

**FAQs on the Plan and Solicitation Process
for Investors in ONH AFC CS Investors LLC and ONH 1601 CS Investors LLC**

1. What is the Plan?

ONH AFC CS Investors LLC (“ONH AFC”) and ONH 1601 CS Investors LLC (“ONH 1601”) and together with ONH AFC, the “Debtors”) are seeking approval of the *Amended Small Business Debtors’ Joint Plan of Liquidation* (Doc. No. 166-1) (the “Plan”).¹ The Plan reflects the significant efforts of the Debtors, the Independent Manager Anna Phillips, and the professionals working with them to investigate and maximize available funds for distribution.

The Plan also requests the Bankruptcy Court’s approval of a settlement agreement with Mr. Elie Schwartz, Nightingale Properties LLC, and related entities (the “Schwartz Nightingale Parties”) to repay investors the amounts invested in ONH AFC and ONH 1601, plus expenses. This settlement is described in Section 1.9(d) of the Plan, attached to the Plan as Exhibit 2, and referred to as the “Schwartz Nightingale Settlement.”

The Schwartz Nightingale Settlement provides a calculation for how much must be paid to the Debtors by the Schwartz Nightingale Parties. If the transaction related to the Lincoln Place Property does not close and the Debtors do not receive the proceeds from that transaction, then the amount due under the Schwartz Nightingale Settlement increases. The Schwartz Nightingale Settlement also provides for security interests, liens, and other mechanisms to support enforcement of the agreement.

The Plan also allows investors to decide to opt-in or elect into a resolution of claims against CrowdStreet in exchange for CrowdStreet’s agreement to subordinate (or receive money after investors) payment and make new subordinate loans to the Liquidating Trust.

We will explain each of the elections and what investors are being asked to do below.

2. What are investors being asked to do?

Investors are being asked to act on three separate questions:

- First, investors are being asked to vote whether to accept or reject the Plan. **The Debtors encourage investors to submit their ballot to accept the Plan.**
- Second, investors are given the option to assign their individual claims against the Schwartz Nightingale Parties to the Liquidating Trust in exchange for 5% simple annual interest. This is described in Section 2.5(d) of the Plan and referred to as the “SN Opt-In.”
- Third, investors are given the option to release any claims against CrowdStreet in exchange for CrowdStreet’s subordination of repayment of CrowdStreet’s loans and for CrowdStreet to make up to \$3 million of new subordinated loans (depending on the number of investors

¹ Capitalized terms not defined herein shall have the meanings ascribed to them in the Plan.

that elect this release). Subordination means that CrowdStreet's loans would only be repaid after the investors are paid. This is described in Section 2.5(d) of the Plan and referred to as the "CS Opt-In."

3. What does it mean to assign my claims against the Schwartz Nightingale Parties?

Investors who elect the SN Opt-In are assigning their individual claims against the Schwartz Nightingale Parties to the Liquidating Trust. This election would transfer any claims against the Schwartz Nightingale Parties to the Liquidating Trust, while providing participating investors annual simple interest of 5% on outstanding claims until they have been repaid. The 5% interest begins to accrue on the Effective Date of the Plan. The Effective Date generally is shortly after the Bankruptcy Court's hearing to consider approval of the Plan.

4. What does it mean to release my claims against CrowdStreet?

Investors who elect the CS Opt-In are releasing their individual claims against CrowdStreet. If a sufficient number of investors elect the CS Opt-In, CrowdStreet will subordinate its \$2.2 million of loans already provided to the Debtors and provide up to an additional \$3 million in new subordinated loans to the Liquidating Trust in the event of a default by the Schwartz Nightingale Parties under the Schwartz Nightingale Settlement. The Debtors encourage investors to elect the CS Opt-In because this will allow for the Liquidating Trust to minimize amounts needed for reserves and maximize ultimate recoveries to investors through the Liquidating Trust.

5. Do I have to elect both the CS Opt-In and the SN Opt-In?

No. You can choose to elect one or both Opt-Ins. You can also choose not to elect either Opt-In. Voting to accept or reject the Plan is a separate question from the Opt-Ins.

6. I've been contacted by outside attorneys, some of whom are preparing to bring claims against one or more of the Schwartz Nightingale Parties. Why would I elect the SN Opt-In instead of pursuing my own claim?

Investors are free to not elect the SN Opt-In. However, because the Debtors have reached an agreement with the Schwartz Nightingale Parties for repayment of the amounts invested in the Debtors and the Schwartz Nightingale Parties have provided security interests, lines and judgments in favor of the Debtors/Trusts on their assets, any collection efforts will be junior in right of payment. It is also unclear why paying lawyers (or agreeing to pay contingency fees) to bring another claim against the Schwartz Nightingale Parties will aid you in getting your money back any faster.

The Debtors cannot advise you personally on this issue, but if you pursue an individual claim, you will be competing for the same recoveries that will otherwise go to you and other similarly situated investors. A new lawsuit will not create additional assets for the Schwartz Nightingale Parties to repay investors and will not allow repayment to happen faster.

7. I've been contacted by a number of outside attorneys, some of whom are preparing to bring claims against CrowdStreet. Why would I elect the CS Opt-In instead of pursuing my own claim?

Investors are free to not elect the CS Opt-In. However, if enough investors elect the CS Opt-In, it will help to support the Liquidating Trust's ability to pursue the Schwartz Nightingale Parties should they fail to meet their obligations under the Schwartz Nightingale Settlement. This support will come in the form of additional funding for the Independent Manager to continue her work without relying on contingency funding or other structured litigation financing or greater reserves from investor repayments. Requiring other litigation funding would ultimately reduce recoveries to the investors because it can be expensive. If sufficient investors do not elect the CS Opt-In, the Liquidating Trust is required to use recoveries to pay CrowdStreet ahead of investors for the \$2.2 million CrowdStreet has already loaned. It is important to note that if enough investors elect the CS Opt-In, CrowdStreet's existing loans will be subordinated to investor claims for the Liquidating Trust to maximize payments to investors.

The Debtors cannot advise you personally on this issue, but the Debtors believe there are arbitration and liability protections in your contracts with CrowdStreet that may reduce your recoveries. The Debtors believe that if sufficient investors elect the CS Opt-In and CrowdStreet subordinates its claims and provides additional funding to the Liquidating Trust, the investors stand to recover more money from the estate than by pursuing individual claims.

8. Does the Plan, SN Opt-In, and CS Opt-In preclude criminal action against Mr. Schwartz?

No. Any criminal or regulatory action will come through the SEC, FBI or Department of Justice unrelated to a settlement with investors.

9. How do I vote?

Voting will primarily take place electronically. Investors will receive an email from Epiq with detailed instructions to access the ballots and submit their votes. An explanation of the voting process was also provided on the webinar held on October 31, 2023.