

OFFICE OF THE STATE ATTORNEY
SEVENTH JUDICIAL CIRCUIT OF FLORIDA
INVESTIGATIVE REPORT

I. Background

On February 28, 2024, I received a request to conduct a fraud examination of the allegations raised against Defendant Spencer Travis Calvert and The Pineapple Corporation of Jacksonville, INC, a Florida corporation (herein after referred to as the Pineapple Corporation). Calvert has been charged with Misapplication of Construction Funds; An Organized Scheme to Defraud and Grand Theft in excess of \$100,000.

In support of this request, I conducted a review of available open-source public records; a review of financial intelligence information only available to law enforcement; and a financial forensic examination of banking data obtained as a result of the issuance of several investigative subpoenas and/or the execution of a search warrant by the St Johns County Sheriff's Office.

II. Executive Summary

Based upon this fraud examination, it is observable in the data that Calvert has engaged in the theft and/or embezzlement of funds from the Pineapple Corporation of Jacksonville, INC, in excess of **\$2,238,409.48** (USD) through several different methods. Most notably, significant and recurring transfers and withdrawals of funds, most of which went to his personal benefit; withdrawals disguised as shareholder loans; personal credit card reimbursements labeled as business expenses; residence mortgage expenses disguised as model home expenses, and other personal ventures not related to construction of the homes of the victims in this matter. Additionally, it was observable in the data obtained by subpoena that increases in Calvert's salary occurred at a time the company was financially failing and unable to sustain its expenses and debts. These actions resulted in the theft of funds from the victims in this matter that were entrusted to Calvert and the Pineapple Corporation for the construction of their contracted homes and from vendors and suppliers who were not paid for work performed on the victims' homes.

The Fraud Examination Report and its exhibits are attached to this cover page.

Case Number: CF2402130A03	STAC Number:
Investigator: TC McIntosh	Office: St. Augustine
Report Date: 5/3/2022	Report Number: SAO INV #4
Description: Fraud Examination Report – The Pineapple Corporation & Spencer Calvert	

FRAUD EXAMINATION REPORT

The Pineapple Corporation of Jacksonville, INC
Spencer Travis Calvert

I. Background

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III. Scope

The focus of this Fraud Examination was to determine the disposition of the funds obtained by Calvert from the victims, the use and movement of those funds, and what actions taken by Calvert that may indicate illegal conversion and/or embezzlement of these funds from the company.

IV. Approach

As a Certified Fraud Examiner (CFE©) and Certified Economic Crime Forensic Examiner (CECFE©), I employed several techniques and practices in the examination of the available bank records, contract files, and open-source research in this examination, to include:

- Reviewed and analyzed St Johns County and Duval County Property Appraiser's Office real estate records for the properties of the victims, those of the defendant, and those of the corporation;
- Reviewed and analyzed Pineapple Corporation financial records seized by the St Johns County Sheriff's Office during the execution of a Search Warrant of the defendant's residence and storage facility.
- Reviewed and analyzed Pineapple Corporation financial records obtained by subpoena duces tecum from First Citizens Bank.
- Reviewed and analyzed Spencer and Kari Calvert's personal financial records obtained by subpoena duces tecum from Bank of America.
- Reviewed and analyzed Pineapple Corporation and Spencer Calvert's credit card data obtained by subpoena duces tecum from American Express.
- Reviewed and analyzed federal tax returns for the Pineapple Corporation for tax years 2018, 2019, and 2020, obtained by subpoena duces tecum from Bing and Associates, CPA.
- Reviewed and analyzed corporate and personal credit reports for Spencer and Kari Calvert, obtained by court order from Equifax Credit Services.
- Assisted with State Attorney Investigative Interviews with key witnesses.
- Reviewed and analyzed key victim/witness sworn statements provided to the St Johns County Sheriff's Office.
- Sought professional peer review of the results developed during the course of the examination with another CFE and CECFE with the Office of the State Attorney.

V. Findings

Based upon the information reviewed and analyzed, there are eight (8) potential areas observable in the data wherein Spencer Calvert converted to personal use funds belonging to the Pineapple Corporation, and arguably funds of the victims, resulting in grand theft and misapplication of construction funds. Those areas are as follows:

1. Theft from Customers (Liens Filed and/or Work Not Performed)

As part of Calvert's scheme, funds paid to the Pineapple Corporation by customers for the build of their custom homes, were not paid to the subcontractors who actually performed work on their custom homes. According to criminal complaints reviewed that were filed with the St Johns County Sheriff's Office, thirteen (13) victims were identified who paid for a new custom home to be built, only to later learn liens were filed by subcontractors to the Pineapple Corporation for work performed, yet not paid. According to lien records received and reviewed that were filed with the St Johns County Clerk of Court, contractor liens totaling **\$907,483.48** were filed against ten (10) properties as a result of misapplication of funds received for construction, in violation of FSS 713.345. Additionally, three other victims paid deposits totaling **\$1,330,926.00** for construction and design upgrades that were never ordered, delivered, nor work started, or construction was minimal in comparison to the amount demanded by the Pineapple Corporation at the time of payment. An analysis of the job files obtained via search warrant, sworn statements from the victims, and review of the St. Johns County Building Department files revealed the following information:

Victim (Last Name)	Date of Contract	Amount of Liens / Theft
Meyers	3/23/2020	\$103,744.08
Sotomayor/ Danger	8/11/2020	\$132,263.76
Smith	1/6/2021	\$158,023.76
Fishkin	2/21/2021	\$41,325.80
Reznik	2/26/2021	\$63,151.75
Sparta	2/26/2021	\$75,644.00
Dorrance	4/20/2021	\$78,874.71
Aleckson	4/29/2021	\$142,900.00
Surrency	9/28/2021	\$41,999.00
Wu/Lacey	12/16/2021	\$69,556.62
Krebs	12/9/2022	\$445,452.00
Rega	11/2021	\$762,474.00
Bevard	12/2021	\$123,000.00
Total		<u>\$2,238,409.48</u>

2. Theft from Sub-contractors (Liens NOT Filed)

As part of Calvert’s ongoing scheme to defraud, Calvert illegally stole/embezzled funds from the company received to construct homes and while some sub-contractors filed liens as noted in scheme #1, other subcontractors were convinced through a pattern of trickery and deceit to either not file liens or remove liens and enter into a civil agreement for payment at a future date with Calvert with the promise of future business. Based on sworn statements provided to the St. Johns County Sheriff’s Office, the following subcontractors are owed monies for work performed for the Pineapple Corporation, yet have not been paid (this amount has not been added to the losses of the victims filing criminal complaints):

Contractor	Amount Owed
Sweeny Plumbing	\$150,000.00
Pro-Glass Solutions	\$49,000.00
Walker Footings	\$30,198.00
Surfside Painting	\$123,456.00
Construction Specialist Group	\$30,000.00
Lou Pontigo & Associates	\$37,000.00
Florida Custom Marble	\$450,000.00
Mansfield Electric	\$100,000.00
Preferred Drywall	\$28,118.00
84 Lumber	\$160,000.00
USI First Choice Insulation	\$30,000.00
Cinega Framing	\$200,000.00
Grand Total	<u>\$1,387,772.00</u>

3. Theft from Construction Loan Lenders

As part of Calvert’s continued ongoing scheme to defraud, Calvert illegally stole/embezzled funds from the lending institutions the company received in the form of construction loan draws for work Calvert misrepresented as completed. However, the required construction benchmarks were not completed as required. Calvert either falsified documents and/or instructed sub-contractors to install drywall over wall frames to cover necessary but uncompleted electrical and plumbing work in order to misrepresent to the buyer’s lender a finished work product so he could obtain the next construction draw. Interviews were conducted and sworn statements were obtained by the St. Johns Sheriff’s Office with prior employees of the Pineapple Corporation with full knowledge of this activity, as well as the drywall contractors who entered into agreements with Calvert. This effort was employed to support the submission of “draw requests” from the construction loan vendors, who represented the victims in the financing of their homes in the Vista at Twenty Mile subdivision. As these amounts were drawn from the loans obtained by the victims, these losses are passed on to the victims in this matter.

4. Theft Recorded as Loans to Shareholder

As part of Calvert’s continued ongoing scheme to defraud, Calvert converted funds from the company that were recorded in the wire transfers as “Shareholder Note or SH Note”, with Calvert being the 100% shareholder of the Pineapple Corporation. Such financial actions enabled Calvert to remove funds from the company in the alleged form of a loan. However, there does not appear to be any loan documents, promissory notes, collateral, nor any other document stating the term, balance, interest, or payment schedule for the alleged loan(s).

Under Generally Accepted Accounting Practices (GAAP), removing funds from the corporate bank account in the form of an alleged loan, the company balance sheet should reflect the loan as an asset on the company’s financial reports, thus giving the appearance of increased financial strength. This “Shareholder Note” scheme also enabled Calvert personal use of funds belonging to the company without paying related income taxes on those funds. An examination of the banking and wire records of First Citizens Bank and Bank of America revealed in excess of **\$919,195.02** taken in such manner from the operating account of the Pineapple Corporation. An extract of the activity is posted here and is exhibit #13 appended to this report:

Extract of wires labeled “shareholder note/SH Note or not labeled”

\$12,500.00	SHAREHOLDER NOTE	08/12/2019
\$30,000.00	SH NOTE	09/11/2019
\$15,522.38		10/10/2019
\$12,500.00		10/10/2019
\$12,500.00	S/H NOTE	11/13/2019
\$40,085.29		12/11/2019
\$15,522.38		12/11/2019
\$12,500.00		12/11/2019
\$5,000.00	SHAREHOLDER NOTE	12/26/2019
\$12,500.00	SH NOTE	02/14/2020
\$10,000.00	SH NOTE	02/26/2020
\$6,500.00	SH NOTE	03/05/2020
\$10,000.00	SH NOTE	03/23/2020
\$21,000.00	SHAREHOLDER NOTE	04/30/2020
*\$12,500.00	AMEX/SH NOTE	05/08/2020
\$15,000.00	SH NOTE	05/08/2020
\$32,500.00	SH NOTE	07/28/2020
\$3,000.00	SH NOTE	10/22/2020
\$6,000.00	SH NOTE	02/08/2021
\$15,000.00	SH NOTE	05/03/2021
\$12,500.00	SH NOTE	05/12/2021

\$10,000.00	SH NOTE	06/01/2021
\$12,500.00	SH NOTE	06/14/2021
\$15,000.00	SH NOTE	07/16/2021
\$10,000.00	SH NOTE	07/23/2021
\$10,000.00	SH NOTE	09/29/2021
\$10,000.00	SH NOTE	10/29/2021
\$7,500.00	SH NOTE	11/30/2021
\$30,000.00	SH NOTE	12/10/2021
\$10,000.00	SH NOTE	12/15/2021
\$10,000.00	SH NOTE	01/14/2022
\$20,000.00	SH NOTE	02/08/2022
\$10,000.00	SH NOTE	02/11/2022
\$20,000.00	SH NOTE	03/03/2022
\$15,000.00	SH NOTE	03/09/2022
\$20,000.00	SH NOTE	04/05/2022
\$20,000.00	SH NOTE	05/16/2022
\$20,000.00	SH NOTE	05/20/2022
\$30,000.00	SH NOTE	06/17/2022
\$20,000.00	SH NOTE	07/22/2022
\$5,000.00	SH NOTE	07/22/2022
\$26,000.00	SH NOTE	08/16/2022
\$20,000.00	SH NOTE	08/25/2022
\$20,000.00	SH NOTE	09/30/2022
\$7,500.00	SH NOTE	10/31/2022
\$26,000.00	SH NOTE	11/14/2022
\$20,000.00	SH NOTE	11/16/2022
\$18,000.00	SH NOTE	12/16/2022
\$20,000.00	SH NOTE	12/28/2022
\$13,000.00	SH NOTE	01/30/2023
\$5,000.00	SH NOTE	03/08/2023
\$5,000.00	SH NOTE	04/11/2023
\$12,000.00	SH NOTE	04/14/2023
\$5,000.00	SH NOTE	04/17/2023
\$5,000.00	SH NOTE	05/08/2023
\$5,000.00	SH NOTE	05/11/2023
\$5,000.00	SH NOTE	05/17/2023
\$16,587.90	SH NOTE	05/31/2023
\$17,127.07	SH NOTE	06/01/2023

\$10,000.00	SH NOTE	06/12/2023
\$11,850.00	SH NOTE	06/23/2023
\$32,500.00	SH NOTE	07/05/2023
\$1,000.00	SH NOTE	08/29/2023
\$919,195.02	Grand Total	

Tax Return Examination

A review of the Pineapple Corporation 2018 US Income Tax Return for an S Corporation revealed an alleged loan balance to shareholders of \$254,871 at the beginning of the tax period and an alleged loan balance to shareholders of \$1,684,328 at the end of the tax period. During the same tax period an alleged loan balance from shareholders to the corporation was reported in the amount of \$402,808. The difference of \$1,281,520 was illegally stolen/embezzled from the company in the form of unpaid shareholder loans.

A review of the Pineapple Corporation 2019 US Income Tax Return for an S Corporation revealed an alleged loan balance to shareholders of \$1,684,328 at the beginning of the tax period and an alleged loan balance to shareholders of \$1,681,932 at the end of the tax period. During the same tax period an alleged loan balance from shareholders to the corporation was reported in the amount of \$450,000. The difference of \$1,231,932 remained illegally stolen/embezzled from the company in the form of unpaid shareholder loans

A review of the Pineapple Corporation 2020 US Income Tax Return for an S Corporation revealed an alleged loan balance to shareholders of \$1,681,932 at the beginning of the tax period and an alleged loan balance to shareholders of \$1,716,932 at the end of the tax period. During the same tax period an alleged loan balance from shareholders to the corporation was reported in the amount of \$450,000. The difference of \$1,231,932 remained illegally stolen/embezzled from the company in the form of unpaid shareholder loans.

There were no other US Income Tax Returns available for review. However, from the US Income Tax Returns available, beginning for the tax year 2021 Spencer Calvert was indebted to the Pineapple Corporation for alleged unpaid shareholder loans in the amount of **\$1,231,932** in illegally stolen/embezzled funds. A further comparison of loans taken as shareholder notes and arguably repayment of those amounts during tax years 2020 through 2023 is detailed in exhibits 14 and 15 appended to this report.

5. Theft Recorded as American Express Reimbursements

As part of Calvert's ongoing scheme to defraud, Calvert converted funds that were wired from the operating account of the Pineapple Corporation to his personal account with Bank of America, recorded as American Express card reimbursements. An examination of the banking and wire

records of First Citizens Bank and Bank of America revealed in excess of **\$476,304.85** taken in such manner. An extract of these wires is shown here:

Extract of wires labeled “AMEX Reimbursement”

\$121,238.03	AMEX REIMBURSEMENT	08/12/2019
\$98,122.76	AMEX REIMBURSEMENT	09/11/2019
\$38,715.17	AMEX REIMBURSEMENT	10/11/2019
\$20,000.00	AMEX REIMBURSEMENT	10/21/2019
\$46,443.91	AMEX REIMBURSEMENT	11/13/2019
\$68,352.24	AMEX REIMBURSEMENT	03/31/2020
\$6,932.91	AMEX REIMBURSEMENT	04/29/2020
*\$12,500.00	AMEX/SH NOTE	05/08/2020
\$11,548.80	AMEX REIMBURSEMENT	05/22/2020
\$7,848.98	AMEX REIMBURSEMENT	06/30/2020
\$2,531.95	AMEX REIMBURSEMENT - PARTIAL	11/23/2020
\$1,500.00	AMEX REIMBURSEMENT	12/07/2020
\$2,000.00	AMEX REIMBURSEMENT - PARTIAL	12/29/2020
\$16,299.10	AMEX REIMBURSEMENT - CLEAR BALANCE	08/17/2021
\$19,152.00	AMEX REIMBURSEMENT - JAGS TICKETS	07/22/2022
\$3,119.00	AMEX REIMBURSEMENT MIRROR IMAGE	09/07/2022
\$476,304.85	Grand Total	

An analysis of subpoenaed American Express financial records revealed Calvert had three American Express charge accounts; two personal and one small business account. The analysis revealed between January 15, 2019 and June 11, 2024, there were 134 payments totaling \$1,260,137.66 remitted to all three charge card accounts. The analysis further revealed approximately 42% of the charges were for what appear to be legitimate construction related activities including lumber, contractors, and floor coverings. However, approximately 58% of the charges appear to be for restaurants, sporting events, furniture stores, plane charters, and liquor retailers. This analysis is based on the merchant category codes (MCC) of the vendor where charges were made. **An ongoing transaction analysis of the following accounts is pending and will be reported separately in this matter:**

Last 5 of Account:

Account [REDACTED]
 Account * [REDACTED]
 Account * [REDACTED]

Account Holder:

Spencer Calvert
 Spencer Calvert
 Spencer Calvert

Type of card:

Platinum Card Personal Account
 Gold Card Personal Account
 Small Bus Card – The Pineapple Corporation

An examination of the Bank of America account ending in [REDACTED] revealed payments made to American Express totaling **\$826,056.91** from 6/10/2019 to 1/16/2024. A copy of an extract reflecting these payments from this account is appended to this report.

6. Theft Recorded as Model Home Expenses

As part of Calvert’s continued ongoing scheme to defraud, Calvert converted funds from the operating account of the Pineapple Corporation to his personal account with Bank of America by way of wire transfers labeled as Model Home Expenses. Investigation and financial examination have identified three properties that were considered “models” for TPC during this period of time under investigation.

1. 5300 Chandler Bend Road, Jacksonville, FL. The mortgage was held by SLS, LLC and the payments were approximately **\$11,500 monthly**. The loan was in arrears for the period of August 2020 to February 2021, when it was reinstated. It was ultimately refinanced by Planet Lending. **This is the Calvert residence since 2018.**
2. Lot 121, 229 Wilderness Ridge Drive, Ponte Vedra Beach, FL 32081. This model home mortgage was held by Shellpoint Mortgage Servicing and the payments were approximately **\$7,367.06 monthly**. The loan was in arrears for the period of July 2020 to February 2021. It was refinanced by SPS, INC and ultimately sold to a private buyer on 11/14/2023 in the amount of \$2,275,000.00.
3. Lot 122, 243 Wilderness Ridge Drive, Ponte Vedra Beach, FL 32081. This model home mortgage was held by Shellpoint Mortgage Servicing and the payments were approximately **\$7,367.06 monthly**. The loan was in arrears for the period of July 2020 to February 2021. It was ultimately sold to a private buyer on 2/12/2021 in the amount of \$2,480,000.00.

Extract of wires labeled “model lease”

\$15,522.38	AUGUST MODEL LEASE	08/12/2019
\$15,522.38	SEPTEMBER MODEL LEASE	09/11/2019
\$15,522.38	NOVEMBER MODEL LEASE PAYMENT	11/13/2019
\$15,988.05	JANUARY MODEL LEASE	01/13/2020
\$15,988.05	FEBRUARY MODEL LEASE	02/13/2020
\$47,964.15	MODEL LEASE - MARCH, APRIL, MAY	05/14/2020
\$15,988.05	MODEL LEASE - JUNE	06/30/2020
\$31,976.10	MODEL LEASE - JULY AND AUGUST	07/28/2020
\$13,106.82	MODEL LEASE - INSURANCE 2020	01/08/2021

\$31,308.23	MODEL LEASE - 2019 TAX REIMBURSE	01/22/2021
\$47,964.15	MODEL LEASE - AUG SEPT OCT 2020	02/17/2021
\$62,421.10	MODEL LEASE - NOV, DEC, RE TAX 2020	02/22/2021
\$29,615.59	MODEL LEASE - JAN 2021 + INS REIMB	02/24/2021
\$19,041.74	MODEL LEASE - FEB AND MARCH	03/01/2021
\$7,626.55	MODEL LEASE - APRIL	04/05/2021
\$7,626.55	MODEL LEASE - MAY	05/03/2021
\$7,626.55	MODEL LEASE - JUNE	06/01/2021
\$7,626.55	MODEL LEASE - JULY	07/01/2021
\$7,626.55	MODEL LEASE - AUGUST	08/02/2021
\$7,626.55	MODEL LEASE - SEPTEMBER	09/29/2021
\$7,626.55	MODEL LEASE - OCTOBER PAYMENT	10/29/2021
\$7,626.55	MODEL LEASE - NOVEMBER	11/30/2021
\$7,626.55	MODEL LEASE - DECEMBER	12/15/2021
\$24,051.52	MODEL LEASE - 2021 TAXES/INS REIMB	12/23/2021
\$7,626.55	MODEL LEASE - JANUARY	01/14/2022
\$7,626.55	MODEL LEASE - FEBRUARY	02/08/2022
\$7,626.55	MODEL LEASE - MARCH	03/03/2022
\$7,626.55	MODEL LEASE - APRIL	04/05/2022
\$7,626.55	MODEL LEASE - MAY	05/05/2022
\$7,626.55	MODEL LEASE - JUNE	06/03/2022
\$7,626.55	MODEL LEASE - JULY	06/28/2022
\$7,626.55	MODEL LEASE - AUGUST	07/22/2022
\$7,626.55	MODEL LEASE - SEPTEMBER	08/25/2022
\$7,626.55	MODEL LEASE - NOVEMBER	10/31/2022
\$7,626.55	MODEL LEASE - DECEMBER	12/19/2022
\$7,626.55	MODEL LEASE - JAN 2023	01/30/2023
\$7,626.55	MODEL LEASE - FEBRUARY	02/10/2023
\$569,764.79		

An analysis of the Bank of America account ending in [REDACTED] revealed a total of **\$312,033.06** in payments were made from 5/18/2020 to 2/23/2023 payable to Shellpoint Mortgage Servicing for both Lot 121 and 122. It is noted that only two payments were made for Lot 122, prior to its sale on 2/12/2021, as it was in arrears from 7/28/2020 to the date of sale. A copy of an extract Bank of America account ending in [REDACTED] reflecting these payments from this account is appended to this report.

Further analysis of this account with Bank of America revealed a total of **\$579,229.54** in payments were made from 6/11/2019 to 4/17/2023 payable to SLS Mortgage from 6/11/2019 to 4/17/2023.

This mortgage for 5300 Chandler Road was refinanced by Planet Lending and is 120 days past in the amount of \$106,707, according to Calvert's credit report from Equifax.

The amounts paid to Shellpoint Mortgage Servicing are model lease payments of homes truly deemed as model homes. The difference in the amount wired from the operating account of the Pineapple Corporation to Calvert's personal account with Bank America and the actual amounts paid for the models to Shellpoint Mortgage Servicing is **\$179,188.49**. **This amount represents a loss/theft of the operating funds of the Pineapple Corporation.** This figure would be considered income under GAAP.

7. Theft Recorded as Officer Salary

During this period Calvert continued to take funds from the company that were recorded as Officer Salary. At a time when Calvert was converting money from the company for personal expenses and the company was experiencing an inability to pay subcontractors and complete projects without delays, Calvert continued to pay himself a sizeable salary that he actually increased, as he continued to receive deposits and construction loan draws for work that was not completed and/or did not have the financial capacity to complete. From 6/14/2019 to 1/17/2024, Calvert paid himself a total of **\$704,480.63 in payroll**. A copy of an extract from Bank of America account ending in [REDACTED] reflecting these payroll deposits by direct deposit is appended to this report.

8. Selling of Account Receivables for Cash Loans of Excessive Interest

A financing technique employed by many business owners is to sell their account receivables to a lender in exchange for a cash loan. These loans are often referred to as "Hard Money" loans, as they come with hefty finance fees and very high interest rates. Often times, the business owner must surrender direct access to their company's receivable bank account to these "hard money" lenders for recurring daily, weekly, or even hourly withdrawals or ACH Debits by the lender to repay the loan, with its absorbent interest and daily fees. An examination of the Pineapple Corporation's operating account held with First Citizens Bank, ending in [REDACTED] revealed three (3) lenders to whom Calvert sold the receivables of the Pineapple Corporation in exchange for cash loans. Copies of extracts from First Citizens Bank account ending in [REDACTED] reflecting these withdrawals and debits by these "hard money" lenders is appended to this report. A summation of the amounts is:

- From the period of 10/15/2020 to 3/16/2023, a total of **\$2,371,129.30** in payments were debited from the operating account by OneFunder Funding.
- From the period 3/29/2022 to 3/22/2023, a total of **\$109,499.24** in payments were debited from the operating account by Bluevine Capital.
- From the period of 11/14/2022 to 1/18/2024, a total of **\$501,814.66** in payments were debited from the operating account by FoxBusiness Funding.

- From the period of 10/14/2020 to 3/24/2023, a total of **\$2,056,794.05** in loan proceeds were deposited into the operating account of the Pineapple Corporation. **The difference between the proceeds obtained and the payments made for selling the receivables of the company is \$925,649.15, representing a loss to the company from the operating funds needed to complete the contracts of the victims in this matter.**

VI. Summary

This Fraud Examination Report has identified specific areas that are indicative of an ongoing course of conduct by Calvert to enter into construction contracts with unwitting buyers, accept funds for these contracts, yet not use the funds for which they were received. This Fraud Examination report further identifies financial transactions that are indicative of embezzlement of these funds paid by the unwitting buyers for personal use by Calvert and conversion of these funds for expenses not associated with the Pineapple Corporation. The investigation has revealed that all financial decisions and banking activity was conducted solely by Calvert and no others. Interviews have revealed that not even the CPA, Bookkeeper, nor other office staff able to transact business without the approval and personal involvement of Calvert. Moreover, corporate tax returns for tax years 2018, 2019 and 2020 indicates a financial picture of a firm in dire straits. Yet, the actions of Calvert in his excessive officer payroll, personal American Express transactions, and lifestyle indicates a wanton disregard to the financial future of the Pineapple Corporation and completion of the contracts entered for custom homes. This evidence supports the filed charges of misapplication of construction funds, in violation of FSS 713.345 (1)(b)(1); Grand Theft over \$100,000, in violation of FSS 812.014(2)(a) and 812.014(1); and an Organized Scheme to Defraud in excess of \$50,000, in violation of FSS 817.034(4)(a)

VII. The following exhibits are appended to this report:

1. Chart of Accounts examined
2. Hard Money Loan Proceeds – Extract from First Citizens Bank statements
3. Hard Money Payments to Bluevine Capital – Extract from First Citizens Bank statements
4. Hard Money Payments to Fox Business – Extract from First Citizens Bank statements
5. Hard Money Payments to OneFunder – Extract from FirstAs Citizens Bank statements.
6. Rival Funding Wires – Extract from First Citizens Bank statements.
7. American Express Payments – Extract from Bank of America statements.
8. Wire deposits from Pineapple Corporation – Extract from Bank of America statements.
9. Model Mortgage Payments – Extract from Bank of America statements.
10. Residence Mortgage Payments – Extract from Bank of America statements.
11. Payroll Deposits – Extract from Bank of America statements.

12. Wire Payments to the Pineapple Corporation – Extract from Bank of America statements.
 13. Funds Taken as Shareholder Notes – Extract from First Citizens Bank statements.
 14. Funds Taken as Shareholder Notes During Tax Years 2020 through 2023.
 15. Wire Payments to the Pineapple Corporation During Tax Years 2020 through 2023.
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Prepared by:

T.C. McIntosh,
CFE, CECFE

Digitally signed by T.C. McIntosh,
CFE, CECFE
Date: 2024.07.09 09:34:27 -04'00'

T.C. McIntosh, CFE, CECFE
State Attorney Investigator

Peer Reviewed by:

Michael K. Taylor

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