

**SENATE COMMITTEE ON FINANCE
SUPPLEMENTAL RESPONSE
WRITTEN ANSWERS**

Roaring Florida Acquisitions, LLC

The following written answers are a supplement to the written response and initial disclosures to United States Senate Committee on Finance (the “Committee”), dated May 10, 2019. Documents referenced herein, to the extent they have not already been provided, will be provided in a supplemental production to follow.

Question 1.

b. Is the information contained in the database correct?

We lack the appropriate background information and knowledge to form a basis for concluding what information was used to compile the database and Mr. Looney’s analysis and compilation of the same. As such we cannot confirm or deny on a broad sense whether his spreadsheet is “correct”. Despite the foregoing, we can confirm that Roaring Florida Acquisitions, LLC conducted a private placement offering (the “Offering”) of its shares of limited liability company interest on October 19, 2016, pursuant to Section 4(a)(2) of the Securities Act of 1933 and Rule 506(b) of Regulation D promulgated thereunder. As set forth in the Private Placement Memorandum of Roaring Florida Acquisitions, LLC, dated November 8, 2016, a copy of which has previously been provided to the Committee, the total number of shares that were offered was 15,609,463 for a Maximum Offering Amount of \$15,609,463. As set forth in the SEC Form D (Notice of Exempt Offering) filed with the Securities and Exchange Commission on January 5, 2017, the total amount of shares sold was 15,303,567.

Question 2. For each entity from which you distributed to investor’s tax deductions from the contribution of real property or easements to charity, please provide:

a. The date(s) the partnership or pass-through entity(s) was formed

Roaring Florida Acquisitions, LLC was formed as a limited liability company on August 9, 2016 by the filing of its Certificate of Organization with the Georgia Secretary of State’s Office. See Certificate of Organization.

Roaring Creek Plantation, LLC was formed as a limited liability company on February 3, 2016 by the filing of its Certificate of Organization with the Georgia Secretary of State’s Office. See Certificate of Organization.

b. The date(s) the partnership or pass-through entity(s) acquired the real property and the cost(s) of acquiring the real property involved

Roaring Creek Plantation, LLC obtained title to several portions of real property in Hamilton County, Florida 2016 by virtue of tax free contributions of property, pursuant to Section 721(a) of the Internal Revenue Code by: 1) Glawson Investments Corp. by Quit Claim Deed on February 24, 2016 and a Corrective Quit Claim Deed on March 23, 2016, 2) White Springs Agricultural Chemicals, Inc. by Quit Claim Deed on October 1, 2016, 3) Continental Mineral Sales, Inc. by Quit Claim Deed on September 13, 2016 and 4) White Springs Development, LLC by Quit Claim Deed on October 1, 2016. See various Deeds in supplemental disclosures.

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- c. A description of the real property as recorded in local land and real property tax records

To the extent it has not already been provided, a legal description will be forthcoming in a supplemental disclosure to follow. See e.g., Various Deeds referenced in response to question 2(b).

- d. The dates that interests in the partnership or pass-through entity(s) were sold to each of the investors.

The Offering was closed December 22, 2016. As set forth in the SEC Form D reference above, the date of first sale was December 21, 2016.

Roaring Florida Acquisitions, LLC acquired a 96.564% membership interest in Walker Church Greene 819, LLC on December 22, 2016. See Assignment of Membership Interest.

- e. The date(s) conservation easements on the real property were granted

Roaring Creek Plantation, LLC made a “qualified conservation contribution” of a perpetual conservation easement on 250 acres of real property to Atlantic Coast Conservancy, Inc., a Georgia nonprofit corporation on December 28, 2016. See recorded Deed of Conservation Easement.

- f. The 501(c)(3) organization to which the real property or easements were contributed

See response to subpart e. of Question 2.

- g. The total amount of deductions allocated and the tax years in which they were allocated 2016

The appraised fair market value of the “qualified conservation contribution” referred to in the written response to subpart e. of Question 2 was \$67,530,000. The tax year in which the deduction was taken for the contribution was 2016. See IRS Form 8283.

- h. The total number of investors in each entity

The total number of investors subscribing for shares of limited liability company interests in Roaring Florida Acquisitions, LLC was 136.

- i. The total equity investments by all of the partners to the entity.

As set forth above in the SEC Form D, the total amount of shares of limited liability company interest sold was \$15,303,567.

Please provide copies of all promotional materials provided to investors, or any other communications made prior to an investor’s participation in the transaction, including but not limited to presentations, memoranda, letters, emails, and notes, however formal or informal, describing the investment

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opportunities or the amount of tax benefits expected as a result of or potential result of or potential result of the investment.

See Private Placement Memorandum previously provided to the Committee in the initial disclosures. See also Offering Overview, which will be forthcoming in a supplemental disclosure to follow.

3. For each of the entities responsive to Question #2, Indicate whether the appraisals for the contributed properties involved include the dates and costs related to the partnership or pass-through entity acquiring the ownership of the real property. For each, describe the extent to which you provided such information to the appraisers for their appraisals of the contributed property at issue.

See copies of Appraisals previously provided to the Committee in the initial disclosures. The information contained therein speaks for itself. The “qualified appraisers” were provided copies of all baseline documentation reports documenting the conservation value of the underlying property, market and feasibility studies, copies of vesting deeds, a zoning verification letter, boundary survey and such other valuation materials and publically available information deemed necessary or appropriate for the qualified appraisers to properly determine the highest and best use of the property. Each qualified appraiser obtained any additional information necessary to develop their valuation methodology, including comparable sales data for similar properties. Each Appraisal was prepared in conformity with the then-current Uniform Standards of Professional Appraisal Practice Manual.

4. For all entities responsive to Question #2, **please provide copies** of all appraisals (or other statements of value) for each contribution of real property, regardless of whether the appraisals were final copies which were provided to investors, or were used to support the value of a charitable contribution.

See copies of Appraisals previously provided to the Committee in the initial disclosures. See copy of Appraisal Review, dated March 20, 2017, by Clark Davis, P.C.

5. For all entities responsive to Question #2, indicate whether you prepared, or arranged to be prepared, assessments (or baseline studies or similar analyses) of the conservation value of the real property. **Please provide copies** of all such assessments regardless of whether the assessments were final copies, were provided to investors, or were used to support the value of a charitable contribution.

See copy of Baseline Documentation Report previously provided to the Committee in the initial disclosures.

6. For each of the entities responsive to Question #2 indicate the following:
- a. Did you provide to anyone legal opinions and/or memoranda as to the federal and/or state tax treatment of the investment for the investor?

See copy of Legal Opinion Letter from the law firm of Morris, Manning & Martin, LLP.

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See copies of Program Level Due Diligence Legal Opinion provided by the law firm Mick Law, P.C. and FactRight, LLC Due Diligence Report, which were provided to the managing broker dealer for the Offering and each of the participating selling dealers.

- b. Did you recommend counsel to investors for the purpose of providing legal opinions and/or memoranda?

No. However, as is customary with private placement securities offerings, the Private Placement Memorandum previously provided to the Committee in the initial disclosures, provided the following statements, among others, to the investors:

"INVESTORS SHOULD CONSULT WITH THEIR OWN TAX ADVISOR CONCERNING WHETHER THE POTENTIAL FEDERAL DEDUCTION OR OTHER FEATURES OF THE COMPANY'S BUSINESS PLAN AND TAX OBJECTIVES MAY INVOLVE AN UNACCEPTABLE RISK OF A SUCCESSFUL IRS CHALLENGE TO THE FEDERAL DEDUCTION OR MAY OTHERWISE CAUSE AN INVESTMENT IN THE COMPANY TO BE INAPPROPRIATE GIVEN A PARTICULAR PROSPECTIVE INVESTOR'S INDIVIDUAL CIRCUMSTANCES."

"THE COMPANY MAKES NO REPRESENTATION AS TO THE TAX CONSEQUENCES OF AN INVESTMENT IN THE COMPANY OR ANY DEDUCTION ATTRIBUTABLE TO A CHARITABLE CONTRIBUTION. EACH PROSPECTIVE INVESTOR SHOULD CONSULT WITH ITS OWN LEGAL, TAX, AND FINANCIAL ADVISORS IN EVALUATING THE TAX CONSEQUENCES OF AN INVESTMENT IN THE COMPANY AND THE DEVELOPMENT STRATEGY, CONSERVATION STRATEGY, AND HOLD STRATEGY OF THE COMPANY DISCUSSED IN THIS MEMORANDUM."

"THEREFORE, PROSPECTIVE INVESTORS ARE URGED AND EXPECTED TO CONSULT THEIR OWN TAX ADVISORS AS TO ALL TAX CONSEQUENCES OF AN INVESTMENT IN THE COMPANY."

"INVESTORS ARE URGED TO CONSULT WITH AND RELY UPON AN INVESTOR'S OWN PERSONAL TAX ADVISORS WITH RESPECT TO THE TAX CONSEQUENCES ARISING FROM THE PURCHASE OF THE UNITS BEFORE MAKING A DECISION TO INVEST IN THE COMPANY."

- c. The name and contact information for the counsel responsible for drafting and/or aiding in the drafting of such opinion and/or memoranda?

Legal Counsel to the Issuer (Roaring Florida Acquisitions, LLC) was Morris, Manning & Martin, LLP.

- d. Please provide copies of all such legal opinions and memoranda associated with each entity responsive to Question #2 above.

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See response to subpart a. of Question 6.

7. Did you provide investors with any instructions or guidance as to how to comply with federal or state tax law, whether prior to an investor's entering into the transaction or subsequent to it including the filing of federal or state tax returns?

See e.g., "Investment Considerations and Risk Factors" section of the Private Placement Memorandum previously provided to the Committee in the initial disclosures.

Please provide copies of all such instructions and guidance as to how investors might comply with federal and state tax law as well as federal and state tax-return filing requirements.

See copy of the Private Placement Memorandum previously provided to the Committee in the initial disclosures.

8. With regard to IRS Notices 2017-10 and 2017-29:
- a. Did you provide investors with any instructions or guidance as to how to comply with the requirements of IRS Notice 2017-10? If so, **please provide copies** of all such instructions and guidance as to how investors might comply with the requirements of IRS Notice 2017-10.

Each Investor was furnished a copy of IRS Form 8886 Template with cover letter instructions.

- b. For each reportable transaction for which interests in the partnership or pass-through entities were sold or otherwise exchanged after December 23, 2016, **please provide copies** of any and all communications by you or your agents to partners concerning IRS Notices 2017-10 and 2017-29 or the possible status of the investment as a "listed transaction."

See response to subpart a. of Question 8 and copy of Private Placement Memorandum previously provided to the Committee in the initial disclosures.

9. Under Federal tax law, individuals designated as material advisors to any reportable transaction must file Form 8918 to disclose certain information about the reportable transaction. A material advisor must also maintain a list identifying each entity or individual to whom the advisor was a material advisor to a reportable transaction.
- a. Did you file the Form 8918 with the IRS for each transaction identified in IRS Notice 2017-10?
- Yes**
- b. Did you file with the IRS any protective disclosures in response to IRS Notice 2017-10?
- Yes.**
- c. Did you maintain an investor list as required by law?

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Yes.

- d. **Please provide all copies** of Form 8918 for each transaction.

Copies of IRS Forms 8918 will be provided at a later date.

- e. **Please provide all copies** of your investor lists for each transaction, including the names and addresses of each investor.

We respectfully object to this request for information based on the fact that such investor list includes personally identifiable information for each of the members of Roaring Florida Acquisitions, LLC, inclusive of names, addresses, phone numbers, social security numbers and additional nonpublic personal information for each member of Roaring Florida Acquisitions, LLC. Our Clients are unable to comply with this request as the foregoing information is protected from disclosure under various state and federal rules and regulations such as the Gramm-Leach-Bliley Act (15 U.S.C. 6801, et seq.) and Regulation S-P (17 C.F.R. 248.1, et seq.) and appropriate redactions cannot be made in order to remove such information and protect it from disclosure. Despite the foregoing, to the extent this information is deemed necessary in order to complete the Committee's inquiry, subject to applicable federal laws (namely, the Privacy Act of 1974, the E-Government Act of 2002 and the Federal Information Security Management Act of 2002), we understand that such information may be accessible to the government through alternative means, such as the Internal Revenue Service by means of Roaring Florida Acquisitions, LLC's filed Form 1065, U.S. Return of Partnership Income for tax year 2016 and the Schedule K-1s attached thereto.

10. To what extent did your partnership or pass-through entities include a vote of the partners to determine whether to contribute a conservation easement, hold for investment, or develop the property?

As set forth in the Private Placement Memorandum previously provided to the Committee in the initial disclosures, upon conclusion of the Offering, each investor was given the opportunity to vote on one of three alternative proposals related to the business purpose of the company and use of the underlying real property. See copy of Investor Ballot Form furnished to each member of Roaring Florida Acquisitions, LLC.

- a. In any instance, did the partners ever vote in favor of developing the real property? If so, how many such votes in favor of developing the property took place?

Yes, there were 50,000 votes in favor of development.

- b. What was the total number of partner votes in which developing real property was at issue?

See response to subpart a. of Question 10.

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- c. In any instance, did the partners ever vote in favor of holding the real property for investment? If so, how many such votes in favor of holding real property for investment took place? What was the total number of partner votes in which holding real property for investment was at issue?

There were 280,000 cast in favor of holding the underlying real property for long term investment.

- d. For each transaction, what was the projected non-tax economic profit for investors of developing the real property?

As set forth in the “Development Proposal” of the Private Placement Memorandum previously provided to the Committee in the initial disclosures, the entire development of was expected to generate \$243 million over a nine year period, less soft costs and development and constructions costs for all infrastructure, lots, and amenities of \$43 million.

- e. For each transaction, what was the projected non-tax economic profit for investors of holding the real property for investment?

Long-term appreciate of property is difficult to predict or project, since it is based on a number of macro and micro economic factors. As such, Roaring Florida Acquisitions, LLC did not project the appreciated value of the underlying real property for its investors.

- f. For each transaction, what was the projected tax benefit for investors of contributing real property or an easement on the real property?

As set forth in the Appraisals. previously delivered to the Committee in the initial disclosures, Mr. Ray Veal of Integra Realty Resources, a “qualified appraiser” as defined in IRS Treasury Regulation Section 1.170A-13(c)(5), valued the underlying real property at \$69,050,000 at its “highest and best use” prior to being encumbered by a conservation easement and \$1,520,000 after being so encumbered, resulting in a qualified conservation contribution under Section 170(h) of the IRC of \$67,530,000.

Please provide copies of all minutes, presentations, memoranda, letters, emails, notes, and any other description of the processes by which such votes were conducted, however formal or informal, reflecting the meetings (or other manners of voting) at which the votes discussed in Question #10 were held.

See copy of blank Investor Ballot Form furnished to each member of Roaring Florida Acquisitions, LLC. Copies of Roaring Florida Acquisitions, LLC Property Option Ballot Results and returned ballot forms with investor names redacted will be forthcoming in a supplemental production.

11. To the extent not provided in response to the questions above, **please provide copies** of all organizational documents for the entities responsive to Question #2, meeting minutes for such entities, all formal or informal documentation relating to the relationship between such entities and their investors, all

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SEC filings for such entities, and all communications with any state or local government agency or official regarding such entities or their associated syndicated conservation easement transactions.

Copies of the following documents have been provided previously, are provided contemporaneously herewith, or will follow by way of supplemental production:

- Operating Agreement for Roaring Creek Plantation, LLC, effective as of February 3, 2016
- Amended and Restated Operating Agreement of Roaring Creek Plantation, LLC, effective as of April 1, 2016
- Second Amended and Restated Operating Agreement of Roaring Creek Plantation, LLC, dated September 30, 2016
- Third Amended and Restated Operating Agreement of Roaring Creek Plantation, LLC, dated December 22, 2016
- Management Agreement For Roaring Creek Plantation, LLC, effective as of December 22, 2016
- Development Management Agreement for Roaring Creek Plantation, LLC, dated July 18, 2016
- Operating Agreement of Roaring Florida Acquisitions, LLC, effective as of August 19, 2016
- Amended and Restated Operating Agreement of Roaring Florida Acquisitions, LLC, effective as of December 21, 2016
- Management Agreement for Roaring Florida Acquisitions, LLC, effective as of December 21, 2016
- Roaring Florida Acquisitions, LLC's SEC Form D (Notice of Exempt Offering) filed with the Securities and Exchange Commission on January 5, 2017.

12. For each investment transaction separately provide the percentages and amounts of the total of partners' investment was:

- a. Charged or otherwise retained by (i) you, and (ii) by each non-partner in the entity, as compensation, commissions, or fees,

We are unable to understand this subpart a. of Question 12, at it appears vague, ambiguous and unintelligible. If the question seeks information related to Use of Funds from the Offering, as stated elsewhere above in this Supplemental Response, Roaring Florida Acquisitions, LLC raised \$15,303,567 pursuant to the Offering. Of this amount, \$11,201,386 was used to purchase a 96.564% membership interest in Roaring Creek Plantation, LLC, with the remainder utilized as set forth in the "Sources and Uses of Offering Proceeds" section of the Private Placement Memorandum and SEC Form D's provided previously, contemporaneous herewith, or to follow, with the remainder utilized as set forth in the "Sources and Uses of Offering Proceeds" section of the Private Placement Memorandum and SEC Form D's provided previously, contemporaneous herewith, or to follow.

- b. Retained as audit or contingency reserves, and

We are unable to understand this subpart b. of Question 12, at it appears vague, ambiguous and unintelligible. If the question seeks information related to Use of Funds from the Offering, as set forth in the Private Placement Memorandum previously provided to the

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Committee in the initial disclosure, Roaring Florida Acquisitions, LLC set aside \$350,000 from the total proceeds from the Offering for a “contingency reserve.”

- c. Retained or contributed to a tax-exempt entity to provide for maintenance of the real property or easement held by the tax-exempt entity that received the contribution.

A \$44,666 cash donation was made to The Atlantic Coast Conservancy, Inc. to help pay for the stewardship of the real property in perpetuity.