

Report of Court-Appointed Receiver for Argent Preparatory Academy

Re: Update to the SPCSA concerning efforts to sell 3rd and final real property and fulfill remaining financial obligations

Dear SPCSA Board Members:

I am writing to provide a brief update on Argent's efforts to sell its third and final real property and fulfill remaining financial obligations.

On July 9, 2019 Argent received a revised proposal from Carson Montessori increasing their offer from \$2M to \$2.25M to purchase Argent's third and final real property located at 788 Fairview Drive, Carson City, NV.

By way of reminder, Carson Montessori had previously offered \$2M (and had shown a willingness to increase that offer to \$2.1M), but that offer, which was \$750,000 below the appraised value, was deemed unacceptable by Argent. After consultation with SPCSA staff members, Argent accepted Carson Montessori's offer of \$2.25M. The \$2.25M offer, while approximately \$500k below the appraised value, is the highest offer Argent has received since lowering the advertised price in late May, 2019. Carson Montessori is working with Charter School Development Corporation (CSDC) to self-finance the purchase.

I have emailed all former Argent employees entitled to severance letting them know 1) that there will be insufficient funds to pay severance until after the third and final building is sold, 2) that the building is expected to be under contract by week's end and 3) that they will get paid in full within 30 days after the building sells. I thanked them for their patience. The school's total severance obligation is approximately \$90k.

I exchanged emails with Richard Schade and offered to personally pay the salary owed to him. I am awaiting his response, but am hopeful that this resolves the matter.

I've been concerned about the risk of the building not selling quickly and as such I have not been paid since April, 2018, more than a year before the cash situation became dire. In addition, I have personally loaned the two employees \$6758.95, their net pay for the month of June, due to their not being able to receive payroll. And, as I said in May, I will not bill Argent for any services provided past June 30, 2019 and I will wait until the sale of the building to get paid for the previous months (and to receive reimbursement for the payment of employee salaries). The good news is that everyone will get paid in full. Unfortunately, it is taking longer than anyone would like. I appreciate everyone's patience as we work through the remaining issues.