



# FREEDOM

FINANCIAL FUNDS, LLC

## INVESTOR DECK 2022

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The information contained herein has been prepared solely for informational purposes and is not an offer to buy or sell or a solicitation of any offer to buy or sell any Interest in the Fund. Any offer of Interest will be made pursuant to the Fund's definitive documents and agreements, which shall supersede the information herein, and any decision by a Prospective Investor to invest should be made only after a thorough review of the Fund's definitive documents. Past performance is not predictive of future performance but is supplied for reference only.

# ABOUT US

Freedom is a private equity manager which originates and manages debt for commercial real estate projects that meet our rigorous criteria. We operate a **service-focused model** leveraging **long-term relationships** with established professionals who value our company as an **Experienced, Efficient, and Trusted** source for their capital needs.

Our mission is to provide attractive risk-adjusted returns, with an **emphasis on capital preservation**, through senior secured debt on value-add real estate projects across the western United States.

Underwriting is based on time-tested fundamentals – strong sponsorship, proven asset classes, and realistic business plans that always include multiple forms of repayment.

## Core values drive our every action:

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### ▶ People First

Working with quality people makes for quality investments. **Long-term relationships** with our investors, borrowers, and colleagues form the bedrock of our business. More than 80% of our annual business is with repeat borrowers.

### ▶ Culture of Service

We offer a premium alternative to banks. We have built this competitive advantage through exceptional service, extensive real estate knowledge, and a level of insight that makes us trusted advisors. We distinguish ourselves by making **quick, rational, and profitable decisions**.

### ▶ Philosophy of Safety

We underwrite differently and avoid leverage to mitigate risk. Our more than decade long track record without a single loss demonstrates this standard of care. **Return of capital always comes before return on capital.**

# THE FREEDOM DIFFERENCE

## ▶ Bankable Projects & People

Our clients are seasoned professionals with successful track records and extensive knowledge in the products and markets they serve. Their financial capacity is consistent with their business plan and would qualify for traditional bank financing. However, our borrowers choose Freedom instead, because of our **entrepreneurial understanding** of their business, speed and certainty of execution, as well as a post-closing level of service that is unmatched in our industry.

## ▶ Independent Governance

Our Investment Committee, which does not include the management team, is **completely autonomous** and approves every significant loan. All members are seasoned commercial real estate investors who collectively have invested more than \$28MM in the Fund.

## ▶ Institutional Underwriting

We underwrite differently from our competition. **Enforcement against collateral is a third or fourth option for repayment, not the second.** We work with sponsors that have multiple strategies to protect their equity and this ensures the security of our capital. Further, loans never exceed 65% loan to value (LTV) on a net basis. We use net value because real estate is seldom sold without transaction costs.

## ▶ Proven Performance

Our team has originated over \$1.6BN across more than 400 loans in the last decade. During this period, **our average annualized net return to investors has exceeded 8% without a single loss of principal or interest.**

## ▶ Multi-Cycle Experience

Our team is comprised of former bank and fund executives who collectively have more than 150 years of direct experience. We have a demonstrated track record of value creation in all economic cycles and **believe tough markets provide opportunities for the well-prepared.**

## ▶ Aligned Incentives

Our Fund structure is purpose-built to align interests between the manager and investor. **Quality assets and long-term performance drive our incentives, not origination fees.**

# PHILOSOPHY OF SAFETY

Freedom evaluates the **People, Credit, Real Estate, Business Plan and Multiple Sources of Repayment** for every loan we make. We refer to this approach as our “Philosophy of Safety.” This standard of care has been tested through multiple real estate cycles and is further confirmed by our more than decade-long track record of **zero losses**.

## ▶ People

We work with seasoned professionals, who have proven track records of successful execution, and are dedicated full-time to commercial real estate. We believe people can make mediocre real estate great and great real estate mediocre. We choose to work exclusively with the former.

## ▶ Credit

We work with borrowers of the highest integrity. We trust but verify and obtain extensive background checks prior to working with new borrowers.

## ▶ Business Plan

We thoroughly examine the viability of every business plan we receive and structure our loan to work with the plan. Other lenders try to make plans conform to their loan “Product.” We believe this is fundamentally backward.

## ▶ Real Estate

We originate loans on assets classes we understand in markets we know.

## ▶ Multiple Sources of Repayment

We always have at least two ways to get repaid and litigation is not one of them. The people we work with have multiple strategies to protect their equity and that ensures our loan is also well protected from loss.

# MANAGEMENT TEAM

## ▶ **Michael Klein** | Founding Principal, CEO

Michael has over 35 years of experience in real estate and corporate finance. He has worked for money center, regional and community banks in loan origination, loan recovery and credit risk management. Prior to founding Freedom, Michael co-founded and was a fund manager at Partners Capital Solutions (PCS). As a fund manager, Michael has supervised the origination of over \$1.6 billion in loans and returned over 8% per annum to investors while suffering zero losses. Michael received his BA from California State University at Northridge and MBA from University of Southern California.

## ▶ **Stanley Kafka** | Founding Principal

Stan has over 50 years in real estate finance and has overseen the origination of over \$10 billion of loans. Stan spent 16 years as Executive Vice President and Division Manager at City National Bank's Real Estate Group. Prior to City National Bank, Stan spent 25 years at Union Bank where he managed the Southern California region. Prior to Freedom, Stan was a Managing Director at PCS, and has his BA from University of Southern California and MBA from Pepperdine University.

## ▶ **Minda Johnstone** | Founding Principal, CCO

Minda has over 35 years in commercial real estate finance. She has originated, approved and managed over \$3BN in loans and managed problem loan portfolios exceeding \$500 million. Prior to Freedom, Minda spent 4 years at PCS as its Chief Underwriter, contributing significantly to the firm's growth and absence of troubled loans. Minda obtained her BA from Northwestern University and MBA from Southern Methodist University.

## ▶ **Yan Lam** | Founding Principal, CFO

Yan has held senior accounting and finance rolls in the real estate industry for over 20 years. She began her career with Westrust Ventures, a developer and owner of apartments, offices, retail and mixed-use projects with over \$1BN and 4.3MM SF under management. Prior to Freedom, Yan was the VP of Finance at PCS and received her BA from University of California at Santa Barbara.

## ▶ **Eric Shoemaker** | Northwest Market Executive

Eric has over 15 years experience in leadership roles as an asset manager and developer. Eric has managed multi-state retail and office portfolios in excess of \$250 million, as well as developed retail and office projects totaling over \$30 million. Prior to Freedom, Eric co-founded and sold a specialty manufacturing company. Eric received his BA from Carleton College and JD from Lewis and Clark Law School.

# INVESTMENT COMMITTEE

## ▶ **Ken Ruby**

Ken has over 50 years of direct real estate ownership, management and development experience across a variety of asset classes including multifamily, office, retail and industrial. He has founded two development companies and been a principal in over 5MM SF of transactions. Ken is active in a variety of philanthropic endeavors, is a California licensed General Contractor and a graduate of the University of Pennsylvania's Wharton School.

## ▶ **Richard Moss**

Richard is the President of the Moss Group, which he runs with his brother Steven. Originally trained as an attorney, Richard practiced law with Rubin & Moss LLP for 9 years before joining the family business. He is former commissioner of the LA Department of Water and Power, the nation's largest municipal utility, as well as an officer of the UCSB Foundation. He is a graduate of UCSB, the University of Chicago, and Loyola Law School.

## ▶ **Steven Weiss**

Steve has 35 years of direct real estate ownership, management and development experience, including ownership, renovation and management of 400,000 SF of office space, as well as the construction and sale of hundreds of condominium units. He is a California licensed General Contractor and has a MBA from UCLA.

## ▶ **Richard Singer**

Rich is President of SB Capital Management, a Registered Investment Advisor. Rich began his career with Amway Japan, where he supported the company's IPO and then later joined Hikari Tsushin, where he led the company's venture investments in WebEx and Signal Soft. Rich has over 25 years of experience in alternative investments, including real estate. He holds a BA from UCLA and a MBA from University of Washington.

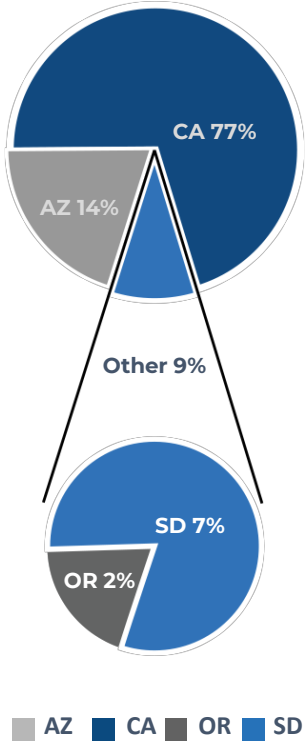
## ▶ **Loren Borstein**

Loren is President - Residential Division for Borstein Enterprises, where he focuses on urban infill and affordable ownership housing. His career began at E&Y, where he worked internationally with residential and retail developers, financial institutions, investment banks, and government agencies. He holds a BA from Emory University and a MBA from USC with a focus on real estate and finance.

## ▶ **Gary Freedman**

Gary has been a principal and executive vice president of the Ezralow Company for over 35 years. Prior to Ezralow, Gary was a vice president and manager of the real estate department for the Union Bank of California. He serves on the executive board of USC's Lusk Center and holds a BA in architecture and MBA from USC.

# CURRENT & REPAID LOANS (as of 4Q21)



# THANK YOU!

Freedom Financial Funds, LLC

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(818) 308-3888

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FreedomFinancialFunds.com

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Info@FreedomFinancialFunds.com



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