/2013	358	U.S. Trustee	X	-650.00	-2,578.60
Total Checks and Payments					-2,578.60	-2,578.60
<b>Deposits and Credits - 5 items</b>						
General Journal	12/27/2012	I/C Int...		X	1,228.00	1,228.00
Deposit	1/7/2013			X	1,302.27	2,530.27
Transfer	1/16/2013			X	126.01	2,656.28
Deposit	1/17/2013			X	33,000.00	35,656.28
Deposit	1/18/2013			X	100.00	35,756.28
Total Deposits and Credits					35,756.28	35,756.28
Total Cleared Transactions					33,177.68	33,177.68
Cleared Balance					33,177.68	160,742.39
Register Balance as of 01/31/2013					33,177.68	160,742.39
<b>Ending Balance</b>					<b>33,177.68</b>	<b>160,742.39</b>

11:50 AM  
02/27/13

**Castle Arch Real Estate Investment Company**  
**Reconciliation Detail**  
10004 · Pref Bank-PR-Trustee- [REDACTED], Period Ending 01/31/2013

Type	Date	Num	Name	Clr	Amount	Balance
<b>Beginning Balance</b>						126.01
<b>Cleared Transactions</b>						
<b>Checks and Payments - 1 item</b>						
Transfer	1/16/2013			X	-126.01	-126.01
Total Checks and Payments					-126.01	-126.01
Total Cleared Transactions					-126.01	-126.01
Cleared Balance					-126.01	0.00
Register Balance as of 01/31/2013					-126.01	0.00
<b>Ending Balance</b>					<b>-126.01</b>	<b>0.00</b>



029 00001 00  
ACCOUNT:

PAGE: 1  
01/31/2013

11-35082 B  
BANKRUPTCY ESTATE OF  
CASTLE ARCH REAL ESTATE INVEST  
D RAY STRONG, TRUSTEE 29  
201 S MAIN ST SUITE 450 0  
SALT LAKE CITY UT 84111 4

LOS ANGELES - HEADQUARTERS  
601 S. FIGUEROA ST. 29TH FLOOR  
LOS ANGELES, CA 90017

TELEPHONE: 213-891-1188

eSTATEMENTS ARE HERE - LOG ON PBnet PERSONAL ONLINE BANKING TO ENROLL  
Attention Bankruptcy Trustees:

For account information log into PBnet Business Online Banking at  
www.preferredbank.com or call BK Customer Service at 213-891-1188

Ronnia Ching @ ext. 1130 or Matt Overin @ ext. 1107

The FDIC Insurance on unlimited non-interest bearing demand deposits may  
expire on December 31, 2012. Unless Congress takes action before the  
expiration date. FDIC insurance on non-interest bearing demand deposit  
account may revert back to \$250,000.00

BANKRUPTCY CHECKING ACCOUNT

		LAST STATEMENT 12/31/12	127,564.71
AVG AVAILABLE BALANCE	144,618.47	7 CREDITS	35,756.28
AVERAGE BALANCE	144,712.99	5 DEBITS	2,578.60
		THIS STATEMENT 01/31/13	160,742.39

DEPOSITS

REF #	DATE	AMOUNT	REF #	DATE	AMOUNT	REF #	DATE	AMOUNT
4	01/07	1,302.27	5	01/07	1,228.00	6	01/18	100.00

OTHER CREDITS

DESCRIPTION	DATE	AMOUNT
TRANSFER FROM #1524658	01/16	126.01
Incoming Wire Transfer CASTLE ARCH SMYRNA LLC 8245047	01/17	7,000.00
Incoming Wire Transfer CASTLE ARCH OPPTY PARTNERS I 8245048	01/17	13,000.00
Incoming Wire Transfer CASTLE ARCH OPPTY PARTNERS II 8245049	01/17	13,000.00

\* \* \* CONTINUED \* \* \*



11-35082

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BANKRUPTCY CHECKING ACCOUNT

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----- CHECKS -----					
CHECK #	DATE	AMOUNT	CHECK #	DATE	AMOUNT
354*	01/17	1,618.00	357	01/17	150.00
356	01/22	118.60	358	01/29	650.00

(\* ) INDICATES A GAP IN CHECK NUMBER SEQUENCE

----- OTHER DEBITS -----			
DESCRIPTION	DATE	AMOUNT	
PAYCHEX TPS TAXES 48427600113687X	01/22	42.00	

----- ITEMIZATION OF OVERDRAFT AND RETURNED ITEM FEES -----

*****			
	TOTAL FOR THIS PERIOD	TOTAL YEAR TO DATE	PREVIOUS YEAR TOTAL
* TOTAL OVERDRAFT FEES:	\$ .00	\$ .00	\$ .00
* TOTAL RETURNED ITEM FEES:	\$ .00	\$ .00	\$ .00
*****			

----- DAILY BALANCE -----					
DATE	BALANCE	DATE	BALANCE	DATE	BALANCE
01/07	130,094.98	01/17	161,452.99	01/22	161,392.39
01/16	130,220.99	01/18	161,552.99	01/29	160,742.39

- END OF STATEMENT -



029 00001 00  
ACCOUNT:

PAGE: 1  
01/31/2013

11-35082 B  
BANKRUPTCY ESTATE OF  
CASTLE ARCH REAL ESTATE INVEST  
D RAY STRONG, TRUSTEE <C> 29  
201 S MAIN ST SUITE 450 0  
SALT LAKE CITY UT 84111 0

\*\*\* FINAL STATEMENT \*\*\*

LOS ANGELES - HEADQUARTERS  
601 S. FIGUEROA ST. 29TH FLOOR  
LOS ANGELES, CA 90017

TELEPHONE:213-891-1188

eSTATEMENTS ARE HERE - LOG ON PBnet PERSONAL ONLINE BANKING TO ENROLL  
Attention Bankruptcy Trustees:

For account information log into PBnet Business Online Banking at  
www.preferredbank.com or call BK Customer Service at 213-891-1188  
Ronnia Ching @ ext. 1130 or Matt Overin @ ext. 1107

The FDIC Insurance on unlimited non-interest bearing demand deposits may  
expire on December 31,2012. Unless Congress takes action before the  
expiration date. FDIC insurance on non-interest bearing demand deposit  
account may revert back to \$250,000.00

BANKRUPTCY CHECKING ACCOUNT

		LAST STATEMENT 12/31/12	126.01
AVG AVAILABLE BALANCE	126.01	CREDITS	.00
AVERAGE BALANCE	126.01	2 DEBITS	126.01
		THIS STATEMENT 01/31/13	.00

OTHER DEBITS

DESCRIPTION	DATE	AMOUNT
CLOSING WITHDRAWAL - ACCOUNT CLOSED	01/16	.00
TRANSFER TO #1523333	01/16	126.01

\*\*\* CONTINUED \*\*\*





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ACCOUNT:

PAGE: 2  
01/31/2013

11-35082

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BANKRUPTCY CHECKING ACCOUNT

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- - - ITEMIZATION OF OVERDRAFT AND RETURNED ITEM FEES - - -

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*****
*                                     | TOTAL FOR | TOTAL | PREVIOUS *
*                                     | THIS PERIOD | YEAR TO DATE | YEAR TOTAL *
*-----|-----|-----|-----|
* TOTAL OVERDRAFT FEES:             |           $ .00 |           $ .00 |           $ .00 *
*-----|-----|-----|-----|
* TOTAL RETURNED ITEM FEES:         |           $ .00 |           $ .00 |           $ .00 *
*****
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- - - - - DAILY BALANCE - - - - -

DATE.....	BALANCE	DATE.....	BALANCE	DATE.....	BALANCE
01/16	.00				

- END OF STATEMENT -