



Investor Update

ROI Strategies

As I write this update, I sit at the Dublin airport (in Ireland, not California). We had a taxi driver on the way to the airport who wanted to discuss Ireland's politics, healthcare, social programs, etc. I'm sure you can imagine how that conversation went.

Tanja and I are in Ireland as the final stop on our trip to New York, Kiev in the Ukraine, Amsterdam, and of course, Dublin. This all stemmed from an invitation to travel to Kiev to meet with some potential investors through a contact we know here in the United States. It's the first time either of us have been to an Eastern Bloc country. We really enjoyed learning from the people we met and hearing about their struggles and opportunities.

What struck a chord with me is how different governments do basically the exact same stuff, just in different ways. Also, how all of the people we spoke to in different countries generally want the same thing: freedom to live their lives. I will write more on this in a future article.

Onto our update for this month. ROI Strategies continues to roll along with only one rent to own in June but potentially five for July. We have 4 more buy backs this month from rent to own tenants that got their financing, three homes within our flip inventory being sold, and one walk-away rent to own tenant's home being sold on the open market for a profit.

We have made multiple offers on homes in the Reno area for senior assisted living homes. None have gone through yet, but we expect by next month we will have one or two homes in our inventory. We will then modify these homes to fit our senior assisted living model of providing 10 private rooms for our residents.

We have hired a new team member, Kellie Lee, who will head up running the senior assisted living homes, and we are so excited about this decision. Kellie brings a super entrepreneurial spirit, along with marketing experience, and has been a small business owner herself.

One thing I want to point out is that the purchasing of the senior assisted living homes will be done through ROI Strategies and owned by ROI. The operational part of the business will be owned by Hughes Private Capital under a separate LLC (which will eventually have a name). At no time will the two businesses mix from a financial standpoint.

Assuravest has purchased \$1.9M in notes, for a total of \$2.1M in investor's equity to date. The difference between the two numbers is cash left to pay expenses as needed. By the September update we will have our first quarterly Fair Market Valuation completed and will report that to you. We have received some collateral files for the notes purchased but are waiting on the majority. Collateral usually takes 6 months to receive and workouts on the loans can't begin until that time.

Advanced Commission had a record month again. We produced \$348,000 in advances for the month of June with an average return of 14.8% on a 36-day turn.

What is most incredible is the business is already producing positive cash flow after only 5 months of operation. Currently, we have \$850,000 in investors' dollars in this fund, and we are putting investors on a waiting list so we can take on their capital as the business grows.

As I finish this update, I am five hours into my nine-hour flight to Chicago. Apparently, I didn't pay enough for these plane tickets because we have been next to screaming kids and babies on every flight. Oh well, I am just grateful I can be writing an update, screaming kids or not, to all of our investors that help to make our lives so wonderful at Hughes Private Capital!

Greg Hays

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