



Chapter 13 Portfolio Valuation

Prepared for

Stonegate Capital

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Executive Summary

This portfolio holds 2,197 secured and unsecured claims (1,594 confirmed) with \$3,661,684 filed. Fair value at 3.9% TVM is \$397,291; max bid at a 20.0% required return is \$286,190 (P10–P90: \$272,850–\$299,086).

2,048 of 2,309 submitted accounts (88.7%) are included in this valuation. Of these, 1,937 matched directly to trustee records and 111 were located in the court system but the declared creditor's claim was not on file. These cases carry full trustee payment history, court docket filings, and economic data – the only difference is the claim amount, which uses the declared balance (\$209,174) rather than a court-filed record. They contribute \$44,448 (11.2%) to portfolio fair value. 316 accounts (13.7%) had no trustee record and are not included.

Asset Class	Claim Value	Recovery (cents/\$)	Max Bid (cents/\$)
Secured Claims	\$9,012	0.12	0.02
General Unsecured Claims	\$3,652,672	10.88	8.07
Total	\$3,661,684	10.85	8.05

Bid Guidance Scenarios

Scenario	Purchase Price	Cents on Claim Value
Fair Value (MC P50, TVM Rate)	\$385,880	10.54
Max Bid (MC P50, Required Return)	\$286,190	7.82
Downside Scenario (P10)	\$272,850	7.45
Upside Scenario (P90)	\$299,086	8.17

Active Claims

Claim Type	Active Claims	Claim Value	Est. NPV
Secured	4	\$9,012	\$11
Unsecured	2,193	\$3,652,672	\$397,280

Model Inputs & Assumptions

The tables below document the key modeling parameters, feature flags, and calibration assumptions used to produce this valuation. Alternative assumptions may produce materially different results.

Pricing Parameters

Parameter	Value
Discount Rate (TVM)	3.9%
Required Return	20.0%
Servicing Cost Rate	8.0%
Per-Claim Legal Cost	\$27

Survival Model

Parameter	Value
District Calibration	Enabled — 1937 cases mapped (100.0%)
Macro Stress Overlay	Enabled — 8 signals
Docket Intelligence	Enabled
Claim Competition	Enabled — 254 synthetic claims across 224 cases (\$1,248,376)

Collateral Recovery

Parameter	Value
Vehicle Depreciation	1.5%/month
Recovery/Auction Costs	40%
Base Recovery Rate	60%

Key Risk Factors

Portfolio net risk profile: 701 cases with elevated risk ($\geq 1.5x$), 563 cases with favorable profiles ($< 0.9x$), median multiplier 1.17x.

Risk Drivers

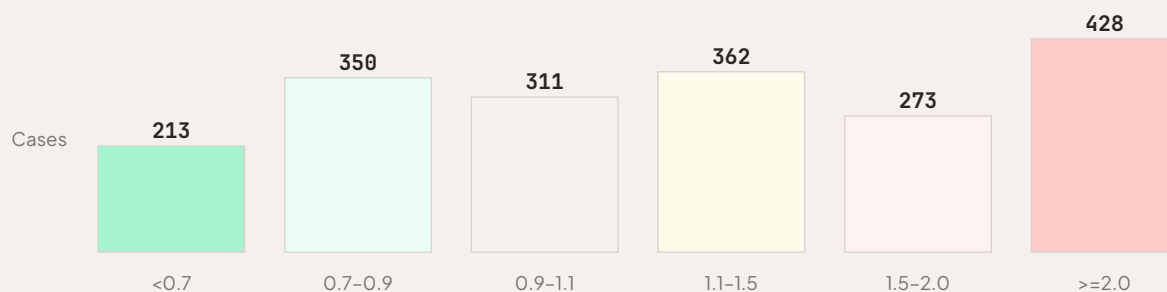
Signal	Cases	Claim Value
Pro Se (No Attorney)	11	\$14,317
Repeat Filer (District-Scaled)	428	\$764,738
Erratic Payments (CV ≥ 0.8)	381	\$809,519
Relief from Stay Filed	82	\$171,218
Multiple Modifications (≥ 2)	328	\$700,882

Risk Mitigators

Signal	Cases	Claim Value
Wage Order (Payroll Deduction)	945	\$1,542,640
Mortgage Case (10-Stage Curve)	577	\$1,260,672
Conduit Mortgage (Trustee-Paid)	273	\$523,409
Consistent Payments (CV ≤ 0.3)	141	\$263,345
Home Stretch (≥ 48 mo, clean)	0	\$0
Lien Strip Approved	14	\$41,121

Composite Risk Multiplier Distribution

Each case's composite multiplier is the product of all applicable hazard signals. Values below 1.0 indicate favorable risk profiles; above 1.0 indicates elevated risk.



Claims Universe Completeness

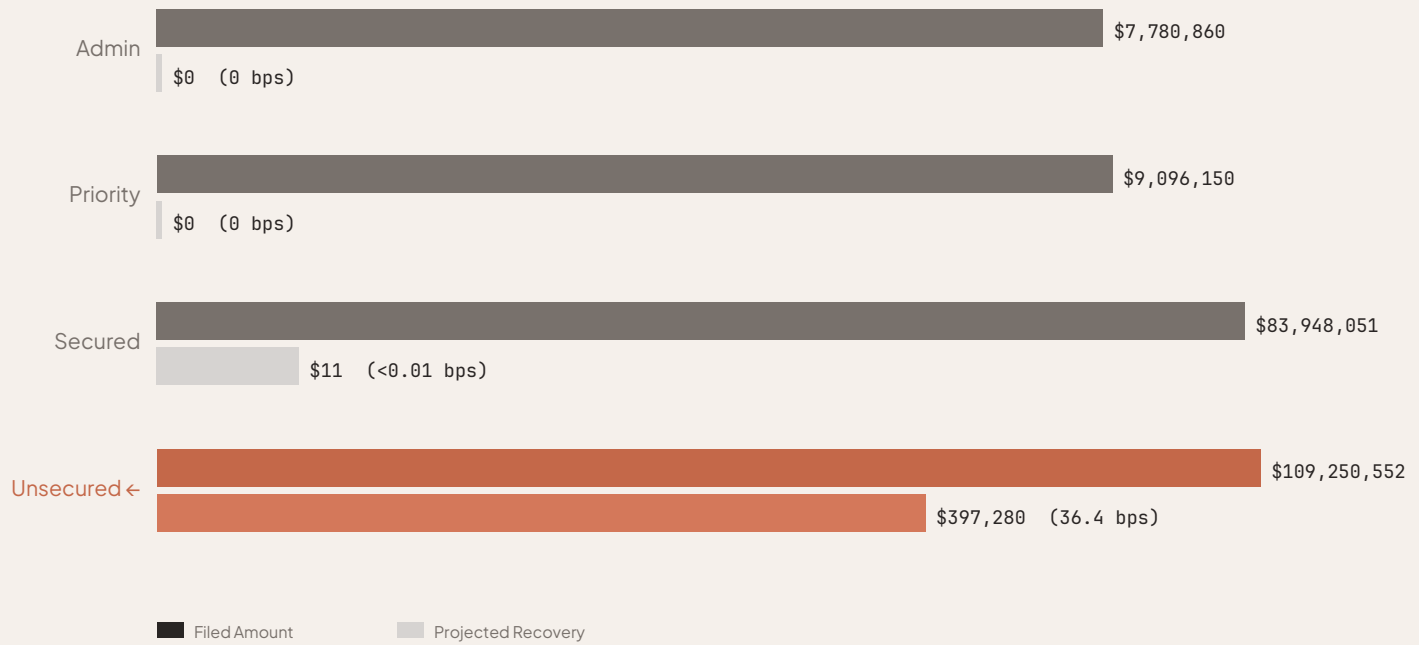
Cases filed within 70 days (non-governmental creditors) or 180 days (government creditors) of the valuation date have incomplete claims universes. The model injected 254 synthetic expected claims (\$1,248,376 total) across 224 cases to model dilution from anticipated future filings. Amounts are derived from empirical distributions of complete cases in the portfolio; valuations for these cases reflect projected claim competition.

Phase	Cases	Synthetic Claims	Synthetic Value
Pre-Bar Date (< 70 days)	23	53	\$872,349
Pre-Gov Bar (70–180 days)	201	201	\$376,026
Total	224	254	\$1,248,376

Tier	Synthetic Claims	Synthetic Value	Avg per Case
Admin (A)	16	\$55,591	\$3,474
Priority (P)	207	\$389,063	\$1,880
Secured (S)	11	\$176,800	\$16,073
Unsecured (U)	20	\$626,921	\$31,346

Where You Sit in the Payment Stack

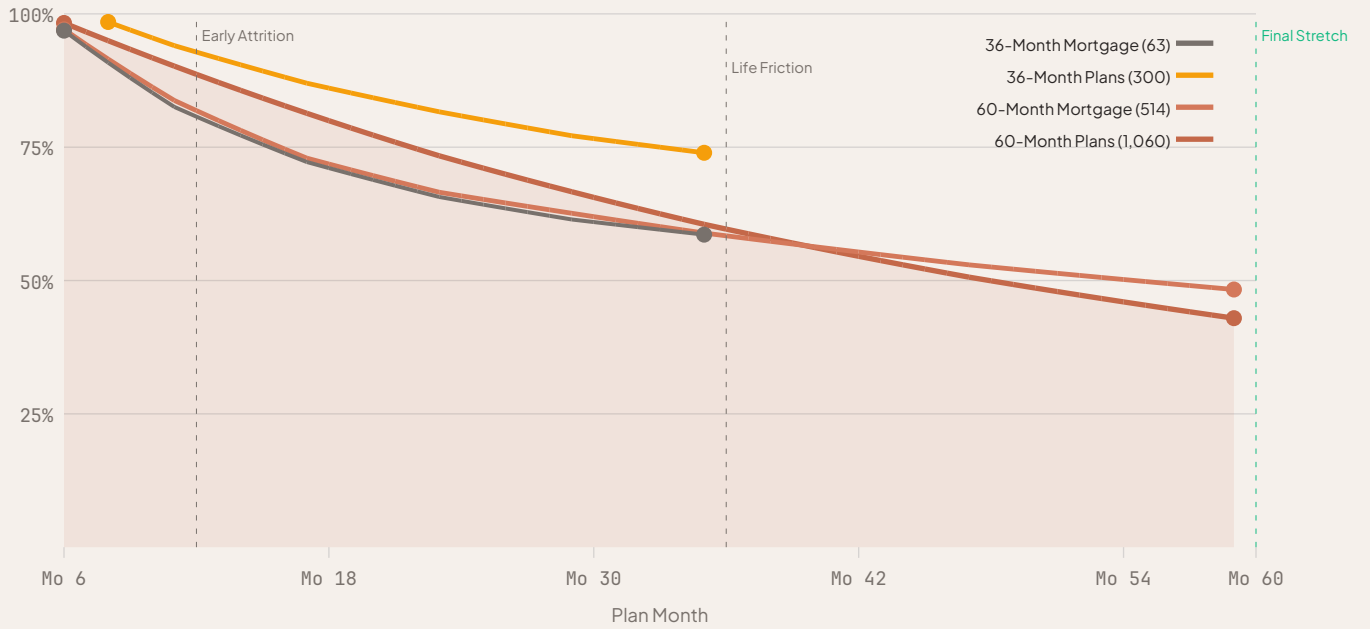
Creditor priority waterfall — filed amounts vs projected recovery by tier (log scale)



The portfolio spans 4 creditor tiers with an overall projected recovery of 18.9 bps against total filed claims across all cases. Your claims sit primarily in the Unsecured tier(s), highlighted above. Bars are log-scaled; dollar values are exact.

Projected Plan Survival Rate

Conditional probability of plan completion by cohort, from current portfolio seasoning

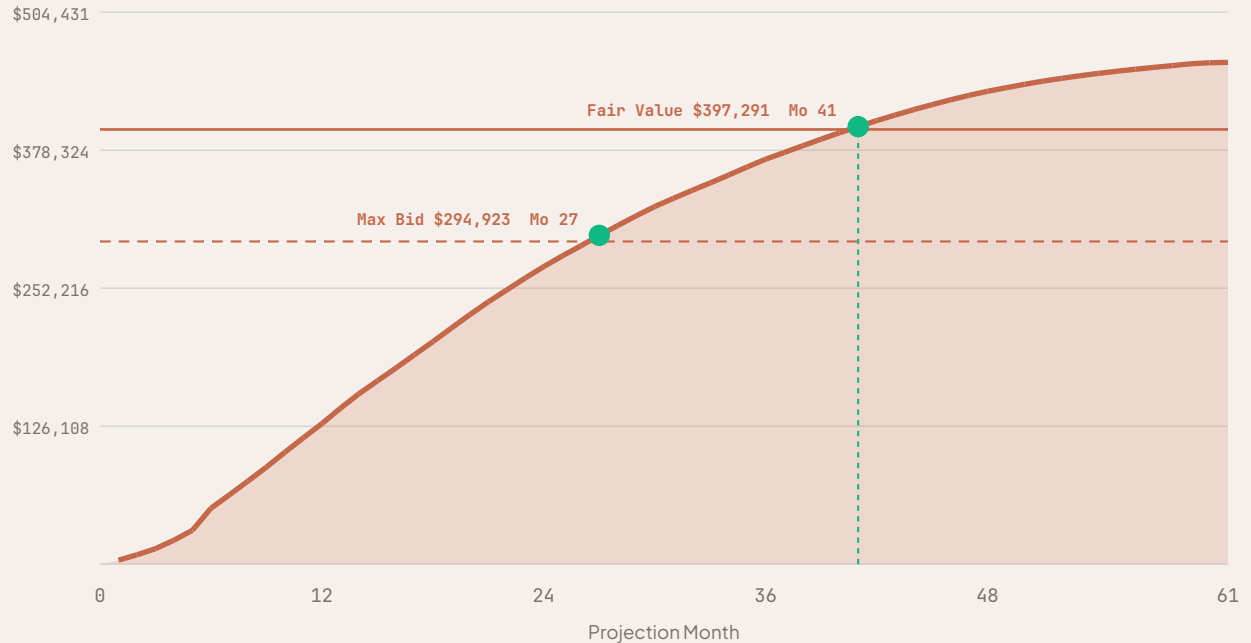


Cohort	Cases	Current Month	Completion Probability
60-Month Plans	1,060	Month 6	43%
60-Month Mortgage	514	Month 6	48%
36-Month Plans	300	Month 8	74%
36-Month Mortgage	63	Month 6	59%

Projected conditional survival rates for 1,937 cases in the portfolio, from their current plan month through plan completion.

When Do I Get My Money Back?

Cumulative discounted cash flow vs fair value and max bid thresholds

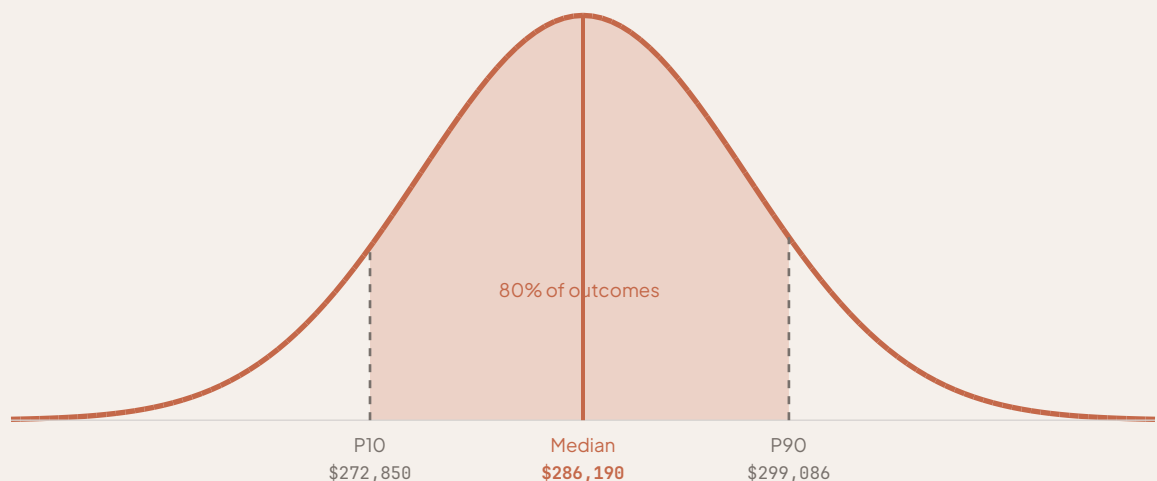


Cumulative discounted cash flow reaches \$458,574 over 61 months (TVM rate: 3.88%); fair value break-even at month 41; max bid break-even at month 27.

How Certain Is This Valuation?

Monte Carlo portfolio value distribution — P10 (downside) through P90 (upside)

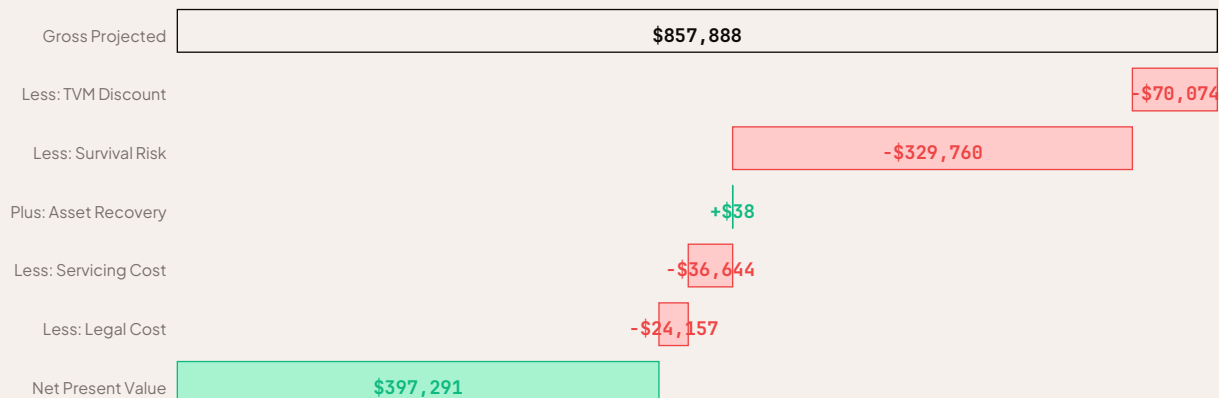
500 simulations — Converged



Distribution of portfolio max bid values across 500 Monte Carlo simulations. The median outcome is \$286,190, with 80% of scenarios falling between \$272,850 and \$299,086 (spread: 9% of median).

Cash Flow & NPV Decomposition

Value Step-Down



Component	Amount	% of Gross Projections
Gross Projected Payments	\$857,888	100.0%
Less: Time-Value Discount	(\$70,074)	(8.2%)
Less: Survival Risk	(\$329,760)	(38.4%)
Plus: Asset Recovery EV	\$38	0.0%
Less: Servicing Cost	(\$36,644)	(4.3%)
Less: Legal Cost	(\$24,157)	(2.8%)
Net Present Value	\$397,291	46.3%

Recent Cash Flow Received

Over the trailing 6 months, the portfolio received \$27,282 in actual trustee disbursements across 160 of 2,248 bid-tape claims (7.1% coverage). Monthly average: \$4,547.

Month	Cash Received	Disbursements	Claims Paid
Oct 2025	\$4,731	76	74
Nov 2025	\$8,600	99	93
Dec 2025	\$3,472	96	91
Jan 2026	\$3,682	103	98
Feb 2026	\$5,317	108	101
Mar 2026	\$1,480	40	38
TOTAL	\$27,282	522	160

Top 15 Cash-Flowing Claims (Trailing Period)

Claim ID	Tier	Claim Value	Cash Received	% of Total	NPV
GADSA-2441410-10-61697	U	\$5,321	\$4,962	18.2%	\$0
KNOX-2432211-0090-0	U	\$1,684	\$1,579	5.8%	\$66
BIRM-2501378-025-7	U	\$6,301	\$1,381	5.1%	\$978
FWRHB-2442399-30-23195	U	\$2,000	\$1,179	4.3%	\$0
FWRH-2440178-43-231659	U	\$3,987	\$833	3.1%	\$1,042
BIRM-2202546-007-7	S	\$5,130	\$700	2.6%	\$0
GADSA-2540643-39-62695	U	\$5,555	\$612	2.2%	\$2,313
ALEX-2510510-016-17	U	\$26,208	\$593	2.2%	\$1,736
JACK2-2512095-004-17	U	\$832	\$586	2.1%	\$119
GADSA-2540643-4-625120	U	\$4,625	\$510	1.9%	\$1,921
BOST-2410357-004-5	U	\$827	\$492	1.8%	\$0
GADSA-2441035-20-61343	U	\$1,815	\$456	1.7%	\$111
STLK1-2423386-6-307873	U	\$1,657	\$421	1.5%	\$807
JAKN-2410876-52-190217	U	\$921	\$358	1.3%	\$23
CINC-2410706-41-136611	U	\$928	\$327	1.2%	\$480

Secured Claims Analysis

The portfolio contains 4 confirmed secured claims with total claim value of \$9,012. The table below summarizes collateral-type composition.

Collateral Type	Claims	Claim Value	Collateral Value	Est. NPV
Mortgage	0	\$0	\$0	\$0
Vehicle	0	\$0	\$0	\$0
Other Secured	4	\$9,012	\$3,065	\$11
Total	4	\$9,012	\$3,065	\$11

Auto & Motor Vehicle Claims

No active auto or motor vehicle claims identified in this portfolio.

Collateral Cramdown Bifurcation

Under §506(a), 1 secured claims in the portfolio's cases were bifurcated because the filed claim amount exceeded stated collateral value. The secured tranche is capped at collateral value; the excess becomes a general unsecured deficiency claim with significantly lower expected recovery. Total value shifted to unsecured: \$2,565 out of \$5,130 in original claim amounts.

Claim / Creditor	Original Amt	Secured Cap	Sec. NPV	Deficiency	Def. NPV
BIRM-2202546-007-7 <i>INTERCOASTAL FINANCIAL LL</i>	\$5,130	\$2,565	\$0	\$2,565	\$1,360
Total	\$5,130	\$2,565	\$0	\$2,565	\$1,360

Unsecured Claims Analysis

Paying vs. Zero-Percent Plans

Of 2,215 active unsecured claims (\$3,675,494 claim value), 1,458 are in paying plans and 757 are in zero-percent plans. Overall unsecured recovery is 10.8 cents on the dollar.

Segment	Claims	Claim Value	NPV	Recovery (cents/\$)
Paying Plans	1,458	\$2,540,818	\$377,220	14.8
Zero-Percent Plans	757	\$1,134,676	\$20,060	1.8
Total Unsecured	2,215	\$3,675,494	\$397,280	10.8

Payout Rate Distribution

Payout Band	Claims	Claim Value	NPV	Avg Multiplier	Avg Plan Mo.
0%	684	\$1,013,944	\$8,699	0.02x	0
1-25%	287	\$406,720	\$7,228	0.96x	8
26-50%	76	\$111,069	\$9,325	1.19x	10
51-100%	1,095	\$2,023,030	\$360,666	0.97x	6

Top Unsecured Claims by NPV

Top 10 unsecured claims represent \$50,365 (12.7% of unsecured NPV).

Claim ID	Claim Value	Payout Rate	NPV	Max Bid	Risk Mult.
INDY1-2507178-UNMATCHE	\$14,206	0%	\$8,024	\$7,553	0.96x
PLEA-2402498-31-790162	\$8,066	100%	\$6,665	\$5,608	0.44x
SPOK-2502119-15-106759	\$7,341	100%	\$5,780	\$4,953	0.50x
PLEA-2403314-20-794054	\$7,137	100%	\$5,498	\$4,388	0.65x
PLEA-2403348-50-794032	\$6,549	100%	\$5,213	\$4,723	1.00x
SANA-2511580-42-606704	\$15,150	54%	\$4,212	\$3,039	1.27x
COLM2-2503300-9-144300	\$5,387	100%	\$3,862	\$3,400	1.02x
PLEA-2403348-9-790543	\$4,847	100%	\$3,851	\$3,489	1.00x
KALA-2501909-18-604201	\$6,920	100%	\$3,656	\$2,880	0.68x
MADS-2512419-14-29	\$7,016	100%	\$3,603	\$2,978	1.06x

Concentration Risk (Top 15 Claims)

The top 15 claims represent \$61,602 of the portfolio's NPV, accounting for 18.8% of the total value. Independent verification of these claims is highly recommended.

Claim ID	Tier	Claim Value	Paid to Date	Gross Proj.	NPV	Risk
PLEA-2402498-31-7901	U	\$8,066	\$0	\$8,066	\$6,665	0.44x
SPOK-2502119-15-1067	U	\$7,341	\$0	\$7,341	\$5,780	0.50x
PLEA-2403314-20-7940	U	\$7,137	\$0	\$7,137	\$5,498	0.65x
PLEA-2403348-50-7940	U	\$6,549	\$0	\$6,549	\$5,213	1.00x
SANA-2511580-42-6067	U	\$15,150	\$245	\$7,837	\$4,212	1.27x
COLM2-2503300-9-1443	U	\$5,387	\$0	\$5,387	\$3,862	1.02x
PLEA-2403348-9-79054	U	\$4,847	\$0	\$4,847	\$3,851	1.00x
KALA-2501909-18-6042	U	\$6,920	\$0	\$5,382	\$3,656	0.68x
MADS-2512419-14-29	U	\$7,016	\$0	\$5,613	\$3,603	1.06x
PLEA-2401124-11-7794	U	\$4,250	\$0	\$4,250	\$3,602	0.69x
COLU1-2555141-19-193	U	\$5,289	\$0	\$5,289	\$3,511	0.85x
PLEA-2503253-59-8290	U	\$6,474	\$0	\$5,995	\$3,390	0.89x
COLM2-2502695-37-144	U	\$7,280	\$0	\$6,200	\$3,014	1.02x
INDY1-2400476-UNMATC	U	\$3,851	\$0	\$3,726	\$2,919	0.63x
JACK1-2402353-UNMATC	U	\$5,483	\$0	\$5,483	\$2,825	1.13x

Monte Carlo Risk Assessment

\$364,589 VaR 95%	\$358,490 CVaR 95%	0.08 Diversification Ratio	Converged Convergence
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VaR 95% is the value below which portfolio NPV falls only 5% of the time. CVaR 95% is the average portfolio NPV in those worst 5% of scenarios. A diversification ratio above 1.0 indicates portfolio diversification reduces risk.

Portfolio Value Distribution

Metric	TVM Rate	Hurdle Rate
P10 (Downside)	\$369,285	\$272,850
P50 (Median)	\$385,880	\$286,190
P90 (Upside)	\$403,958	\$299,086
Mean	\$386,012	\$286,140

Top 10 Riskiest Claims

Claims ranked by recovery uncertainty (coefficient of variation). Higher CV indicates wider dispersion of possible outcomes.

Claim ID	Tier	Det. NPV	MC P50	Downside Risk	CV	P(Zero)
MONT-2531068-8-38970	U	\$0	\$0	0.00	22.34	99.8%
SLOU-2544425-34-0	U	\$0	\$0	0.00	22.34	99.8%
SLOU-2544425-76-0	U	\$0	\$0	0.00	22.34	99.8%
SLOU-2544425-78-0	U	\$0	\$0	0.00	22.34	99.8%
MONT-2430299-14-3718	U	\$0	\$0	0.00	22.34	99.8%
MONT-2531658-23-3914	U	\$0	\$0	0.00	22.34	99.8%
MONT-2581631-12-3978	U	\$0	\$0	0.00	22.34	99.8%
KNSC-2240901-23-1910	U	\$0	\$0	0.00	22.34	99.8%
MONT-2430299-26-3718	U	\$0	\$0	0.00	22.34	99.8%
NASH-2505383-33-3836	U	\$0	\$0	0.00	22.34	99.8%

Disclaimer & Limitations

This valuation memo is based on forward-looking estimates derived from historical data. Actual outcomes may differ materially. 407Labs makes no warranty regarding accuracy. Liability is limited to the fee paid for the engagement.

Key assumptions including discount rate, required return, survival curve parameters, and collateral recovery rates are documented in Section 2. Alternative assumptions may produce materially different valuations.