



DEBT VALIDATION INVESTMENT SUMMARY

This document describes an investment opportunity in the debt validation industry. It is not a solicitation to invest.

Sponsored by:



THE REAL ASSET[®]
I N V E S T O R

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FUND OVERVIEW



Debt Validation is a process where consumers retain legal services for assistance with debt relief. We partnered with experienced attorneys and a payment servicer who have more than a decade of experience in this niche practice area and provide this service to thousands of clients all over the country.

This Fund will provide investors with the opportunity to participate in the purchase of seasoned lots of Debt Validation contracts. We have real-time access to and monitor each of these contracts to verify that clients are serviced and that payments are collected. We then receive the payments on these contracts from our payment servicing

partner and make distributions to investors.

In order to rapidly ramp up their consumer client base and increase market share in this growing market, our partners who have been primarily self funded for most of the last decade, need capital to keep up with demand to educate consumers and attract clients.

We chose to partner with this team of attorneys because we believe that we can help our investors earn significant returns while also helping consumers reduce their debt levels and interest payments via legal representation that wouldn't otherwise be affordable to them, helping

to improve their lives and making this a win-win investment for indebted consumers and our investors.

When a client finishes the program, they will have safely and legally regained control of their finances without the scorched-earth effects of bankruptcy and they will have learned how to better manage their debt and credit for the future. In exchange for helping our partners expand their business and help more clients, they are providing our fund with opportunity to purchase future income streams associated with the client accounts at a significant discount, thereby allowing our fund to provide attractive returns for investors.



WHAT IS DEBT VALIDATION

How Does It Work, And How Our Fund Will Help Thousands Of Consumers

While Debt Consolidation, Debt Settlement, and Bankruptcy are the best-known solutions for the millions of consumers who find themselves trapped with crushing debt, a lesser-known solution called Debt Validation exists that can deliver significantly better outcomes for many consumers. Debt Validation is not as well-known as these other forms of debt mitigation due to the immense amount of marketing dollars spent to attract consumers to these other forms of debt mitigation.

Our partners are helping to educate consumers about Debt Validation, so they are aware of a potentially much better solution to reduce and eliminate their debt and interest payment challenges. Debt Validation is a process intended to protect against unscrupulous debt collection practices. It is typically most effective against the collection agencies and predatory lenders that tarnish the reputation of the credit industry. While Debt Validation will typically not remove all debt, our partners perform an analysis of a client's individual situation to determine which debts, if any, are good candidates for the process of validation so they can work with clients who they believe will have significant success via the Debt Validation process.

For example, our attorney partner is typically able to achieve amazing results for their clients, with more than 90% of the targeted debt wiped clean for their clients (based on actual historical data to-date) and with clients achieving an average savings of approximately \$32,250 compared to making minimum monthly payments over time.



The Debt Validation process begins after a debt has been sold to a debt collector. When a consumer stops making payments on a credit card, the creditor will usually escalate their collection efforts for a few months. If resolution is not achieved within the creditor's timeframe, the creditor will typically sell the debt to a third-party debt collector at a pre-negotiated and discounted rate. These losses are priced into the bank's business model and are generally recovered in advance by high interest rates, late charges, and annual fees.

Our partners begin the Debt Validation process by requesting from the collection agency the documents which must be on file with that agency to evidence the legal right to collect on an account. Under the Fair Debt Collection Process Act, the creditor is legally required to provide specific documentation within a specific timeframe when requested to do so. The Act protects consumers from predatory collection practices and fraudulent attempts to collect debts that are not legally valid and places the burden of proof on the creditor.

WHAT IS DEBT VALIDATION continued



Surprisingly, a majority of second and third-tier creditors typically either fail to produce the legally required documentation (often because they never received it in the first place from the original debtor) or fail to provide the required documentation within the required timeline, making that debt not legally collectible. As they typically purchase these risky credit accounts in bulk for pennies on the dollar, this is a known risk to their business.

Once a creditor fails to produce legally required documentation within the legally required timeline, our partners will dispute the account with the three national credit bureaus (TransUnion, Equifax and Experian) and request that the bureaus remove all derogatory marks associated with the account, thereby removing the debt from the client's credit history.

Once the debt is invalidated, the balance is no longer owed and is completely wiped out, the negative file is removed from the client's credit report, and the client's credit score begins to improve. It typically takes 12 to 24 months to process all debts for an individual client. During this time, clients receive status updates from our attorney partner every 30 days for the first four months, and every 90 days thereafter. **Historically, this process results in over 90% of clients' targeted**

debt being invalidated, which is clearly a very favorable result for clients.

Of the debts that cannot be invalidated, our attorney partner moves to settle the accounts with the client's creditors and negotiates an affordable payment plan for the client (please note that the client will be responsible to pay any remaining debts that are not invalidated to the respective outstanding creditors). ***On average, for the remaining client debt that exists after the Debt Validation process, our attorney partner is able to negotiate a settlement with the client's creditors of 50% of the outstanding balance with no additional interest owing, which is a very good end result for the debts that cannot be invalidated.***

As you can see, between the elimination of the majority (90%) of a client's debt and the reduction of the remaining debt and interest owing, our attorney partner is helping consumers in life-changing ways with clients achieving an average savings of approximately \$32,250 compared to making minimum monthly payments over time, freeing them from burdensome debt and high-interest payments and educating them on how to better manage their debt going forward.

FUND STRUCTURE

FINANCIAL PROJECTIONS AND FUND HIGHLIGHTS

- Projected Fund Term: **21 months**
- Projected payback of principal to investors: **14.5 months**
- Projected IRR to investors: **41%**
- Projected total return to investors: **32%**
- Distribution frequency to investors: **Monthly**

FAVORABLE INVESTMENT STRUCTURE

- **NO Management fees**
- **NO Set-up fees**
- **NO Upfront fees**
- **NO Administrative/documentation fees**
- **NO Other fees to Fund manager until investors have received their ENTIRE projected return**

KEY FUND HIGHLIGHTS

- **Helping Thousands Of Consumers To Reduce And Eliminate Debt And High-Interest Payments:** We chose to partner with these attorneys because we believe that we can help our investors earn significant returns while also helping consumers to reduce their debt levels and interest payments via legal representation that wouldn't otherwise be affordable to them, helping to improve their lives and making this a win-win investment for indebted consumers and our investors.

When a client finishes the program, they will have safely and legally regained control of their finances without the scorched-earth effects of bankruptcy and they will have learned how to better manage their debt and credit for the future.
- **Favorable Investor Structure:** In an effort to prioritize investors with a very favorable structure and to help reduce risk for investors, investors receive 100% of the distributable proceeds until they receive their ENTIRE projected return, including their initial invested capital and the projected total return of 32%, before the Fund Manager earns any fees.
- **Investment Type:** The Fund will invest in a diversified pool of thousands of our partner's client accounts that generate income streams from the service fees that are paid for Debt Validation legal services.



PROJECTED INVESTOR RETURNS

Model Scenario: RAI Debt Validation Fund (INVESTOR)

Assumption: \$100,000 investment

Months	1	2	3	4	5	6	7	8	9	10	11	12
Cash Flow (Distributed To Investors)	\$7,445	\$7,333	\$7,223	\$7,115	\$7,008	\$6,903	\$6,800	\$6,689	\$6,597	\$6,498	\$6,401	\$6,305
CoC Rate of Return	7.4%	7.3%	7.2%	7.1%	7.0%	6.9%	6.8%	6.7%	6.6%	6.5%	6.4%	6.3%
Months	13	14	15	16	17	18	19	20	21			
Cash Flow (Distributed To Investors)	\$6,305	\$6,305	\$6,305	\$5,359	\$5,349	\$5,349	\$5,359	\$5,359	\$3,963			
CoC Rate of Return	6.3%	6.3%	6.3%	5.4%	5.4%	5.4%	5.4%	5.4%	4.0%			
Payback (in Months)	14.5											
Internal Rate Of Return (IRR)	41%											
Total Return On Investment	32%	This investment opportunity is available to accredited investors only.										

This investment opportunity is available to accredited investors only.



ACQUIRING SEASONED CLIENTS REDUCES RISK

Our Fund will only be purchasing seasoned client accounts. Our attorney partner's years of historical data shows that more than 85% of our clients who successfully make their first service payment will remain ongoing clients until the end of the Debt Validation process. This greatly reduces risk to investors.

Fund Manager Will Have Real-Time Access to All Client Accounts to Help Reduce Risk for Investors

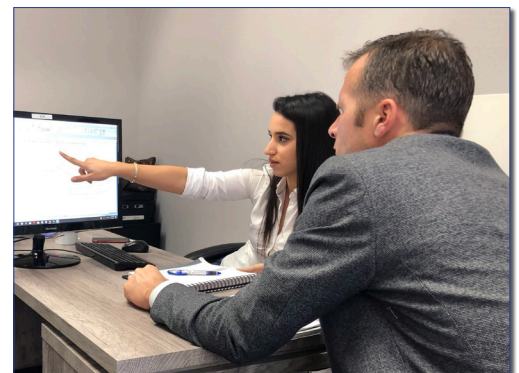
In an effort to be transparent and to help reduce risk for investors, our attorney partner will be providing us with real-time access to all of our invest-

ed client accounts, allowing us to monitor and audit all of our accounts' performance on a real-time basis. Our access will be very comprehensive and will include all steps and notes made and taken by both our attorney partner and our payment servicing partner, including all written and verbal interactions with clients, all service payment history, all Debt Validation documentation and status updates, and many other pieces of information associated with each invested account. This access should help to reduce risk for investors, as it will allow the Fund Manager to identify challenges and address them with our attorney partner in real-time.



DUE DILIGENCE PROCESS

- **November 2019:** Real Asset Investor (RAI) gets introduced to the Debt Validation team by a trusted advisor
- **Nov-Dec 2019:** RAI/Dave Zook has several calls with the Debt Validation team
- **Jan 2020:** RAI/DZ travels to California to meet the team and see the business operations
- **Feb 2020:** DZ invests \$250k personally in Debt Validation Contracts
- **March-June 2020:** DZ contracts are performing above projections
- **April-June 2020:** RAI/DZ is on the online portal monitoring contract performance with Debt Validation team
- **June 2020:** RAI introduces Debt Validation to their network of investors



THE DEBT CRISIS IN AMERICA TODAY

With the gap between the rich and poor continuing to expand in the US, consumers and households are finding it increasingly difficult to make ends meet and are turning to credit card debt, an extremely expensive and some would consider predatory form of debt for consumers with interest rates as high as 35%+.

In trying to make ends meet, many consumers and households are being weighed down by their outstanding credit card debt and this debt serves as a major source of stress in their daily lives. Our Fund is enabling our partners to help more clients to reduce their current debt and interest obligations while also educating them on how to avoid taking on too much consumer debt going forward.

Credit card balances carried from one month to the next hit \$443.96 billion in September 2019, according to NerdWallet's annual analysis of U.S. household debt, while overall credit card debt has increased almost 6% in the past year and more than 34% in the past five years.

According to a survey released in May of 2020 by Creditcards.com, who has been looking at the market since the outbreak of Covid-19, nearly half (47%) Of U.S. adults, or about 120 million people, currently have credit card debt, up from 43% in early March. Also, about 28 million U.S. adults (23%) have added to their credit card debt as a direct result of the Covid-19. Overall, 45% of credit card debtors are currently stressed about their credit card debt.

According to data from a 2018 Federal Reserve survey:

- People who report an unpaid credit card balance "most or all of the time" were nearly five times as likely to describe themselves as "struggling to get by" or "just getting by", than the people who paid their credit card bills in full every month.
- They were nearly 50 percent more likely to have an income under \$50,000,
- 2.5 times as likely to describe the economic conditions in their community as "poor,"
- Three times as likely to have skipped prescription medicine or doctor's visits because of cost.

Much of this problem is a direct result of the credit card industry's predatory practice of targeting people in poor economic conditions with credit they cannot afford.

Finally, 71 million or more than 28% of U.S. adults have debt in collections according to data from the Federal Reserve Bank of New York. Behind our system of easy credit are roughly 300,000 debt collectors, working for both lenders and 3rd-party collection agencies, whose job it is to recover money from American families.



TYPICAL CLIENT PROFILE

AND WHY THEY CHOOSE TO WORK WITH OUR ATTORNEY PARTNER

Not all consumers are in an appropriate financial condition to use Debt Validation and not all debts are a good fit for Debt Validation. Our partner's marketing team pre-screens consumers who have reached out to get help with their financial situation. The average client that our attorney partner enrolls has \$25,000 in debt that our partner believes would benefit from Debt Validation. Each client agrees to pay a service fee that is a fraction of their debt payments and is specifically designed to be affordable and manageable based on their income. The payments are auto-debited from the client on a monthly or bi-monthly basis and the average term is 27 months. On average, more than 90% of the client's targeted debt will be wiped clean, resulting in a savings of approximately \$32,250 compared to making minimum monthly payments over time. Clients choose Debt Validation over the other better-known debt mitigation services (i.e. Debt Consolidation, Debt Settlement, Bankruptcy, etc.) because they learn during pre-screening that Debt Validation may provide them with significantly greater savings and lower monthly payments than other better-known options.

Most consumers prefer the guidance of legal counsel to help them with their Debt Validation efforts because they are not familiar with all of the important steps needed to make Debt Validation successful. Furthermore, our attorney partner shelters them from harassing calls and letters from debt collectors, making the process much easier to navigate. However, hiring an attorney to navigate all the labor-intensive steps needed for Debt Validation is prohibitively expensive for consumers who need it the most

and our attorney partner offers its clients an affordable solution based on their income to navigate the challenges associated with the Debt Validation process.



Very Preferable Investor Structure and Attractive Projected Returns with No Management Fees and No Profit Splits Until Investors Have Received Their ENTIRE Projected Return!

Our goal in structuring this Fund was to put our investors first and help our investors receive the return of their capital as quickly as possible. With that in mind, we created a very preferable structure for investors that helps to reduce risk and prioritizes an accelerated payback for investors, including:

- **NO Management fees**
- **NO Set-up fees**
- **NO Upfront fees**
- **NO Administrative/ documentation fees**
- **NO Other fees to the Fund Manager until investors have received their ENTIRE projected return, including the return of their capital and their projected 32% total return.**
- **The Fund Manager will only earn fees via the remaining cash flow from the client accounts AFTER investors have received their ENTIRE projected return,** thereby providing investors with a very favorable structure and which helps to reduce risk for investors compared to most other Funds that include upfront fees, management fees, and profit splits BEFORE investors have received their ENTIRE projected return.

OUR TEAM

In addition to the Real Asset Investor Team, this Fund will leverage an attorney partner and a payment servicing partner to help make this opportunity a success.

Attorney Partner - Litigation Practice Group

Litigation Practice Group (LPG) is the team of attorneys that represents our client accounts throughout the United States. With years of experience in the Debt Validation space, LPG spearheads the Debt Validation process and negotiate settlements for our client accounts. LPG is based in San Clemente, CA.

Attorney Daniel S. March has practiced law in the state of California since 1982. During his long-distinguished career, Mr. March has represented clients ranging from politicians to Police Chiefs, to movie stars. Mr. March's current expertise is in the area of debtors' rights. This includes a robust bankruptcy practice and debt resolution practice that spans across thousands of Debt Validation accounts.

Payment Servicer Partner - Coast Processing

Coast Processing is our attorney partner's payment servicing partner and will provide the Fund with its share of the income streams associated with the invested client accounts. Coast provides document handling, customer service, billing, and retention services to our attorney partner. All communications with client accounts (including calls, texts and emails) are recorded and become part of the digital client records. Coast stays in communication with clients throughout the entire Debt Validation process.

Brian Reale is the Founder & Chief Executive Officer of Bat Inc., dba Coast Processing, a nationwide marketing and processing company for financial debt services in the legal space. He has been a majority partner in two successful mortgage companies as well as a Debt Validation front end company. Coast is located in San Clemente, CA and employs 35 full-time staff. Coast is in the same building as our attorney partner to maximize efficiency, communication, and effectiveness.

Fund Manager - Real Asset Investor

Dave Zook

Founder and CEO
The Real Asset Investor
Lancaster, PA



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Dave is a successful Business Owner, Syndicator and an Investment and Tax Strategist.

He has acquired more than \$150MM of Real Estate since 2010 which include several thousand Multi-family apartment units, multiple large institutional grade Self-storage facilities and Cleaner Energy Coal distillation units which produce pharmaceutical grade oil and liquids.

His team is also one of the top 5 ATM operators in the U.S.

