

Voxtur - Blue Water Fin Tech - Obvious Misrepresentation;

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Date: Sunday, January 28, 2024 at 09:33 PM PST

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Two-way communication has become a thing of the past. For the benefit of our Voxtur shareholders, we've conducted an initial examination of the events, including all accessible documentation, earnings call transcripts, comments from other investors, and online posts leading up to and immediately following the acquisition of Blue Water Financial Technologies. Our investigation has uncovered numerous sources that have only intensified our interest.

Since much of the information regarding the Blue Water transaction wasn't public until Voxtur completed the acquisition, our knowledge was limited. Post-acquisition, the first official public statements emerged after an earnings call on November 29, 2022. During this call, several notable points were raised concerning Blue Water Financial Technology:

1. Mr. Gary Yoeman emphasized three times during the earnings call that Blue Water Financial Technologies was both EBITA and Cash flow positive.
2. CFO Mrs. Angela Little provided insight into the market climate, acknowledging contraction, and hesitated to incorporate Blue Water's forecast into the updated Q1 2023 outlook.
3. At the 20:19-minute mark, Mrs. Angela Little was asked again about the contributions of Blue Water to the guidance. She remained cautious in her response regarding future performance.
4. At the 24:30-minute mark, Christian Scroll inquired about a potential claim. Mrs. Angela Little referred to it as a grievance from a former employee, indicating that the auditors would need time to review it. This raised questions about the significance of the claim and its timing.

On January 25, 2023, Mrs. Angela Little stepped down or was voluntarily removed from her position. Was this related to the auditor's scrutiny of discrepancies with Blue Water highlighted in the Q1-Q2 2023 financials, potentially leading to a claim? When did she become aware of the significant loss incurred by Roundpoint through its sale to a party associated with Mr. Nicholas

Smith and RPC?

On April 13, 2023, Mr. James E. Albertelli resigned or was voluntarily removed. Despite experiencing conveniently timed audio challenges during the Q3 2022 earnings call, his remarks, as read by Mr. Yoeman, appeared to endorse the Blue Water transaction, citing positive EBITA and cash flow. Did he also learn his fate, similar to Mrs. Angela Little?

On April 25, 2023, Mr. Murin, a loan and mortgage industry veteran, abruptly resigned from the Voxtur Board of Directors. Could this departure be linked to his support for the Blue Water transaction and the auditors' resignation?

Did Voxtur's previous auditor's resignation result from similar circumstances to those faced by Mrs. Angela Little?

On September 23, 2023, Mr. Gary Yeoman remarked in an interview with @almostmongolian that Blue Water's monthly average revenue ranged between 500k-600k. Additionally, it has been verified that Blue Water's monthly expenses during this period amount to 500k, indicating that the company has not achieved EBITA or positive cash flow since its acquisition.

Following a comprehensive examination of the Membership Interest Purchase Agreement dated August 12, 2022, involving VOXTUR ANALYTICS CORP, VOXTUR ANALYTICS US CORP, BLUE WATER FINANCIAL TECHNOLOGIES HOLDING COMPANY, LLC, and Nicholas Smith, acting as the Sellers' representative, we now possess a clearer comprehension of the transaction that occurred on September 22, 2022.

RPC Ventures Fund I LP ("RPC"), Blue Water's largest equity holder, leads the negotiations on behalf of the Blue Water equity holders. RPC is managed by Rice Park Capital Management LP ("Rice Park"). Mr. Nicholas Smith is and maintains a senior leadership role as RPC's managing partner and Chief Executive Officer.

On August 3, 2022, at 4:30 pm EDT, Two Harbors Investments ("TWO") announced a definitive agreement to acquire RoundPoint from Freedom Mortgage. According to Mr. Gary Yeoman, in November 2023, this acquisition accounted for approximately \$6 million in lost revenue annually. This announcement occurred 49 days BEFORE the successful acquisition with Voxtur/BMO. The financials reported by Voxtur are as follows: F22Q4 - \$2,926m and F23Q1 - \$1,711.

Was Mr. Nicholas Smith, the seller's representative named in the Membership Interest Purchase Agreement, transparent about RPC's connection, or that of current employees, to their previous employment with Two Harbor Investments?

<https://bluewater-fintech.com/nicholas-smith/> - Managing Director, Two Harbors Investment Corp (NYSE: TWO), where he built and led the investment platform for mortgage servicing rights (MSR)

<https://riceparkcapital.com/staff/shawn-kelly/> - Managing Director for Two Harbors Investment Corp (NYSE: TWO) until 2019

<https://riceparkcapital.com/staff/ghillian-grantham/> - Analyst, Two Harbors Investment Corp (NYSE: TWO)

<https://riceparkcapital.com/staff/stephanie-kantola/> - Analyst, Two Harbors Investment Corp (NYSE: TWO)

<https://riceparkcapital.com/staff/ashley-kelner/> - Assistant Vice President, Two Harbors Investment Corp (NYSE: TWO)

<https://riceparkcapital.com/staff/kate-nelson/> - Assistant Vice President, Two Harbors Investment Corp (NYSE: TWO)

<https://riceparkcapital.com/staff/mitch-steffen/> - Analyst, Two Harbors Investment Corp (NYSE: TWO)

Considering the announcement between TWO Harbors Investments and Roundpoint in August 2022, which attributed to 54.4% of BlueWaters' net income in 2022, was this announcement a material fact? If so, could it constitute a breach of the Membership Interest Purchase Agreement dated August 12, 2022?

Section 3.23 Material Contracts: To the Knowledge of Sellers, no other party to any Material Contract has notified the Company or any of its subsidiaries in writing of such party's intent to terminate any Material Contract prior to the Closing, and to the actual Knowledge of Sellers, no event has occurred that, with notice or lapse of time, would permit the termination or acceleration of any Material Contract by any counterparty thereto.

Further confirmed in 8.1(e) at closing, No Material Adverse Effect. Since the date of this Agreement, there shall have been no event, change, circumstance or development that has had or would reasonably be expected to have, individually or in the aggregate with all other events, changes, circumstances or developments occurring since the date of this Agreement, a Material Adverse Effect as to the Company. Seller Representative shall deliver to Buyer a certificate, dated the Closing Date, certifying to the satisfaction of the condition set forth in this Section 8.1(e).

It's possible that the buyer overlooked this press release due to poor due diligence or oversight by BMO's team. Is it reasonable to assume that over 50% of RPC's employees, particularly those who worked at or were part of the Senior Leadership of TWO Harbors Investments and RPC, were also unaware of this material fact?

If this information had been adequately disclosed, BMO would not have extended its credit facility, enriching RPC by \$18 million in cash (62.84% less expenses). Or would they?

Section 5.12 of the Membership Interest Purchase Agreement limits the seller's liability regarding future business performance. However, it does not permit the seller to make any false statements or omit material facts that could mislead others, nor does it allow engaging in fraudulent or deceitful practices.

Section 6.11 of the Membership Interest Purchase Agreement also allows RPC to propose a nominee to the Voxtur shareholders. Given recent findings, Mr. Nicholas Smith's direct conflicts, and potentially serious claims, it might be prudent for

the current Vixtur Board to reassess Mr. Nicholas Smith's board position until a proper resolution can be reached.

Under section 7.4 (a)(i) of the Membership Interest Purchase Agreement, does this action constitute a breach of Fundamental Representations by Mr. Nicholas Smith and RPC? If so, it would allow Vixtur shareholders to surpass the \$6 million capped liability threshold but not exceed the outlined enterprise value.

After selling Vixtur's most valuable AMC asset, it is speculated that the current BMO debt mirrors the amount paid in cash to RPC / BlueWater.

What would Vixtur's financial standing be today without the looming credit default risk from BMO?

Where would Vixtur and its shareholders stand if the revenue from Roundpoint had been collected in proportion to what was represented?

At what point did the Vixtur Board of Directors and its leadership team become aware that Roundpoint had entered into a definitive agreement with a known party associated with Mr. Nicholas Smith and RPC?

What actions were taken by the Vixtur Board of Directors and the leadership team in response to this information?

Why have there been no repercussions for the material misrepresentation?

Was BMO informed before or after the acquisition?

Are the Vixtur Board of Directors and its leadership team negligent in concealing the misrepresentations made to BMO?


This interim update doesn't mark the end of our investigation but rather a temporary halt to allow Vixtur's leadership team to decide what course of action is most beneficial for its shareholders. If no public response or compelling evidence refutes our assertions, we may have no choice but to pursue a more public approach.

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Postscript: In our recent research, we have stumbled upon troubling, unverified (forum and social media accusations) information regarding Vixtur's Attorney Opinion Letters, previously esteemed as our sole and distinctive market advantage, and involving its representatives, Mr. James Albertelli and Ms. Stacy Mesteyer.

Referenced Public Content:
[Voxtur Analytics: Focus on Blue Water](#)





Voxtur Analytics: Focus on Blue Water


AlmostMongolian

Why I am adding to my worst investment ever

[Voxtur Analytics Corp update with Gary Yeoman](#)







Voxtur Analytics Corp update with Gary Yeoman

[Two Harbors Investment Corp. Announces Definitive Agreement to Acquire RoundPoint Mortgage Servicing Corporation](#)



**Two Harbors Investment Corp. Announces
Definitive Agreement to Acquire R...**

[Two Harbors Investment Corp. Announces Closing of Acquisition of RoundPoint Mortgage Servicing LLC](#)



**Two Harbors Investment Corp. Announces
Closing of Acquisition of RoundPo...**

Two Harbors Investment Corp. Announces Closing of RoundPoint
Mortgage Servicing LLC

[Nicholas Smith – Voxtur Analytics Corp.](#)

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Nicholas Smith is the founder and Chief Executive Officer of Rice Park Capital, a private investment firm that i...

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Voxtur Announces Executive Leadership Change

Jim Albertelli has stepped down from his roles as Chief Executive Officer and director of the Company effective ...

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Angela Little will resign from her role as Chief Financial Officer of the Company to pursue another opportunity,...

[Voxtur Third Quarter 2022 Earnings Conference Call](#)



Voxtur Third Quarter 2022 Earnings Conference Call

CFO Angela Little discusses Voxtur's financial results for the period ended September 30, 2022, followed by Exec...

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Appointment of Auditor and Notice of Year-End Filing Delay

Voxtur appoints MNP LLP as its new auditor and announces a delay in filing its year-end financial statements due...

[Voxtur Announces Changes to Board of Directors](#)





Voxtur Announces Changes to Board of Directors

Joseph Murin has resigned as director of the Company. The Company will not fill the vacancy resulting from Mr. M...

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This week, rates for conforming loans fell to 6.20% and mortgage applications increased 7%   Samaan aikaan t...



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