

**Report Date:** 2/25/2026

**Company:** Hingham Institution for Savings

**Ticker:** HIFS US

**Industry:** Banking

**Stock Price (USD):** \$303.24

**Market Cap (USD, Millions):** \$661.1



## **We Think HIFS Is the B. Riley of Regional Banks. We Believe HIFS Has Undisclosed Foreclosures, Over a Hundred Million in Failing Property Loans, And Is Highly Levered.**

- We are short Hingham Institution for Savings (HIFS), a bank that has been transformed by the CEO's son from a conservative Massachusetts bank with a stellar record to a highly levered, highly concentrated, speculative play on some of Washington D.C.'s lowest quality commercial real estate (CRE). After extensive due diligence, we believe management has misled investors about the status of many of its properties and avoided increasing reserves (money set aside for potential defaults aka an allowance) which we think is a terrible idea because we found more than \$125 million in loans we consider at high risk. We believe failure to reserve properly for losses could potentially trigger credit downgrades, capital calls, and contagion in a loan book that our analysis shows is highly levered and underwater. HIFS has just ~\$480 million in capital,<sup>1</sup> minimal reserves and trades far higher than peers at a 1.38 P/B (KRE at 1.20 P/B).<sup>2</sup> We see downside risk of as much as 58%, if not more, for the stock.
- Our analysis also shows HIFS has hundreds of millions in additional loans that are likely underwater. HIFS lent \$832.8m in D.C. metro area CRE between 2021-2022<sup>3</sup> with reported LTVs of 75%,<sup>4</sup> but our analysis indicates HIFS is currently stuck with implied LTVs >120% (on average) for a significant portion of its book.<sup>5</sup> Publicly available data shows the selling price/sqft of large office space in D.C. has declined as much as 40% since 2023.<sup>6</sup> Additionally, CoStar data indicates multifamily units' values declined over 25% through January 2024 with rent growth falling to zero in 2025.<sup>7</sup>
- In January, management foreclosed on two properties to two separate borrowers securing a cumulative \$5.2 million in outstanding loans.<sup>8</sup> The total exposure of HIFS to these two borrowers across all their properties is ~\$52 million,<sup>9</sup> underscoring the risk of contagion. In management's Q4 2025 earnings results, published Jan. 16<sup>th</sup>, management did not identify any of the loans attached to these foreclosures as "non-performing."<sup>10</sup> How many other "performing" loans are in distress? Let's take a tour.



- 1701 Park Road NW, Washington, DC:** The foreclosure pictured above is just the smallest loan we know of by the borrower who also took out a \$17 million loan for a rehab project at 1701 Park Road.<sup>11</sup> HIFS management classifies this loan as “low to average risk.”<sup>12</sup> Our research indicates this borrower specializes in rehabs and is in terrible distress: apart from the HIFS foreclosure in January, he is in procedural default on a nearby (non-HIFS) rehab project,<sup>13</sup> and was recently sued for breach of contract (nonpayment) on yet another nearby (non-HIFS) rehab.<sup>14</sup> The 1701 Park Road project, backed by HIFS, appears to be a mess. On multiple visits we saw a vandalized, vacant shell of a building; that was hit with a five-month stop work order in March 2025 for “illegal construction/working without a permit;”<sup>15</sup> and on our last in-person visit in January we saw that another stop work order had been posted at the site.<sup>16</sup> It should come as no surprise that the borrower sold a 40% stake to a distressed asset investor<sup>17</sup> at an implied \$6 million valuation.<sup>18</sup>

**October 2025 Site Visit**



**January 2026 Site Visit**



- 2637 16<sup>th</sup> St NW, Washington, DC:** The next largest loan to this same borrower is a ~\$15 million loan for yet another rehab project.<sup>19</sup> Construction appears to have stalled as our in-person visits nearly three months apart show the exact same pile of garbage behind the building. But that is not all, the property failed a building framing inspection,<sup>20</sup> its necessary permit expired,<sup>21</sup> and in December 2025, a lien was placed on the property by a contractor seeking payment for masonry work.<sup>22</sup>

**October 2025 Site Visit**



**January 2026 Site Visit**



- 50 M St NW, Washington, DC:** HIFS management has refused to increase reserves<sup>23</sup> for this outstanding ~\$31 million loan that is at least 270 days delinquent.<sup>24</sup> While HIFS boasts this project is “entitled” and has a “conditional guarantee,” the borrower has confessed that increased financing and construction costs have killed the project’s economic viability, so we believe this conditional guarantee is on pretty shaky ground.<sup>25</sup> HIFS relaxed lending standards<sup>26</sup> to entice a sale in March 2025,<sup>27</sup> but this attempt failed. HIFS waited until this sale attempt failed before finally categorizing this loan as high risk in Q2 2025.<sup>28</sup> Remarkably, HIFS has not increased reserves for what we believe are inevitable losses. Multiple site visits conducted in October 2025 and January 2026 reveal an unchanged vacant lot surrounded by graffitied plywood littered with promotional posters as shown below.

**October 2025 Site Visit**

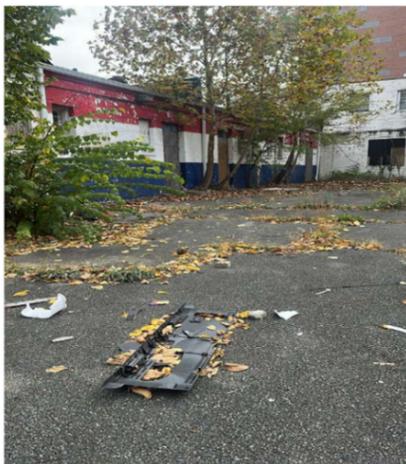


**January 2026 Site Visit**



- 8008 Wisconsin Ave, Bethesda, MD:** In October 2023, HIFS lent another \$15 million<sup>29</sup> to another borrower who has found themselves in distress for a planned mixed-use/apartment project.<sup>30</sup> This borrower has a high-rise apartment project right next door that was supposed to conclude in January 2026, but demolition has not even started.<sup>31</sup> We have visited this site backed by HIFS over several months and found only abandoned, boarded-up businesses with no signs of ongoing construction.

**October 2025 Site Visit**



**January 2026 Site Visit**



- **1100 F St NE, Washington, DC:** HIFS issued a \$15 million loan in January 2025<sup>32</sup> for a property that is considered blighted by the DC Tax Assessor.<sup>33</sup> While the original completion date for the project was Q1 2026,<sup>34</sup> our site visit confirms the property is far from completion which is also reflected in several recent failed inspections.<sup>35</sup> HIFS's borrower<sup>36</sup> was sued in April 2025 for breach of contract related to an alleged default on a loan<sup>37</sup> for a nearby apartment construction project and had one of their completed apartment projects head into foreclosure in 2024.<sup>38</sup>

October 2025 Site Visit



January 2026 Site Visit



- Finally, in January, HIFS had a \$1.5 million foreclosure against a borrower that HIFS went on to sue in February for fraudulent conveyance. HIFS has filed four separate lawsuits against this borrower alleging that it has been in default on three separate notes to HIFS (totaling ~\$4.8 million) with the initial default in November 2025.<sup>39</sup> HIFS earnings release specifically only identified two “non-performing” loans, the \$31 million loan on 50 M St. and a single residential home equity line of credit.<sup>40</sup> Why were these loans considered “performing” when they were in default according to HIFS?
- 84% of HIFS 3Q25 real estate loan book is in CRE<sup>41</sup>, more than 5x the company’s Tier 1 & 2 capital (FDIC guidance is <3x; peers are at 2.3x).<sup>42</sup> This growth in the CRE book massively expanded the company’s overall leverage, with total loans now > 2.24x core deposits (relative to peers at ~1.0x).<sup>43</sup> Compared to peers these are rock-bottom stats.
- It appears that HIFS, rushing into a new market, ended up with a bunch of lemons. Between the highlighted properties above as well as other properties, we identified >\$125 million in low quality DC CRE loans that we think should be considered high-risk. Yet HIFS classifies all but 50 M St as low-to-average risk. HIFS has not materially increased reserves to account for potential losses on *any* of these properties<sup>44</sup>, not even the \$31 million loan that is more than 270 days delinquent. With just \$480 million in capital and minimal reserves, we think HIFS is sitting on a powder keg.
- Despite extreme concentration in underwater DC CRE and the dire condition of many properties, HIFS has some of the lowest reserves levels amongst peers. Eagle Bancorp which has CRE in DC, added nearly \$293 million in reserves over the last four quarters (3.75% of their 4Q24 loans). After taking its medicine, Eagle Bancorp trades at .68x P/B.<sup>45</sup> We think HIFS will need to mimic Eagle Bancorp and increase reserves by ~\$146 million (or 3.75% of its loans).

- **Our base case (-58%):** HIFS currently trades at 1.38x P/B on its \$480 million book, primarily due to investor confidence in its low loan loss track record. We believe HIFS should recognize massive losses on its DC CRE portfolio (~\$110 million after tax benefits), eroding book value and shaking investor confidence, causing the P/B multiple to contract to 0.75x. This would sting but ultimately protect the bank and its stakeholders.
- **Our bear case (-83%):** If HIFS fails to act responsibly and increase reserves, we think that could attract regulatory scrutiny and result in a downgrade to category 3 by the FHLB, which could in turn force significant asset sales (we estimate a \$147 million impact to earnings & book value), shaking investor confidence and resulting in a P/B multiple of 0.5x (where Eagle traded when they first disclosed their distress).
- **Our catastrophic case (-100%):** We hope nothing else goes wrong for HIFS, but if the bear case plays out, any of the following unlikely events could worsen the situation: additional credit downgrades, more forced asset sales, marketable equity securities losses, unexpected foreclosures, or deposit flight.

	Base Case	Bear Case	Catastrophic Case
<b>Book Value (Current)</b>	<b>\$479,708,000</b>	<b>\$479,708,000</b>	<b>\$479,708,000</b>
DC CRE Loss Provisions	(\$109,706,462)	(\$109,706,462)	(\$109,706,462)
Forced Asset Sales	--	(\$146,703,169)	(\$309,170,575)
Equity Market Drawdown	--	--	(\$36,029,970)
<b>Book Value (Future)</b>	<b>\$370,001,538</b>	<b>\$223,298,369</b>	<b>\$24,800,993</b>
<b>Book Value Decline %</b>	<b>-23%</b>	<b>-53%</b>	<b>-95%</b>
P/B Multiple	0.75x	0.50x	0.00x
<b>Implied Share Price</b>	<b>\$127.17</b>	<b>\$51.16</b>	<b>\$0.00</b>
<b>Implied Share Price Downside %</b>	<b>-58%</b>	<b>-83%</b>	<b>-100%</b>

#### Key Capital Ratios

CET1 Ratio	10.5%	7.1%	0.9%
"Well Capitalized" Minimum	6.5%	6.5%	6.5%
Tier 1 Capital Ratio	10.5%	7.1%	0.9%
"Well Capitalized" Minimum	8.0%	8.0%	8.0%

- HIFS core deposits only make up 38% of assets (vs. peers at 70%).<sup>46</sup> Without a low-cost base of deposits, HIFS has resorted to pledging 94% of its loan book (peer average is 52%)<sup>47</sup> as collateral to the “lender of next-to-last resort”, the Federal Home Loan Bank (FHLB). HIFS borrowed 32% of its assets from the FHLB as of 4Q25, making them dependent on a higher cost, less sticky, non-core funding source, increasing their leverage and reducing their liquidity and margin of safety.

- We believe HIFS reinstatement of its special dividend (a paltry ~\$1.5m) and authorization of a \$20 million buyback to be inconsequential and performative. If anything, we think the buyback is a signal that they will soon be delivering bad news to investors since deploying the buyback while the market cap exceeds book value is dilutive for existing shareholders, like the family members who sit on the board. We doubt HIFS will deploy its buyback unless its P/B fell below 1.
- HIFS's net interest margin has improved due to the fed's decision to cut rates, but it remains abysmal amongst its peers. At 1.87%, it is a little more than half the average (3.59%) of its peers.<sup>48</sup> Without a strong source of income, we think HIFS is not earning its way out of its mess, so instead it is playing a high-risk strategy in stocks.
- Almost half of HIFS earnings from 2023-2025 were mark-to-market gains on its securities portfolio. On January 29<sup>th</sup>, HIFS disclosed this portfolio in its first ever 13-F which reveals that the primary driver for its mark-to-market gains has been a highly concentrated bet on Alphabet Inc, (GOOG), which comprises ~40% of its reported 13-F portfolio.<sup>49</sup> If Alphabet gets a cold, we think HIFS will get pneumonia.<sup>50</sup> We calculate the portfolio reported in HIFS 13-F is down 4.67% YTD. We believe this bank is offsetting lousy earnings and a deteriorating loan book with aggressive stock-picking. What could go wrong?
- We were the first to expose B. Riley for leveraging up and gorging on low-quality assets during low rates, then trying to hide the truth from investors when the tide went out. We believe HIFS is running a similar playbook, but instead of borrowing from captive wealth management clients via cov-lite baby bonds, HIFS borrowed from the heartless bureaucrats at the FHLB—not a great plan.

## **We Think HIFS Is Sitting on a Powder Keg of Extreme Concentration Risk in Underwater CRE and Excessive Leverage. Failing Properties Have Lit the Fuse:**

### **Nepotism and Inexperience Transformed this Conservative Massachusetts Bank into an Over-Levered House of Cards.**

HIFS was once a steady growing & well-balanced bank under Robert H Gaughen Jr. From the time Robert H. Gaughen Jr. was installed as President and CEO in 1993 until 2016, HIFS slowly and steadily grew its real estate loan book at a 14% CAGR,<sup>51</sup> balancing growth across residential and commercial (commercial exposure never exceeding 50% of the book).<sup>52</sup> The company funded this loan book growth via a set of more diversified sources minimizing liability risk.<sup>53</sup> Earnings growth was strong and the stock price increased > 4,000% from 1993 through 2016.<sup>54</sup> In all regards, it was a model bank.

In 2018, the CEO's son, Patrick R. Gaughen, became President and COO when he was approximately 37, despite no significant banking or finance experience before joining HIFS in 2012.<sup>55</sup> Since the ascendancy of Patrick, HIFS has undergone a radical change in strategy, from well-balanced and conservative, to concentrated and highly levered. For example, leverage (loans relative to core deposits) almost doubled, now at 224% (vs. 140% in 3Q17).<sup>56</sup>

What is crazy is that this new CRE exposure is highly concentrated in the DC metro area. HIFS is a Massachusetts bank that appears to only have one local in-market commercial lending employee in Washington DC that we could find, and that employee joined in 2021.<sup>57</sup>

We view HIFS's extreme leverage to low-quality CRE and lack of reserves as a dry powder keg. Unfortunately for HIFS, the fuse has already been lit with what our analysis estimates are more than \$125 million in deeply troubled DC loans that appear to be in serious distress. We think HIFS's management has made things worse, so far, by letting these problems fester.

## **Our On the Ground Diligence Has Uncovered >\$125 Million in Deeply Troubled DC Loans. Vacant, Vandalized, and Stalled Projects That Are Far Behind Schedule and In Danger of Going Under**

### **Property #1 Management Still Hasn't Reserved Anything for its Most Troubled Property - A Development Site Dead in the Water That Failed to Sell**

HIFS originated a \$37 million loan in September 2021<sup>58</sup>, four years ago, to a borrower who wanted to transform a vacant lot into an apartment complex.<sup>59</sup> In Q2 2025, this loan was recategorized as non-performing and the firm classified ~\$31 million as delinquent for 60-90 days. This status did not change as of the end of Q4, and the bank has not made any further disclosures, indicating the ~\$31 million loan is overdue by at least 270 days.

Remarkably, management has not increased its reserves to account for potential losses and justified this decision by characterizing it as a “*entitled development site for a significant multifamily development in Washington, D.C. [that] has an associated conditional guarantee from a large national homebuilder and an affordable housing developer.*”<sup>60</sup>

We think this is misleading as it omits a key piece of information – **The borrower has stated it cannot and will not develop this site because it is not currently economically viable.**

The borrower was granted an extension on its entitlement,<sup>61</sup> but we think this is the only card they can play. The reason development has not gone forward is that financing the build has become “infeasible:” higher interest rates, limited equity financing, and higher construction costs have made it impossible for the developer to push forward on the project.

*“The Applicant has pursued financing in good faith ... but those efforts stalled as capital sources withdrew or imposed infeasible terms”<sup>62</sup>*

Additionally, the construction type is adding to the company’s woes, “*The approved [planned unit development] relies on a cast-in-place construction method that, at current achievable rent levels, cannot be financed.*”

The property was reportedly put up for sale in March 2025 with the first offers being due by April 8th, 2025. According to marketing materials cited, Hingham’s loan is “assumable at a below-market rate and high LTV thereby reducing the equity required to close.”<sup>63</sup>

However, even these generous terms could not apparently garner a sale as it has not changed hands per our review of public records.

In our view, HIFS should have already taken significant reserves for this property, but we think they have avoided doing so because its core earnings are extremely weak and the bank is so levered that the sight of one cockroach could set off a panic.

Today (50 & 90 M St. NW) remains a vacant, boarded up lot whose only notable feature is its graffiti and bevy of promotional posters that litter its walls.



After it failed to sell, HIFS rerated this loan a 4 or “special mention loans” where “the borrower may be affected by unfavorable economic, market, or other external conditions that may affect their ability to repay the debt.”<sup>64</sup> We believe many more loans on HIFS book should qualify for this status.

**Properties #2 & #3 Borrower Foreclosed on By HIFS And Sued by Multiple Lenders. Stop Order, Expired Permits, and Denied Extensions, Implied LTV Ballooned to 280%**

HIFS has another \$32m in loans that, in our view, appear to be at high risk with both buildings vacant and in serious disrepair and the borrower in serious distress. HIFS foreclosed on a smaller \$4.5 million loan<sup>65</sup> tied to property at 115 12th St SE, Washington, DC owned by this same borrower in January.



Investors might be surprised by this foreclosure since management has not said anything about it and never classified this loan, (or the other foreclosure it made in January) as “non-performing.” This is odd because usually foreclosures happen *after* a loan becomes “non-performing.” How many other “performing” properties is management foreclosing on?

The borrower is also currently being sued by two different lenders for other nearby rehabilitation projects (one as part of a foreclosure action, the other for breach of contract for not paying debt service payments). We believe the properties collateralizing HIFS loans will eventually meet the same fate, likely forcing HIFS to re-rate these loans and take sizable write-offs.

The first property appears to be windowless and vandalized. This borrower apparently ran low on funds after the demolition since they sold a 40% stake to a distressed real estate investor for \$2.4 million. This implies a \$6 million value against HIFS \$17 million loan.

Our site visits showed an active construction permit through June 2026,<sup>66</sup> but our research also found a denied permit extension.<sup>67</sup> We think this shows the builder knows that this project is going to be significantly delayed. There also haven’t been any completed or scheduled inspections on this property leading us to believe this project is going nowhere.

We also found a newly placed stop work order during our visit in January 2026 (although the details weren’t contained on the form and nothing was filed online).





Government of the District of Columbia  
 District Department of Transportation  
 Public Space Regulations Division  
 Public Space Inspections  
 250 M Street SE, 3rd floor  
 Washington DC 20003  
 Phone: (202) 673-6813

S-02583

d.

### STOP WORK ORDER NOTIFICATION

**Work Site Stop Work Notification** DDOT: \_\_\_\_\_

Officer Name: \_\_\_\_\_ Badge No: \_\_\_\_\_  
 Permit Number: \_\_\_\_\_ Date: \_\_\_\_/\_\_\_\_/\_\_\_\_ Weather Conditions: \_\_\_\_\_  
 Time: \_\_\_\_\_ AM PM (circle) Ward: 1 2 3 4 5 6 7 8  
 Location: \_\_\_\_\_ Quadrant: (circle) NW NE SW SE  
 Permit Holder: \_\_\_\_\_ Phone: \_\_\_\_\_  
 Subcontractor: \_\_\_\_\_ Phone: \_\_\_\_\_  
 Work Site Foreman: \_\_\_\_\_  
 Work site Condition: \_\_\_\_\_

**Violations (Check the Appropriate Box)**

<input type="checkbox"/> Improper / No Permit	<input type="checkbox"/> Working Before Designated Hours	<input type="checkbox"/> Obstruction / No equipment on showing
<input type="checkbox"/> Improper / No Traffic Signs	<input type="checkbox"/> No Flag Protocol	<input type="checkbox"/> Security Risked Personal Construction Vehicle
<input type="checkbox"/> Improper / No Traffic Paint	<input type="checkbox"/> Failure to Maintain Material from Pedestrian Traffic	<input type="checkbox"/> Closure to Notary Construction Affected Residents / Merchants
<input type="checkbox"/> Improper / No Personnel	<input type="checkbox"/> Project / Construction Closure	<input type="checkbox"/> Closure to Public Space
<input type="checkbox"/> Improper / No Construction Sign	<input type="checkbox"/> Public Safety	<input type="checkbox"/> Improper Sign Flag/State Infractions in construction area
<input type="checkbox"/> Failure to Saw Out	<input type="checkbox"/> Unmarked Work Site	<input type="checkbox"/> Other: (complete in comment area)
<input type="checkbox"/> Construction Debris		

Comments: \_\_\_\_\_

Issuing Official: \_\_\_\_\_ Phone: \_\_\_\_\_  
 Construction Supervisor

OFFICIAL TO RELEASE STOP WORK ORDER

This order may be appealed to:  
 Public Space Inspections  
 250 M Street SE, 3rd floor

The second property from the same borrower is in better shape from the exterior, but our site visit and permitting records indicate this project is stalled as well. We visited this property twice, once in October and then in January, and didn't see or hear any active ongoing work around the property, which is consistent with the expiration of its primary construction permit.

The building currently sits vacant and half-finished. A sub-contractor recently placed a lien on the property in December 2025 for not paying the bill for masonry work.

On our two site visits, we saw the same pile of garbage, which we think says a lot about the status of this project.

**October 2025 Site Visit**



**January 2026 Site Visit**



**Property #4: No Construction Has Started Despite Loan Origination Happening More Than Two Years Ago; The Borrower Is Sitting on Multiple Stalled Apartment Projects (Including One Right Next Door)**

HIFS has a \$15m loan at risk from a stalled mixed use (retail/apartment) construction project. The project has been in the works since 2016 with the borrower recently seeking a 2<sup>nd</sup> extension in September 2025 to prevent the project from losing its validity.<sup>68</sup> How is this project looking on the ground? Not great. Multiple site visits confirm the property continues to house a collection of abandoned, boarded up, and vandalized former businesses with no signs of any active construction or development.



HIFS borrower (Aksoylu Properties via related companies) has multiple other mired construction projects including one right next door in Bethesda, MD (8000 Wisconsin). According to the most updated agreement for 8000 Wisconsin (signed in May 2023), the borrower would begin construction of this apartment in July 2024 with completion expected in January 2026. How's that looking? It remains a gated-up empty parking lot.



We've also uncovered a set of Aksoylu construction projects in Virginia that appear to be significantly delayed and/or stalled. Artena Fairfax Circle Gateway (large mixed use/apartment project) initially submitted plans in 2022 with its revised application still “under review” more than a year and a half later.<sup>69</sup> Artena Dulles (another large mixed use/apartment project) has an initial plan still “in review” more than two years after its submission date.<sup>70</sup>

We think any reasonable party would rate HIFS's loan for the 8008 Wisconsin property as high-risk given its decrepit physical condition combined with the borrower clearly having issues with two other properties in its portfolio in starting other similar projects (let alone finishing them).

**Property #5 Renovation Lagging on Blighted, Vacant Property, Borrower Sued for Alleged Default on Nearby Project and Had Another Project Foreclosed on in 2024**

HIFS has another \$15m loan at risk with a long vacant, blighted & vandalized apartment complex whose renovation appears to be severely delayed.

In the permitting records, we see a smattering of recently failed inspections along with a newly issued permit that seems to be a dramatic scale-back of the original construction plans.<sup>71</sup> We see both the construction delay and the scale back of the original plans (which supported a higher loan value) as a continuation of a pattern that has caused the borrower to be sued by a different lender for alleged default on a nearby project (delayed construction cited as a reason for default in the complaint). Another project for this same borrower was foreclosed on in 2024 (Tribeca).<sup>72</sup>

The borrower stated the intended completion date is in 1Q26. The current condition of the property via our site visit suggests that timeline is highly unlikely. The condition of the property has deteriorated so much that the DC Tax Assessor considers the property blighted.



Our site visits indicate that work is ongoing at the project, which is more than we can say for all the prior projects we examined.

We believe this is a higher-risk loan that should be properly reserved for given its expected completion is significantly delayed, the finished product is likely to be less valuable with the scaled back plans, and the borrower has a recent history of being sued for alleged default and having its properties foreclosed on.

### **Property #6 LTV of 95% on a Property That Sold for a Loss in May 2023**

The final individual property we will profile is not a derelict building but exemplifies the precarious position of HIFS broader CRE portfolio. HIFS original \$18 million loan was made in 2020<sup>73</sup> to an entity controlled by former EagleBank CEO Ron Paul<sup>74</sup>, who was reportedly barred from the banking industry by the Federal Reserve Board and fined by the SEC in 2022.<sup>75</sup> Doing questionable deals with unsavory characters appears to be one of the risks of lending money from afar. This property was sold for \$20.5 million<sup>76</sup> (a \$6 million loss) in 2023 (an early sign of the weakening DC CRE market).

HIFS was able to close out its loan without taking a loss, but they were not able to really get out of the property because to close the deal they also had to act as lenders for a new \$15.4 million loan on the property.<sup>77</sup>

HIFS has since had to come back and put in another \$6 million in January 2024<sup>78</sup>, to keep the planned renovation on track. Contemporaneously, another owner purchased a 2.439% stake in the property for \$550k, implying a valuation of \$22.6 million in January 2024.<sup>79</sup> This valuation implies an LTV of 95% for HIFS. Given the decline in value in multi-family CRE in DC since January 2024, we suspect this loan is underwater.

## **HIFS Lawsuits Against a Borrower in Default (Which Include a Claim for Fraudulent Conveyance) Undercut HIFS Reassurances That It Only Had Two “Non-Performing” Loans at the End of Q4 2025**

In its Q4 2025 earnings release on January 16<sup>th</sup>, 2026, HIFS only disclosed two “non-performing” loans, the \$31 million property of 50 M St and a home equity line of credit in their residential book. However, four separate lawsuits filed in February by HIFS against one of their borrowers indicate that management knew that they had additional problem loans that were high risk.

We have already discussed how HIFS failed to disclose any trouble with the properties it foreclosed on in January, particularly the foreclosure on the property securing a \$4.5 million loan made to the borrower who holds a total of \$47 million in loans, but HIFS filed *two* foreclosures in January and we have learned a great deal more about the borrower who was subject to the second foreclosure because HIFS brought four lawsuits against this second borrower in early February.

These February lawsuits make it clear that this HIFS’s borrower was in default **before** year-end 2025, so why were these loans not considered “non-performing”?

Why four lawsuits? This is because this borrower had at least three separate notes with HIFS, totaling \$4.8 million. The first note for \$1.5 million went into default, according to HIFS, as of November 15<sup>th</sup>, 2025.

6. The Loan is evidenced by that certain Commercial Note dated as of November 17, 2022 made payable by VN Ventures to the order of Hingham in the principal amount of ONE MILLION FIVE HUNDRED THIRTY FIVE THOUSAND AND 00/100 DOLLARS (\$1,535,000.00) (herein, the “Note”). A true and accurate copy of the Note is attached hereto as Exhibit A.

7. A default currently exists under the Loan and has existed since no later than November 15, 2025.

HIFS filed another lawsuit in February against this same borrower for defaulting on a \$2.9 million note which supposedly has been in default since December

4. In connection with a commercial real estate loan extended by Lender, Defendants executed that certain Commercial Note dated as of November 17, 2022 made payable to the order of Hingham in the principal amount of TWO MILLION NINE HUNDRED THOUSAND AND 00/100 DOLLARS (\$2,900,000.00) (herein, the “Note”). A true and accurate copy of the Note is attached hereto as Exhibit A.

10. Defendants failed to make the monthly payments of principal, interest, and other amounts owing under the Note when such payments became due on December 15, 2025 and January 16, 2026.

And this default on this note led to the default on another cross-collateralized \$360 thousand note. The grand total for all the notes at issue in these lawsuits HIFS filed is ~\$4.8 million.

Finally, HIFS filed a fourth suit in February against this same borrower alleging fraudulent transfer as the borrower has apparently transferred three properties to an entity beneficially owned by a family member.

#### **COMPLAINT**

Plaintiff, Hingham Institution for Savings, a Massachusetts banking corporation (“Hingham”) by counsel, hereby submits this Complaint against Defendants, VN Ventures, LLC (“VN Ventures”) and SF Portfolio, LLC (“SF Portfolio” and collectively with VN Ventures, “Defendants”) seeking the voiding of three conveyances of real estate by VN Ventures to SF Portfolio on the grounds that they constitute voidable fraudulent transfers and states as follows.

18. The beneficial owners of SF Portfolio are family members of Christopher J. VanArsdale. The Articles of Organization for SF Portfolio contain a reference to the “Christopher J. VanArsdale Descendants Trust”. In addition, Mr. VanArsdale admitted to representatives of Hingham in a meeting that took place in January 2026 that his family members are the beneficial owners of SF Portfolio.

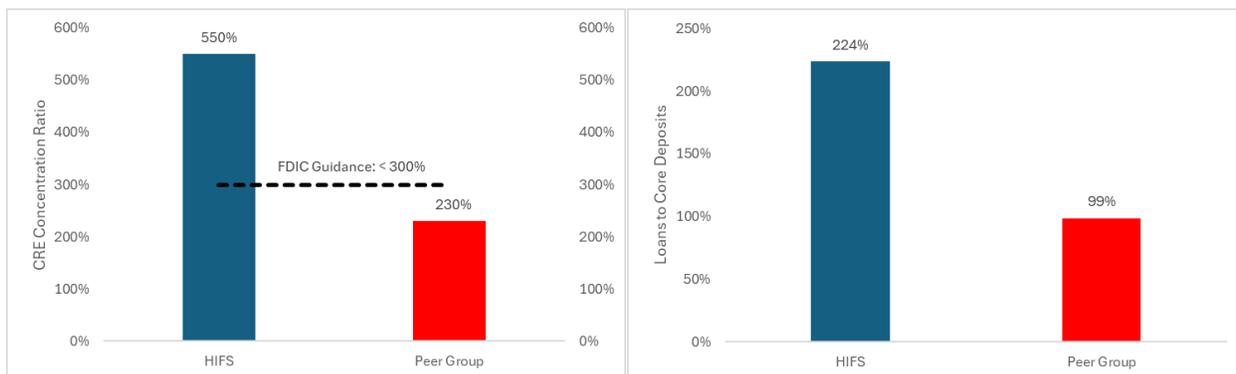
Bottom line: HIFS has told investors nothing about this saga, which has been unfolding since the initial default by this borrower in November. Why not?

## HIFS Liquidity and Leverage Profile is One of the Worst Amongst Its Peers Undercutting Its Claims of a “Fortress Balance Sheet.”

We believe a core part of the HIFS bull thesis is the perception that the company has a strong balance sheet able to easily withstand the occasional loss provision. Management has continually touted their “fortress balance sheet that provides unquestionable assurance to our depositors” in every Annual Report since 2015.<sup>80</sup>

We find it hard to believe that management depicts their balance sheet as a “fortress” given the company is at or near the bottom tier vs. peers across many important liquidity & asset quality ratios (according to recent FDIC Call Report data).<sup>81</sup>

Our analysis indicates HIFS CRE loan book is now >5x the company’s Tier 1 & 2 capital (FDIC guidance is <3x; similar size peers are at 2.3x). This growth in the CRE book massively expanded the company’s overall leverage as well, with total loans now > 2.24x core deposits (relative to similar size peers at ~1.0x). At these ratios, HIFS has become one of the highest levered banks amongst its peers.



HIFS has an absurd amount of leverage to CRE and they’re taking even more risk via funding their leverage with non-core sources like the FHLB who will make a capital call if it becomes evident the CRE they have invested in from afar isn’t doing that well. Here is how HIFS compares to peers in the table below across key bank ratios.<sup>82</sup>

Key Ratios	Ratio Type	HIFS (4Q25)	Peer Group Average (4Q25)*	Percentile Rank vs. Peers**	Definition
FHLB Advances	Liquidity	32%	15%	100%	FHLB Advances as % of Total Assets
CRE Concentration	Asset Quality	550%	230%	100%	CRE Loans as % of Tier 1/2 Capital
Net Interest Margin	Net Interest Margin	1.87%	3.59%	99%	Net Interest Margin / Avg Assets (Annualized)
Loans to Core	Liquidity	224%	99%	97%	Total Loans / Core Deposits
Core Deposits to Assets	Liquidity	38%	70%	96%	Core Deposits as % of Total Assets
Allowance Ratio	Charge Offs & Allowance	0.73%	1.25%	93%	Loss Allowance as % of (Total Loans - HFS)
Pledged Loans	Liquidity	94%	52%	92%	Pledged Loans as % of Total Loans
Interest Expense	Net Interest Margin	2.82%	1.90%	92%	Interest Expense / Avg Assets (Annualized)
Coverage Ratio	Charge Offs & Allowance	91%	167%	91%	Loss Allowance / Adjusted NPLs
Tier 2 Capital	Capitalization	0.83%	1.09%	90%	Tier 2 Capital as % of Avg Assets
Brokered Deposits	Liquidity	17%	8%	86%	Brokered Deposits as % of Total Deposits
Interest Income	Net Interest Margin	4.68%	5.32%	81%	Interest Income / Avg Assets (Annualized)
Adjusted NPLs	Asset Quality	0.79%	0.73%	75%	Adjusted Non-Performing Loans as % of Total Loans
Liquid Assets	Liquidity	12%	17%	67%	Collection of Liquid Assets as % of Total Assets
Tier 1 Capital	Capitalization	14%	15%	61%	Tier 1 Capital as % of Risk-Weighted Assets
CET1 Capital Ratio	Capitalization	14%	15%	61%	Common Equity + Tier 1 Capital as % of Risk-Weighted Ass
Cash to Assets	Liquidity	8%	9%	61%	Cash as % of Total Assets
Insured Deposits	Liquidity	65%	65%	60%	Insured Deposits as % of Total Deposits
Total Risk Based	Capitalization	15%	16%	57%	Tier 1/2 Capital as % of Risk-Weighted Assets
Tier 1 Leverage	Capitalization	11%	11%	55%	Tier 1 Capital as % of Avg Assets
Loss Provision	Charge Offs & Allowance	0.05%	0.20%	26%	Loss Provision / Avg Assets (Annualized)
Net Charge Offs	Charge Offs & Allowance	0.00%	0.34%	15%	Net Charge Offs / Avg Loans (Annualized)
Pledged Securities	Liquidity	0%	53%	8%	Pledged Securities as % of Total Securities

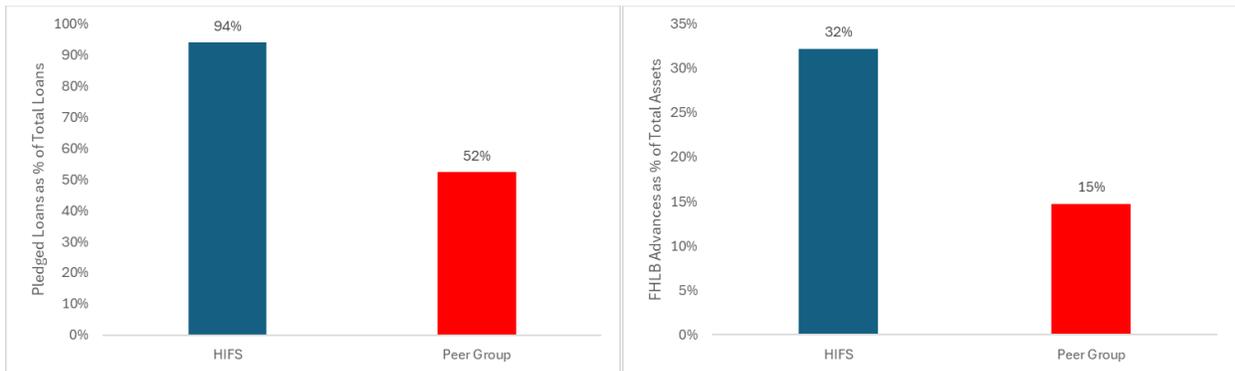
\* Peer group defined as the most similar 99 national peers where information is available

\*\* Percentile rank vs. peers interpretation differs between ratios; the higher the percentile the more at risk HIFS is vs. peers for each respective ratio

The only important ratios where HIFS isn't currently an extremely negative outlier to peers is on the key capital ratios (total risk based, CET1, and Tier 1), but that capital is not on a very stable base. For example, core deposits only make up 38% of assets, whereas peers have 70% of assets. If even a relatively small portion of depositors walk because they feel the bank is having credit issues, it could be deeply problematic. Increases in reserves and charge-offs can also erode capital (and undermine the confidence of depositors).

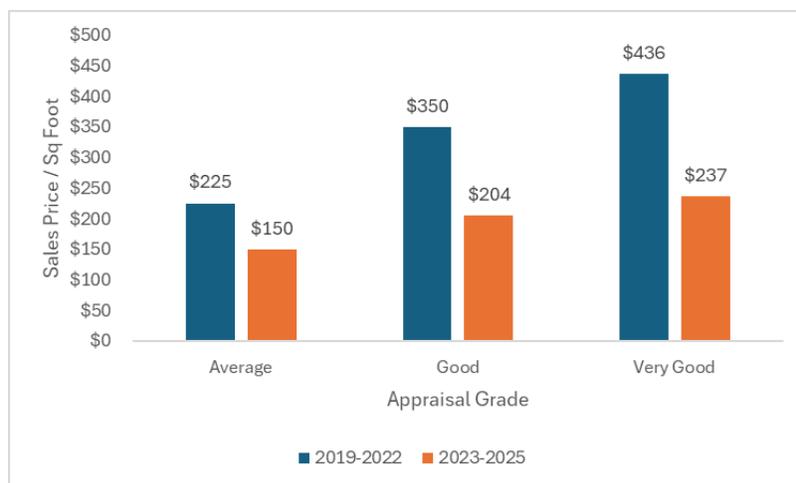
## HIFS Has Funded Its Growth into CRE By Pledging 94% of Its Loans as Collateral for FHLB Loans. However, Our Analysis Shows Falling CRE Prices Have Pushed Many of HIFS Loans Underwater

How did the CEO’s son fund this CRE loan growth? He has gone with the “leverage on leverage” strategy – Pledging nearly all the company’s loans (94%) as collateral to secure the funding needed to make more loans. HIFS obtained this funding from the “lender of next-to-last resort”, also known as the Federal Home Loan Bank (FHLB). HIFS has borrowed an insanely high 32% of assets as of 4Q25, the highest level among all similarly sized peers.



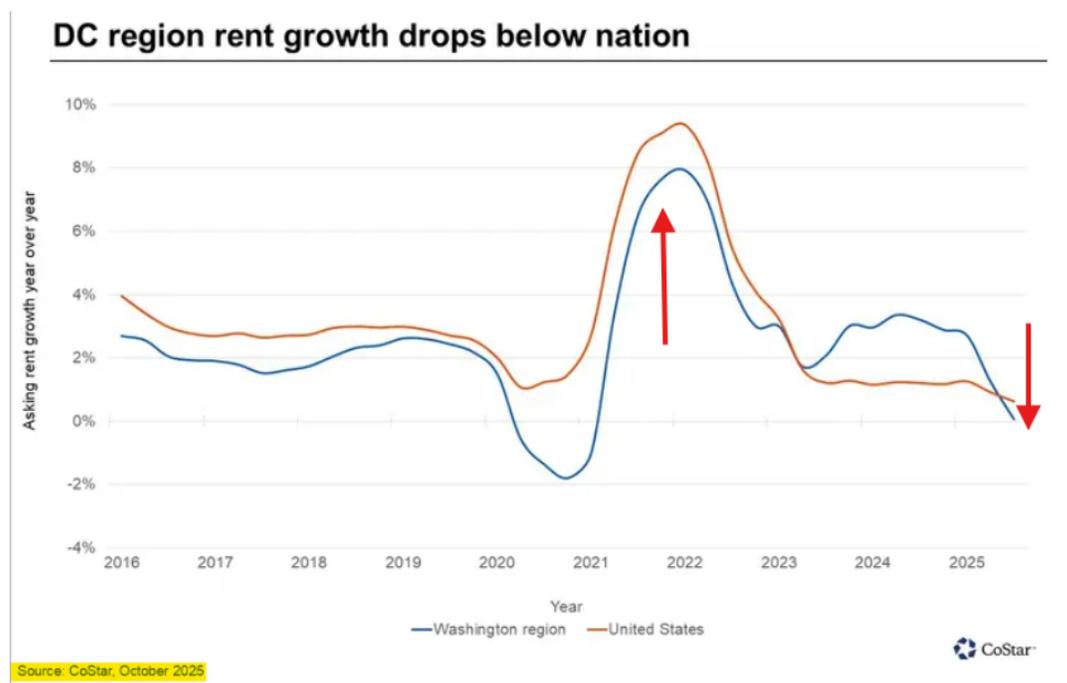
By pledging 94% of its loans as collateral to the FHLB, we think HIFS has essentially maxed out the potential collateral it can post in exchange for funding. The reason for pursuing this riskier source of funding? The lack of a large stable base of depositors.

HIFS underwrote the majority of their DC CRE loans during a historically-low-interest rate environment (2020 – 2022). Unfortunately for HIFS, DC office valuations for large commercial office space have plummeted when comparing the 2023-2025 period vs. the 2020-2022 period when HIFS underwrote most of their DC office loans. Valuations for offices graded “Average” are down -33%, offices graded “Good” are down -42%, and offices graded “Very Good” are down -46%.<sup>83</sup>



Our calculations indicate HIFS D.C. large office loan book is far underwater with an LTV >125%, meaning its loan book is worth a lot less than it appears.<sup>84</sup> Consequently, our analysis indicates the FHLB is also underwater on its loans to HIFS because the value of its collateral is nowhere near as high as it appears.

But large office is not the only type of CRE that is suffering in DC. Multi-family rents are collapsing in DC and growth hit zero in October 2025, falling below the national levels<sup>85</sup>:



## Impending Delinquencies and an Underwater Book Put HIFS at Risk of a Massive Capital Call from FHLB

The FHLB establishes a borrower's credit category based on a number of factors including LTV caps & delinquency status—which is where we think HIFS is most vulnerable.

HIFS's loan from the FHLB is currently 32% of its assets. Since HIFS is currently considered a category 1 borrower by FHLB, its borrowing capacity is currently capped at 40% of their assets.<sup>86</sup> If HIFS were to be reclassified as a category 2 borrower, that cap would fall to 30%, resulting in a \$101 million capital call. A capital call of that magnitude for a bank that already has a shaky liquidity profile could be enormously harmful and could result in forced sales of assets.

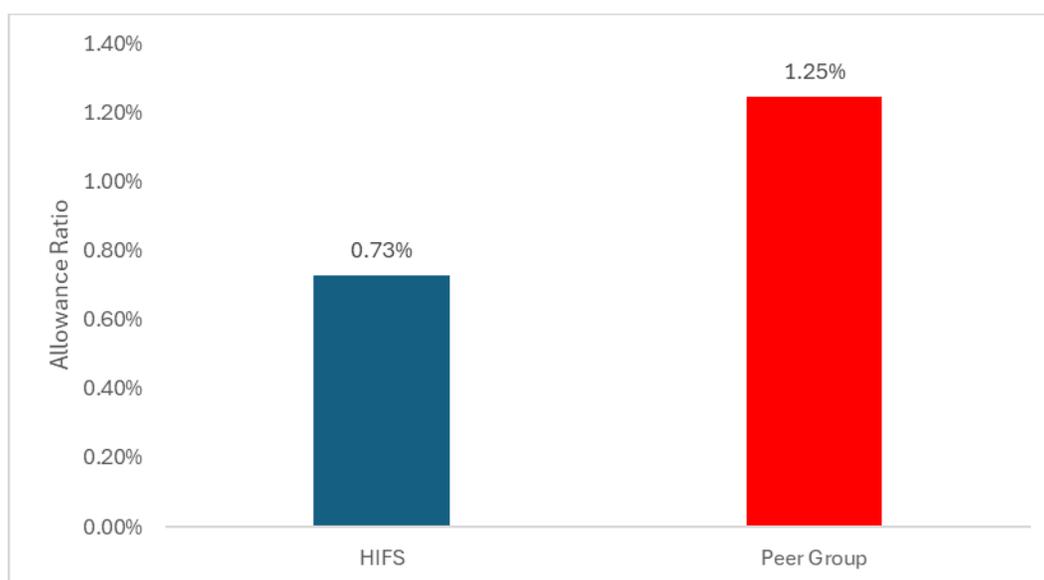
	FHLB Credit Categories		
	2	3	4
Total Assets (4Q25)	\$4,542,654,000	\$4,542,654,000	\$4,542,654,000
Maximum Borrowing Capacity (% of Assets)	30%	15%	5%
Maximum Borrowing Limit	\$1,362,796,200	\$681,398,100	\$227,132,700
Current Borrowings (4Q25)	\$1,463,815,000	\$1,463,815,000	\$1,463,815,000
<b>Immediately Owed to FHLB</b>	<b>\$101,018,800</b>	<b>\$782,416,900</b>	<b>\$1,236,682,300</b>
Est. Sale Value (% of Book Value)	85%	80%	75%
Required Asset Sales	\$118,845,647	\$978,021,125	\$1,648,909,733
<b>Loss on Sale</b>	<b>(\$17,826,847)</b>	<b>(\$195,604,225)</b>	<b>(\$412,227,433)</b>

A fall to categories 3 or 4, while unlikely, would result in respective caps of 15% and 5%, which we think would probably put them out of business.<sup>87</sup>

### **HIFS Has Been Very Aggressive in Setting Its Provision for Loss Reserves Meaning It Has No Cushion If Things Start to Go Wrong**

CRE loans typically have significantly higher foreclosure rates than residential loans, so it would have been prudent for HIFS to raise reserves as a percentage of their loan book as they allocated a higher portion of its loan book into CRE, but they didn't. This risk has become more acute over the last two years with property values in DC falling precipitously due to a "staggering" number of foreclosures in 2024.<sup>88</sup>

But HIFS has not materially increased its reserves. Its allowance ratio (reserves as a % of total loans) is 0.73% whereas its far more conservative peers around the country have a ratio that is significantly higher, at 1.25%. HIFS's allowance ratio continues to be one of the lowest amongst its peers (ranking 93 out of 100).<sup>89</sup>



Merely putting HIFS back on track with their peer average would require increasing reserves by \$20 million, but this would not be nearly enough in our view due to their extreme concentration in low-quality DC CRE.

Eagle Bancorp, which is located primarily in DC, has added \$293 million in reserves over the last four quarters (largely for anticipated CRE losses), amounting to 3.75% of their Q4 2024 total net loans. HIFS is largely exposed to the same macro CRE trends as Eagle, so we believe it’s reasonable to see a similar percentage added to HIFS reserves over the coming quarters which would amount to a massive \$146 million loan loss or \$110 million inclusive of ~25% tax loss benefit. That would be enough to wipe out years of core earnings (ex-gains on marketable equity securities) and 23% of book value creating a massive hole in HIFS’s balance sheet which the firm has been calling a “fortress” for years.

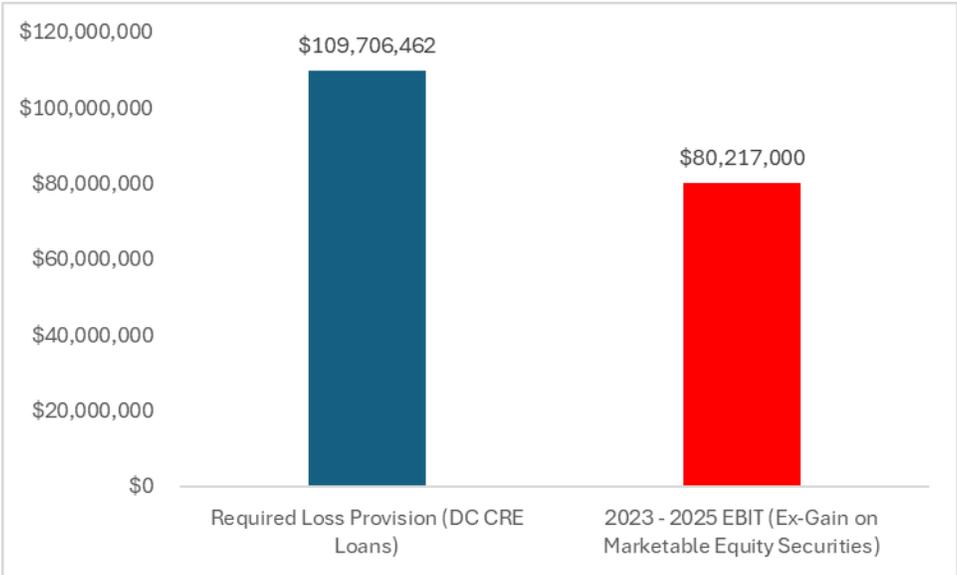
<b>Eagle Bancorp Loan Losses</b>	
4Q24 Total Loans (Net)	\$7,820,498,000
Cumulative 2025 Provision for Credit Losses	\$293,394,000
% of 4Q24 Total Loans (Net)	3.75%

<b>Expected HIFS Incremental CRE Loan Losses</b>	
4Q25 Total Loans (Net)	\$3,899,008,000
Cumulative 2025 Eagle Loan Loss %	3.75%

<b>Expected HIFS Incremental CRE Loan Losses</b>	<b>\$146,275,282</b>
--	----------------------

<b>HIFS Book Value &amp; Earnings Impact</b>	
4Q25 Book Value	\$479,708,000

<b>Expected HIFS Incremental CRE Loan Losses (25% Tax Rate)</b>	<b>\$109,706,462</b>
<b>% of 4Q25 Book Value</b>	<b>23%</b>

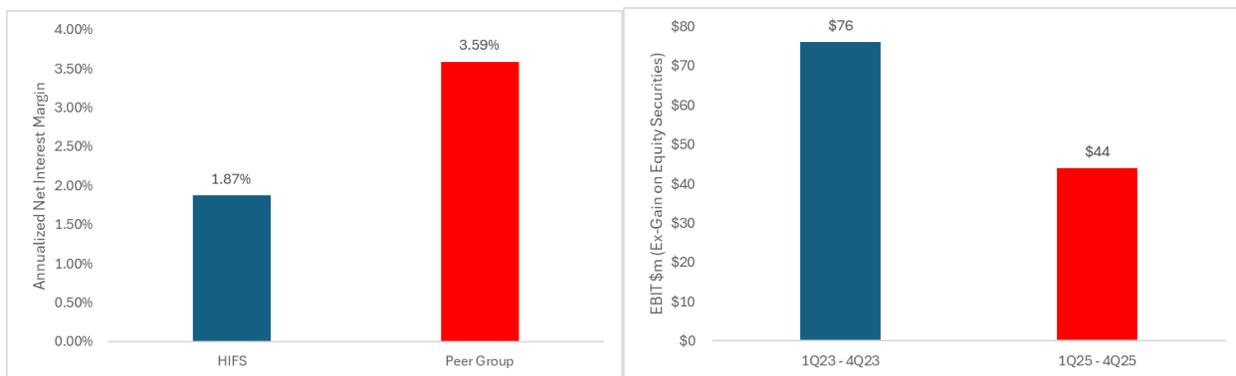


HIFS and its bulls have justified HIFS’s lack of reserve increases with the company’s exceptional track record. This would normally make sense to us, but not when the bank has changed strategy and gone into a new market where they don’t necessarily have the relationships to ensure they are not loaning money to people that they later sue for fraudulent conveyance, or throwing good money after bad on projects that look like they are turning into failures.

**We Do Not Think HIFS Can Dig Its Way Out of This Hole. HIFS’s Interest Margin Is Abysmal Because It Loaned Billions When Rates Were Historically Low and Funded Those Loans with Rate Sensitive Short-Term Liabilities.**

In addition to an impending DC CRE portfolio wildfire, HIFS’s aggressive strategy of lending in 2020-2023 has also destroyed the bank’s net interest margin. A bank’s primary objective is to maximize their net interest margin, which necessitates lending out at a rate hopefully far in excess of its borrowing costs. Underwriting billions of loans during a period of historically low long-term rates and then funding them with rate sensitive short-term liabilities instead of low-cost deposits can squeeze net interest margin if the yield curve inverts.

That is exactly what has happened over the last 2-3 years with HIFS’s net interest margin now half its peer group (ranking 99 out of 100), driving a 42% decline in EBIT (excluding equity security gains) when comparing 2023 to 2025.



This situation has improved a little as the fed has cut rates, but there is a real lack of certainty as to if and when the fed will cut rates going forward.

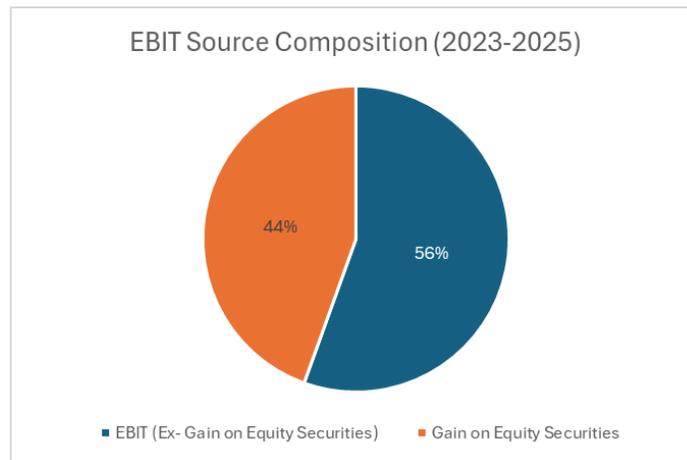
Over the last four quarters, HIFS has made a mere \$44 million in core net interest earnings.<sup>90</sup> If the stocks HIFS has in its securities portfolio decline by a similar percentage to what occurred in the majority of 2022 (-34%), we estimate that would wipe out all HIFS 2025 core earnings. How confident are you that HIFS has a “fortress” of a portfolio?

## HIFS's Stability Is Dependent on a High-Risk Portfolio of Equities

HIFS's marketable equity portfolio now comprises >29% of the company's book value,<sup>91</sup> and what is truly remarkable is that HIFS is not playing it safe with its portfolio. Thanks to its first 13-F ever filed, we can see that HIFS's portfolio is highly concentrated in a few names, primarily Alphabet (GOOG), which makes up ~40% of the disclosed 13-F portfolio<sup>92</sup> and most of the gains for 2025.<sup>93</sup> Investing such a large portion of their portfolio in a single stock—regardless of the company—in our opinion saddles the bank and its stakeholders with a lot of risk.

COLUMN 1	COLUMN 2	COLUMN 3		COLUMN 4	COLUMN 5
NAME OF ISSUER	TITLE OF CLASS	CUSIP	FIGI	VALUE (to the nearest dollar)	SHRS OR SH/ PRN AMT PRN
ALPHABET INC	CAP STK CL A	02079K305		46,621,350	148,950 SH
BERKSHIRE HATHAWAY INC DEL	CL A	084670108		1,509,600	2 SH
BERKSHIRE HATHAWAY INC DEL	CL B NEW	084670702		20,834,843	41,450 SH
CHAIN BRIDGE BANCORP INC	CL A	15746L100		10,169,092	293,565 SH
HEICO CORP NEW	CL A	422806208		2,776,730	11,000 SH
JOHN MARSHALL BANCORP INC	COM	47805L101		99,950	5,000 SH
MASTERCARD INCORPORATED	CL A	57636Q104		9,647,872	16,900 SH
MOODYS CORP	COM	615369105		1,277,125	2,500 SH
PROGRESSIVE CORP	COM	743315103		1,480,180	6,500 SH
RLI CORP	COM	749607107		1,919,400	30,000 SH
S&P GLOBAL INC	COM	78409V104		4,964,605	9,500 SH
VISA INC	COM CL A	92826C839		20,744,497	59,150 SH

As of the date of this report, our research indicates the YTD performance of this 13-F as disclosed by HIFS is **-4.67%** (as of 2/24/2026). This would be a fine retirement portfolio, but the lack of sophistication (hedging, etc...) took us by surprise. If Alphabet has a bad quarter, we believe HIFS is going to absolutely take it on the chin. Investing in a handful of single stocks has turned out well (at least so far) for HIFS, with 44% of EBIT (~\$64 million) coming from market-to-market gains on its portfolio from 2023-2025.<sup>94</sup>



So, this over-levered bank that has a very high concentration of CRE (in DC of all places) is leaning heavily on a high-risk stock picking strategy. What could go wrong?

<sup>1</sup> [HIFS 4Q25 earnings release](#), pg 6

<sup>2</sup> [KRE Data](#)

<sup>3</sup> See [2022 10-K](#), pg 27

<sup>4</sup> See [2024 10-K](#), pg 51

5

CRE Loan Type	Property Address	Est. Property Value (Origination)	Est. Property Value (Current)	Loan Value (Origination)	Est. Loan Value (Current)	Est. LTV (Origination)	Est. LTV (Current)
Apartment	50/90 M St NW, Washington, DC	\$49,333,333	\$25,000,000	\$37,000,000	\$30,638,000	75%	123%
Apartment	8008 Wisconsin Ave, Bethesda, MD	\$20,000,000	\$10,135,135	\$15,000,000	\$12,420,811	75%	123%
Apartment	1701 Park Rd NW, Washington, DC	\$22,666,667	\$6,000,000	\$17,000,000	\$16,745,000	75%	279%
Apartment	2637 16th St NW, Washington, DC	\$20,000,000	\$5,294,118	\$15,000,000	\$14,700,000	75%	278%
Apartment	2121 Ward Place NW, Washington, DC	\$28,500,000	\$22,572,697	\$21,375,000	\$21,054,375	75%	93%
Apartment	1100 F St NE, Washington, DC	\$20,000,000	\$15,840,489	\$15,000,000	\$14,775,000	75%	93%
Office	1800 Massachusetts Ave NW, Washington, DC	\$53,333,333	\$32,000,000	\$40,000,000	\$36,000,000	75%	113%
Office	815 16th St NW, Washington, DC	\$53,333,333	\$32,000,000	\$40,000,000	\$38,000,000	75%	119%
Office	2121 Wisconsin Ave NW, Washington, DC	\$27,640,000	\$16,584,000	\$20,730,000	\$19,900,800	75%	120%
Office	1300 19th St NW, Washington, DC	\$27,640,000	\$16,584,000	\$20,730,000	\$20,108,100	75%	121%
Office	1718 Connecticut Ave NW, Washington, DC	\$14,666,667	\$8,800,000	\$11,000,000	\$9,900,000	75%	113%
Office	11800 Tech Road, Silver Spring, MD	\$26,666,667	\$16,000,000	\$20,000,000	\$19,400,000	75%	121%
<b>Identified Troubled DC CRE Total</b>		<b>\$363,780,000</b>	<b>\$206,810,439</b>	<b>\$272,835,000</b>	<b>\$253,642,086</b>	<b>--</b>	<b>123%</b>

Assumptions:

- Estimated property value and implied LTVs for HIFS CRE office loans are derived from CAMA analysis
- Estimated property value and implied LTV for 50/90 M St property is based off failed sale of the property in Spring '25 (assuming property value is < loan value)
- Estimated property value and implied LTV for 8008 Wisconsin uses same discount as 50/90 M St given property is in similar state (extreme delayed construction/empty vacant lot)
- Estimated property value and implied LTV for 1701 Park Rd is derived from recent transaction valuation (40% stake sold for \$2.4 million)
- Estimated property value and implied LTV for 2637 16<sup>th</sup> St uses same discount as 1701 Park given property is in similar state (stalled renovation, vacant, borrower financial issues)
- Estimated property value and implied LTV for 2121 Ward Pl is derived from recent transaction valuation (2.439% stake sold for \$550,548.08)
- Estimated property value and implied LTV for 1100 F St uses same discount as 2121 Ward Pl given property is in similar state (ongoing delayed renovation, project downsized from original loan plan)

<sup>6</sup> According to our proprietary analysis of Washington DC CAMA data. The Washington DC Office of Tax and Revenue stores publicly assessable real estate transaction information in a database called Computer Assisted Mass Appraisal (CAMA). We've utilized the CAMA database to analyze historical property sale valuations on a sales price per sq foot basis for the "Commercial-Office-Large" use code. In order to provide a more accurate view of price per sq foot changes over time we also segmented these sales by their appraisal grade ("Poor", "Average", "Good" etc...).

<sup>7</sup> See [Article](#) from [dcpolicycenter.org](#), citing CoStar data for DC, Maryland and Delaware. See also [article](#) citing costar data showing rent growth has fallen to zero through October 2025.

8



NOTICE OF FORECLOSURE SALE OF REAL PROPERTY OR CONDOMINIUM UNIT	
(Pursuant to Public Law 90-566, approved October 12, 1968)	
Square	0989
Suffix	
Lot	101 and 102
List Name and address of each owner of the real property encumbered by said deed of trust, mortgage, or security instrument.)	
TO	115 12th St SE LLC 2300 Wisconsin Ave, N.W. Suite 200A Washington, DC 20007
FROM	Hingham Institution for Savings PHONE (733) 525-4000
YOU ARE HEREBY NOTIFIED THAT IN ORDER TO SATISFY THE DEBT SECURED BY THE DEED OF TRUST, MORTGAGE, OR OTHER SECURITY INSTRUMENT THE REAL PROPERTY OR CONDOMINIUM UNIT HEREIN DESCRIBED WILL BE SOLD AT A FORECLOSURE SALE TO BE HELD ON February 24, 2025, AT THE OFFICE OF Harvey Vest Auctioneers, 5335 Wisconsin Ave., N.W. Suite 440 Washington, DC 20015	
12:30 A.M./P.M. THIS SALE DATE IS SUBJECT TO POSTPONEMENT FOR A PERIOD NOT TO EXCEED THIRTY (30) CALENDAR DAYS FROM THE ORIGINAL DATE OF FORECLOSURE SALE, AFTER WHICH THIS NOTICE OF FORECLOSURE SHALL EXPIRE.	
Security Instrument recorded in the land records of the District of Columbia at the Recorder of Deed on January 13, 2023.	
Liber:	Folio: Instrument No. 2023003219
Maker(s) of the Note secured by the instrument: 115 12th St SE LLC and Adam Lobone	
703.677.2144	2303 Wisconsin Ave, N.W., Ste 200A, Wash, DC, 20007
Phone	Last Known Address
Description of Property: 4 story (115 12th St SE) and 3 story (115 12th St SE) brick residential apartment buildings (two-story brick dwelling, apartment building, vacant lot condominium unit, etc.)	
Address: 115 and 117 12th Street, S.E., Washington, DC 20003	
Square	0989
Lot	101 and 102
or Parcel No.	
Holder of the Note (Name) Hingham Institution for Savings	
Phone	(733) 525-4000
Address 55 Main Street, Hingham, MA 02043	
Balance owed on the Note: \$ 3,670,874.35	
Minimum balance required to cure default obligation pursuant to D.C. Law 5-82 (Right to Cure a Residential Mortgage Foreclosure Default Act of 1984):	
\$ N/A	
Name of person to contact to stop foreclosure sale: Blake W. Frieman	
Address:	2311 Wilton Blvd., Ste 500, Arlington, VA 22201
Phone	(703) 525-4000

<sup>10</sup> See Hingham Q4 2025 earnings [press release](#).

**At December 31, 2025 non-performing assets, which included two loans secured by real estate, totaled 0.69% of total assets, compared to 0.03% at December 31, 2024. The Bank did not record any charge-offs during the years ended December 31, 2025 and December 31, 2024. In 2025, the Bank placed a commercial real estate loan with an outstanding balance of \$30.6 million on nonaccrual, after the borrower failed to make the full payment due at maturity. This loan is secured by an entitled development site for a significant multifamily development in Washington, D.C. and has an associated conditional guarantee from a large national homebuilder and an affordable housing developer. The Bank continues to work actively to identify a resolution that protects the Bank's interests. The other non-performing loan was a home equity line of credit.**

Here is a simple question, if these loans we have revealed above are still "performing" then why are they foreclosing?



Prepared by:  
Gaughen, Gaughen, Lane & Hernando LLP  
528 Broad Street  
Weymouth, MA 02189

Square 2612 Lot 0651

**ASSIGNMENT OF LEASES, RENTS AND PROFITS**

THIS ASSIGNMENT OF LEASES, RENTS AND PROFITS, dated as of December 28, 2023 (the "Effective Date"), is made by 1701 Park Rd NW Owner LLC, a District of Columbia limited liability company, (the "Assignor" or "Borrower"), for the benefit of **HINGHAM INSTITUTION FOR SAVINGS**, a bank chartered under the laws of the Commonwealth of Massachusetts (together with its successors and assigns, the "Assignee") (said Assignment, as the same may be amended from time to time, this "Assignment").

**WITNESSETH:**

**WHEREAS**, 1701 Park Rd NW Owner LLC, a District of Columbia limited liability company and Adam Lobene, Individually (jointly and severally, the "Borrower") has/have executed and delivered to Assignee (i) a certain Commercial Note, dated as of the Effective Date, executed by Borrower and made payable to the order of Lender in the principal amount of **SEVENTEEN MILLION AND 00/100 Dollars (U.S. \$17,000,000.00)** (said Commercial Note, together with any extensions, modifications and substitutions thereof, being collectively referred to as the "Note");

**WHEREAS**, the Loan evidenced by the Note is governed, in part, by that certain Loan Agreement between Borrower and Assignee dated as of the Effective Date;

Washington DC Recorder of Deeds ([Link](#))

<sup>12</sup> See Hingham Q3 2025 filing. In Q3, only one CRE loan (50 M St property) had been categorized as a "special mention" loan, meaning all other CRE loans were categorized as "low to average risk". The Q4 filing has not been published yet, but the 4Q25 FDIC call report only shows \$1.5M in CRE loans past due 30-89 days (in addition to 50 M St nonaccrual loan), which is not this 1701 Park loan (\$17M).

SUPERIOR COURT OF THE DISTRICT OF COLUMBIA  
CIVIL DIVISION

NAIKAN I SPV, LLC,

Plaintiff,

v.

ADAM R. LOBENE, et al.,

Defendants.

2025-CAB-006793  
Judge Edward A. O'Connell

Next Date: March 19, 2026

Ex Parte Proof Hearing

**ORDER**

A Remote Initial Scheduling Conference was held January 9, 2026. Plaintiff, Receiver, and Defendant SRE 429 13<sup>th</sup> Street LLC appeared, but no other Defendants appeared. For the reasons articulated by the Court during the hearing, it is this 9<sup>th</sup> day of January 2026, hereby

**ORDERED** that Plaintiff's Motion for Entry of Default, filed November 14, 2025, is **DENIED in part** as to Defendant SRE 429 13<sup>th</sup> Street LLC; it is further

**ORDERED** that Plaintiff's Motion for Entry of Default, filed November 14, 2025, is **GRANTED in part** as to Defendants 429 13<sup>th</sup> St. NE LLC; 4527 Georgia Ave LLC; Blaise Miller as trustee of The Aubinoe-Miller Trust; and Adam Lobene; it is further

**ORDERED** that default is **ENTERED** as to Defendants 429 13<sup>th</sup> St. NE LLC; 4527 Georgia Ave LLC; Blaise Miller as trustee of The Aubinoe-Miller Trust; and Adam Lobene; and it is further

**ORDERED** that an In-Person Ex Parte Proof Hearing is scheduled for **Thursday, March 19, 2026, at 11:00 a.m.**, in Courtroom 320; it is further

**ORDERED** that Plaintiff file its Motion for Default Judgment on or before **Friday, March 12, 2026**; it is further

13

[\(Link\)](#)

**AS AND FOR A FIRST CAUSE OF ACTION  
(Breach of Contract)**

29. 5225 repeats and realleges each of the foregoing allegations as though fully restated.
30. The Guaranty is a valid and enforceable contract between 5225 and Guarantor.
31. Guarantor breached the Guaranty by failing to pay:
- The Missed August Payment of approximately \$85,572.92;

6

**UNITED STATES DISTRICT COURT  
FOR THE DISTRICT OF COLUMBIA**

5225 CT LENDER LLC  
600 Madison Avenue  
17<sup>th</sup> Floor  
New York, New York 10022

Plaintiff,

v.  
ADAM LOBENE  
1701 Hoban Road NW  
Washington, DC 20007

Defendant.

Docket No. \_\_\_\_\_

**COMPLAINT**

Plaintiff 5225 CT LENDER, LLC ("5225"), for its Complaint against Defendant Adam Lobene ("Lobene"), alleges as follows:

**Parties and Jurisdiction**

- The Missed September Payment of approximately \$85,572.92;
  - Nine monthly debt service payment of approximately \$85,572.92 for the months of November 2025, through July 2026, which were accelerated as a result of the Event of Default;
  - Approximately \$55,000 for real estate taxes that were due on or about September 15, 2025
  - Approximately \$17,000 for insurance premiums; and
  - Approximately \$12,000 in legal fees incurred to date as a result of the above missed payments.
32. 5225 has been damaged by Guarantor's breach in an amount to be determined at trial, but believed to be an approximate amount of \$1,030,000.
- 5225 is a New York limited liability company whose principal place of business is located at 600 Madison Avenue, 17th Floor, New York, New York 10022. 5225's members are domiciled in New York.
  - Lobene is an individual, whose, upon information and belief, principal place of business and/or residence is located at 1701 Hoban Road N.W., Washington D.C. 20007.
  - The Court has jurisdiction over the subject matter of this action pursuant to 28 U.S.C. §1332(a).
  - The Court has jurisdiction over the parties, who consented to the governing law provisions in the underlying agreements, which provide that the Defendant consents to jurisdiction in this District.
  - Venue is proper in this District pursuant to 28 U.S.C. §1391.

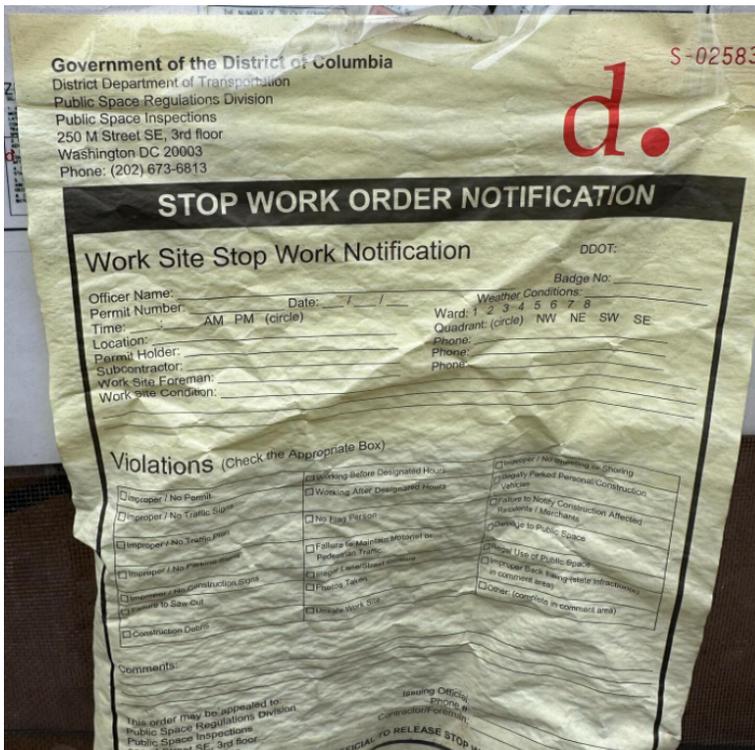
[\(Link\)](#)

1701 PARK RD NW, WASHINGTON, DC 20010      2612 0651 Address      Removed      2025/03/06      2025/08/14      Stop Work Order      [HIDE DETAILS](#)

**Detailed Description:**  
STOP WORK ORDER - ILLEGAL CONSTRUCTION/WORKING WITHOUT A PERMIT - APPLY 50% PENALTY ON PERMIT Applied via Script

**Owner Name:**  
1701 PARK RD NW OWNER  
LLC

[\(Link\)](#)



16





Prepared by:  
 Gaughen, Gaughen, Lane & Hernando LLP  
 528 Broad Street  
 Weymouth, MA 02189

Square 2574, Lot 0033

**ASSIGNMENT OF LEASES, RENTS AND PROFITS**

THIS ASSIGNMENT OF LEASES, RENTS AND PROFITS, dated as of September 27, 2022 (the "Effective Date"), is made by 2637 16th St NW LLC, a District of Columbia limited liability company, (the "Assignor" or "Borrower"), for the benefit of HINGHAM INSTITUTION FOR SAVINGS, a bank chartered under the laws of the Commonwealth of Massachusetts (together with its successors and assigns, the "Assignee") (said Assignment, as the same may be amended from time to time, this "Assignment").

**WITNESSETH:**

**WHEREAS**, 2637 16th St NW LLC, a District of Columbia limited liability company and Adam Lobene, Individually (jointly and severally, the "Borrower") has/have executed and delivered to Assignee (i) a certain Commercial Note, dated as of the Effective Date, executed by Borrower and made payable to the order of Lender in the principal amount of **FIFTEEN MILLION FOUR HUNDRED THOUSAND AND 00/100 Dollars (U.S. \$15,400,000.00)** (said Commercial Note, together with any extensions, modifications and substitutions thereof, being collectively referred to as the "Note");

19 **WHEREAS**, the Loan evidenced by the Note is governed, in part, by that certain Loan Agreement between Borrower and Assignee dated as of the Effective Date;

Washington DC Recorder of Deeds ([Link](#))

2637 16TH ST NW, WASHINGTON, DC 20009	2574 0033	B2211570	Building Framing	Third Party Failed	2025/06/06	<a href="#">HIDE DETAILS</a>
--	--------------	----------	------------------	--------------------	------------	------------------------------

**Detailed Description:**

In the Meridian Hill Historic District INTERIOR RENOVATION OF A MULTI-FAMILY BUILDING, 10 STORIES PLUS CELLAR PARKING GARAGE, TYPE 1B CONSTRUCTION, 77 UNITS EXISTING (NO CHANGE). ENCLOSURE OF EXISTING EXTERIOR BALCONIES ON SELECT FLOORS, REMOVAL AND REPLACEMENT OF EXTERIOR WINDOWS AND DOORS. MI

20 **Owner Name:** 2637 16th St NW LLC  
**Applicant:** GINGER TEAPOLE;

([Link](#))

B2401391	Construction/Addition Alteration Repair	2024/04/22	2637 16TH ST NW, WASHINGTON, DC 20009	2637 16TH ST NW LLC	2574 0033	<a href="#">HIDE DETAILS</a>
----------	---	------------	--	---------------------	--------------	------------------------------

**Owner Name:** 2637 16TH ST NW LLC  
**Applicant Name:** GINGER TEAPOLE  
**Trade Name:**

**Permit Status:** Expired [Get Current Permit Status](#)

**Job Classification:**

[More Info](#)

Job Class Code	Size	Classification	End of Initial Review Cycle (Projected)
AA-C	10,000 sq ft	Commercial	2024/01/11

**Description of work/ Review status:**

Historic District Update to permit B2211570 with unit layout changes due to existing conditions found during demolition.

Discipline	Review Status	Status Date
QA Review	Permit Issued	2024-02-26

([Link](#))

Government of the District of Columbia  
Office of Tax and Revenue  
Recorder of Deeds  
1101 4th Street, SW  
Washington, DC 20024  
Phone (202) 727-5374

Doc #: 2025122408  
22/17/2025 02:43 PM

**NOTICE OF MECHANIC'S LIEN**

Date of Notice: mm/dd/yyyy 12/16/2025  
 The Project<sup>1</sup> is:  Ongoing /  Completed /  Termination  
 If the Project has been Completed or Terminated, please provide date of Completion or Termination: mm/dd/yyyy \_\_\_\_\_  
**Contractor**  
 Name: Wells & Associates, Inc.  
 and  
**Contractor's Registered Agent (if applicable)**  
 Name: Fred M. Vinson, Jr.  
 Contractor's or Contractor's Registered Agent's Mailing Address (please specify which)  
 Contractor's mailing address: 2127 Espey Court 3210  
 City/State/Zip: Crofton, Maryland 21114  
**Party Against Whose Interest a Lien Is Claimed (herein "Owner"):**  
 Name: 2637 16th ST NW LLC  
 and  
**Owner's Registered Agent (if applicable):**  
 Name: Adam R. Lobene  
 Owner's or Owner's Registered Agent's Mailing Address (please specify which)  
 Registered Agent's Mailing Address: 2300 Wisconsin Avenue, NW, Suite 200 A  
 City/State/Zip: Washington, D.C. 20007

<sup>1</sup> Project means any work or materials provided by a contractor for the erection, construction, improvement, repair of, or addition to any real property at the direction of an owner, or an owner's authorized agent, or the placing of any engine, machinery or other thing therein or in connection therewith so as to become a fixture, though capable of being detached. DC Code Section 40-301.03

Property: Square 2574      Suffix \_\_\_\_\_      Lot(s) 33  
 Address: 2637 16th ST NW  
 Washington, DC 20009

**Notice:** Notice is hereby given that Contractor indicated above intends to hold a Mechanic's Lien against the interest of the Owner of the Property for the sum of \$26,139.50 ("Amount Claimed") after taking into account any credit for payments through the date hereof. This claim is pursuant to a contract for work or materials in the Project:  
 between Owner and the Contractor  
 between a General Contractor and Contractor which acted as a sub-contractor

**Description of the work Done and/or materials Furnished to the Property:**  
 Contractor supplied and/or performed the following (include specific dates of when: 1) work was commenced and completed; and/or 2) materials were furnished, including first and last delivered dates):  
 Contractor provided labor and materials to perform restorative masonry work associated with modifications to Park Meridian Building at 2637 16th St., NW per Subcontract Agreement between Contractor and American Housing Construction LLC dated 5.22.24, which Subcontract Agreement is attached hereto and incorporated herein. Work commenced week of 5.29.24 and was completed week of 11.5.25.

**Certification:** The undersigned hereby certifies:  
 Contractor is:  an individual  
 organized and existing under the laws of the District of Columbia.  
 organized and existing under the laws of the State of Maryland and doing business in the District of Columbia.  
 organized and existing under the laws of the State of \_\_\_\_\_ and not doing business in the District of Columbia.

**Delivery of a Copy of Notice:** A copy of this notice will be served within five (5) business days of recordation upon the Owner or the agent of the Owner of the Property by certified mail to the Owner's current address (or, if not available in the public records, to the last known address). I further certify that if the certified mail is returned as unclaimed or undelivered, a copy of this notice will be posted at or on the affected real property at a location generally visible from some entry point to the real property.

**Timing of Notice:** This notice is being filed during the construction or within 90 days after the earlier of the completion or termination of the Project. I further certify that I understand that I must commence suit to enforce this lien within 180 days from the date of recordation of this notice and that a notice of its pendency will need to be recorded timely and pursuant to applicable law.

22

Washington DC

Recorder of Deeds ([Link](#))

<sup>23</sup> According to FDIC Call Report data, HIFS allowance for credit losses (reserves) for construction loans (including 50 M St) has declined from \$4.248M (1Q25) to \$3.326M (4Q25) since adding the 50 M St loan to nonaccrual status in 2Q25

<sup>24</sup> See [2Q25 10-Q](#), pg 15. At the time this loan was considered 60-90 days delinquent. Adding 180 days for Q4 it was would have been 240-270 days delinquent, and now that January has passed, it has to be >270 days since then.

<sup>25</sup> See 9/15/25 DC Zoning Commission extension request: [Exhibits](#)

<sup>26</sup> See 3/26/25 Washington Business Journal article: [Former Sursum Corda site in D.C. hits market as a multifamily play](#) – “The 50 and 90 M site’s existing \$37 million loan from Hingham Institution for Savings is “assumable at a below-market rate and high [loan-to-value ratio] thereby reducing the equity required to close,” according to marketing materials and D.C.’s Recorder of Deeds.”

<sup>27</sup> See 3/26/25 Washington Business Journal article: [Former Sursum Corda site in D.C. hits market as a multifamily play](#) – “A prime vacant lot once home to the Sursum Corda housing development that’s now entitled for a large apartment complex has hit the market with initial offers are due in less than two weeks.”

<sup>28</sup> See [2Q25 10-Q](#), pg 18

MONTGOMERY COUNTY, MD  
APPROVED BY KC

OCT 30 2023

\$ n/a RECORDATION TAX PAID  
\$ n/a TRANSFER TAX PAID



Prepared by:  
Gaughen, Gaughen, Lane & Hernandez LLP  
528 Broad Street  
Weymouth, MA 02189

Parcel Id#s- 07-00551213; 07-00551224; 07-02692198 07-03880487

**ASSIGNMENT OF LEASES, RENTS AND PROFITS**

THIS ASSIGNMENT OF LEASES, RENTS AND PROFITS, dated as of October 18, 2023 (the "Effective Date"), is made by Artena Equities LLC, a Virginia limited liability company and Artena Bethesda 8000, LLC, a Delaware limited liability company, (the "Assignor"), for the benefit of HINGHAM INSTITUTION FOR SAVINGS, a bank chartered under the laws of the Commonwealth of Massachusetts (together with its successors and assigns, the "Assignee") (said Assignment, as the same may be amended from time to time, this "Assignment").

**WITNESSETH:**

WHEREAS, Artena Equities LLC, a Virginia limited liability company, Artena Bethesda 8000, LLC, a Delaware limited liability company, Ahmet Aksoylu, and Won Aksoylu (jointly and severally, the "Borrower") has/have executed and delivered to Assignee (i) a certain Commercial Note, dated as of the Effective Date, executed by Borrower and made payable to the order of Lender in the principal amount of FIFTEEN MILLION AND 00/100 Dollars (U.S. \$15,000,000.00 ) (said Commercial Note, together with any extensions, modifications and substitutions thereof, being collectively referred to as the "Note");

Maryland Land Records ([Link](#))

<sup>30</sup> The borrower has recently submitted an amended preliminary plan related to the project (record below), but the associated lots are vacant with no signs of any construction

Application #: 12016005B

**Development Review Timeline:**



**Application Type:** PRELIMINARY PLAN  
**Application Name:** 8008 Wisconsin Avenue  
**Site Location:** SW quadrant, intersection of Wisconsin Avenue and Cordell Ave  
**Size:** 0.32 ACRE  
**Master Plan:** Bethesda Downtown Minor  
**Watershed:** Lower Rock Creek  
**Application Accepted Date:** 11/6/2025  
**Application Status:** Pending

**Proposed Development**

Application Status	Zoning	Proposed Qty	Development Type
Original Application	CBD-1	106	MF Apt/Condo-5 Stories or more
Original Application	CBD-1	5793	Retail Establishment, Auxiliary

**Future Planning Board Action:**

PND

**Approved Development**

Planning Board Date	Planning Board Action	Approved Qty	Development Type
	0		0

([Link](#))



Premise Address : 1100 F ST NE WASHINGTON DC 20002-5381

Details Assessment Tax Information Map Applic

### Assessment Information

Tax Type : Taxable  
Tax Class : 4 - Blighted

DC Property Tax Search [\(Link\)](#)

The Lexington

ALL PROJECTS +

Address: 1100-1114 F St NE, Washington, DC 20002  
Neighborhood: Capitol Hill  
Property Type: Multifamily  
SF: 55,340  
# of Units: 72  
Project Status: Under Construction  
Completion Date: Redevelopment delivery expected in Q1 2026

[\(Link\)](#)

Address	Unit	SSL	ID	Type	Completion Status	Completion Date	
1100 F ST NE, WASHINGTON, DC 20002	0983 0070	0983 0070	P2506048	Plumbing Ground Work	Third Party Partial Submission	2025/12/19	SHOW DETAILS
1100 F ST NE, WASHINGTON, DC 20002	0983 0070	0983 0070	P2506048	Plumbing Ground Work	Third Party Partial Submission	2025/12/08	SHOW DETAILS
1100 - 1114 F ST NE, WASHINGTON, DC 20002	0983 0070	0983 0070	B2500102	Building Framing	Third Party Failed	2025/12/01	SHOW DETAILS
1100 F ST NE, WASHINGTON, DC 20002	0983 0070	0983 0070	P2506048	Plumbing Ground Work	Third Party Partial Submission	2025/11/21	SHOW DETAILS
1100 F ST NE, WASHINGTON, DC 20002	0983 0070	0983 0070	P2506048	Plumbing Ground Work	Third Party Partial Submission	2025/10/03	SHOW DETAILS
1100 - 1114 F ST NE, WASHINGTON, DC 20002	0983 0070	0983 0070	CTP2600001	Third Party Oversight	Approved	2025/10/01	SHOW DETAILS
1100 F ST NE, WASHINGTON, DC 20002	0983 0070	0983 0070	P2510619	Water Cap/Sewer	Third Party Partial Submission	2025/09/09	SHOW DETAILS
1100 F ST NE, WASHINGTON, DC 20002	0983 0070	0983 0070	P2506048	Plumbing Ground Work	Third Party Partial Submission	2025/09/01	SHOW DETAILS
1100 F ST NE, WASHINGTON, DC 20002	0983 0070	0983 0070	P2510619	Water Cap/Sewer	Third Party Failed	2025/09/01	SHOW DETAILS
1100 F ST NE, WASHINGTON, DC 20002	0983 0070	0983 0070	P2506048	Plumbing Ground Work	Third Party Failed	2025/08/28	SHOW DETAILS

[\(Link\)](#)

# Lexington Owner, LLC BRANCH

**Company Number** EXTUID\_4369977  
**Native Company Number** C00008193350  
**Status** Active  
**Incorporation Date** 10 September 2024 (over 1 year ago)  
**Company Type** Limited Liability Company  
**Jurisdiction** District of Columbia (US)  
**Branch** Branch of LEXINGTON OWNER, LLC (Delaware (US))  
**Registered Address** 140 Q Street NE, Suite 140B  
Washington  
20002  
District of Columbia  
**Agent Name** UIP AUTHORIZED DC AGENT INC  
**Agent Address** 140 Q STREET, NE, SUITE 140B, WASHINGTON, District of Columbia,  
20002  
**Directors / Officers** Steven F. Schwat, executive officer  
Steven F. Schwat, governor  
UIP AUTHORIZED DC AGENT INC, agent

36

(Open Corporates: [Link](#))

4/13/2025 12:32:49 PM  
Superior Court  
of the District of Columbia

## SUPERIOR COURT OF THE DISTRICT OF COLUMBIA CIVIL DIVISION

SANDY SPRING BANK,  
17801 Georgia Avenue,  
Olney, Maryland 20832,

Plaintiff,

Case No.: 2025-CAB-002299

v.

WISCONSIN MANAGER L.L.C.,  
140 Q Street, N.E., Suite 140B,  
Washington, D.C. 20002,

and

STEVEN F. SCHWAT,  
140 Q Street, N.E., Suite 140B,  
Washington, D.C. 20002,

and

PETER J. BONNELL,  
140 Q Street, N.E., Suite 140B,  
Washington, D.C. 20002,

Defendants.

### VERIFIED COMPLAINT

Plaintiff, SANDY SPRING BANK (the "Plaintiff"), by and through undersigned counsel, hereby files this Verified Complaint against Defendants, WISCONSIN MANAGER L.L.C., STEVEN F. SCHWAT, and PETER J. BONNELL (collectively, "Defendants"), seeking the appointment of Black Dog Receiver, LLC, as receiver (the "Receiver"), over certain Mortgaged Property and Personal Property Collateral, and a construction Project (as each such capitalized term is defined herein) pertaining thereto, to avoid further harm, waste, damage, and diminution in value caused by Defendants' ongoing material breaches of the Financing Documents (defined

37

22. Borrower failed to consummate the equity investment and complete construction of the Project before the Forbearance Termination Date.

23. The Forbearance Period (as defined in the Forbearance Agreement) terminated on February 15, 2025.

24. Among other defaults under the Financing Documents, Borrower defaulted under the terms of the Financing Documents for failure to pay at maturity and failure to complete the Project by the Completion Date.

([Link](#))

38 [Date Set for 99-Unit Apartment Complex's Foreclosure in NoMa – Commercial Observer](#)

39 See captions for the following lawsuits:

### SUPERIOR COURT OF THE DISTRICT OF COLUMBIA (Civil Division)

HINGHAM INSTITUTION FOR SAVINGS \*  
55 Main Street \*  
Hingham, MA 02043 \*

Plaintiff \*

2026-CAB-000784

v. \*

Case No: \_\_\_\_\_

A STREET VENTURES LLC \*  
6617 31<sup>st</sup> Street, N.W. \*  
Washington, DC 20015 \*

SUPERIOR COURT OF THE DISTRICT OF COLUMBIA  
(Civil Division)

HINGHAM INSTITUTION FOR SAVINGS \*  
55 Main Street \*  
Hingham, MA 02043 \*

*Plaintiff* \*

2026-CAB-000783

v. \*

Case No: \_\_\_\_\_

18TH STREET VENTURES LLC \*  
6617 31<sup>st</sup> Street, N.W. \*  
Washington, DC 20015 \*

SUPERIOR COURT OF THE DISTRICT OF COLUMBIA  
(Civil Division)

HINGHAM INSTITUTION FOR SAVINGS \*  
55 Main Street \*  
Hingham, MA 02043 \*

*Plaintiff* \*

2026-CAB-000780

v. \*

Case No: \_\_\_\_\_

VN VENTURES, LLC \*  
6617 31<sup>st</sup> Street, N.W. \*  
Washington, DC 20015 \*

HINGHAM INSTITUTION FOR SAVINGS \*  
55 Main Street \*  
Hingham, MA 02043 \*

*Plaintiff* \*

2026-CAB-000781

v. \*

Case No: \_\_\_\_\_

VN VENTURES, LLC \*  
6617 31<sup>st</sup> Street, N.W. \*  
Washington, DC 20015 \*

SF PORTFOLIO, LLC \*  
809 Massachusetts Avenue, N.E. \*  
Washington, DC 20002 \*

<sup>40</sup> See Q4, 2025 results, page 3 of 10.

*At December 31, 2025 non-performing assets, which included two loans secured by real estate, totaled 0.69% of total assets, compared to 0.03% at December 31, 2024. The Bank did not record any charge-offs during the years ended December 31, 2025 and December 31, 2024. In 2025, the Bank placed a commercial real estate loan with an outstanding balance of \$30.6 million on nonaccrual, after the borrower failed to make the full payment due at maturity. This loan is secured by an entitled development site for a significant multifamily development in Washington, D.C. and has an associated conditional guarantee from a large national homebuilder and an affordable housing developer. The Bank continues to work actively to identify a resolution that protects the Bank's interests. The other non-performing loan was a home equity line of credit*

<sup>41</sup> See [3Q25 10-Q](#), pg 16

<sup>42</sup> [Bankregdata](#) information sourced from Call Report data. “Peers” consist of 100 banks of similar size (US banks with \$2-\$5B in total assets)

<sup>43</sup> [Bankregdata](#) information sourced from Call Report data. “Peers” consist of 100 banks of similar size (US banks with \$2-\$5B in total assets)

<sup>44</sup> According to FDIC Call Report data, HIFS allowance for credit losses (reserves) for construction and CRE loans only increased from \$21.417M (1Q25) to \$22.538M (4Q25) since adding the 50 M St loan to nonaccrual status in 2Q25. That’s a ~\$1M reserve increase on a CRE/construction loan book of \$2.940B (4Q25)

<sup>45</sup> See [3Q25 10-Q](#), pg 10

- 46 [Bankregdata](#) information sourced from Call Report data. “Peers” consist of 100 banks of similar size (US banks with \$2-\$5B in total assets)
- 47 [Bankregdata](#) information sourced from Call Report data. “Peers” consist of 100 banks of similar size (US banks with \$2-\$5B in total assets)
- 48 [Bankregdata](#) information sourced from Call Report data. “Peers” consist of 100 banks of similar size (US banks with \$2-\$5B in total assets) HIFS NIM taken from Q4 earnings report. HIFS reported net investment income margin is 1.89% in their 4Q25 release, difference is a result of a different denominator (daily average assets vs. comparing two quarter ends)
- 49 See 13-F [Filing](#) information table.
- 50 HIFS marketable equity securities book value on 12/31/22 ([2022 10-K](#), pg 30) vs. 3/31/22 ([2Q22 10-Q](#), pg 13), relative to the S&P 500 index
- 51 HIFS grew gross real estate loans from \$77m in 1993 to \$1.6b in 2026 per 10-K & annual reports
- 52 Historical real estate loan book disclosures (10-Ks & Annual Reports)
- 53 Average FHLB funding levels were below today’s level (mid 30%) per historical analysis
- 54 12/31/93 stock price of \$6.36
- 55 See [2012 10-K](#), pg 9
- 56 [Bankregdata](#) information sourced from Call Report data. “Peers” consist of 100 banks of similar size (US banks with \$2-\$5B in total assets)
- 57 See HIFS [DC website](#), Jeffrey Geifman is the local lending employee



<p><b>AFTER RECORDATION, PLEASE RETURN TO:</b></p> <p>Gaughen, Gaughen, Lane &amp; Hernando, LLP 528 Broad Street Weymouth, MA 02189</p>	<p>To be Recorded Against:</p> <p>Lots 253 and 254 in Square 620</p>
--	--

**ASSIGNMENT OF LEASES, RENTS AND PROFITS**

THIS ASSIGNMENT OF LEASES, RENTS AND PROFITS, dated as of September 29, 2021 (the “Effective Date”), is made by TBSC Master Owner I LLC, a Delaware limited liability company, (the “Assignor” or “Borrower”), for the benefit of **HINGHAM INSTITUTION FOR SAVINGS**, a bank chartered under the laws of the Commonwealth of Massachusetts (together with its successors and assigns, the “Assignee”) (said Assignment, as the same may be amended from time to time, this “Assignment”).

**WITNESSETH:**

**WHEREAS**, Borrower has executed and delivered to Assignee (i) a certain Commercial Note, dated as of the Effective Date, executed by Borrower and made payable to the order of Lender in the principal amount of Thirty-Seven Million and 00/100 Dollars (U.S. \$37,000,000.00) (said Commercial Note, together with any extensions, modifications and substitutions thereof, being collectively referred to as the “Note”);

**WHEREAS**, the loan evidenced by the Note is governed, in part, by that certain Loan Agreement between Borrower and Assignee dated as of the Effective Date;

Washington DC Recorder of Deeds ([Link](#))

- 58
- 59 See [news article](#) dated March 2022
- 60 See [3Q25 10-Q](#), pg 24
- 61 See 10/23/25 DC Zoning Commission extension grant: [Exhibits](#)
- 62 See 9/15/25 DC Zoning Commission extension request: [Exhibits](#)
- 63 See [news article](#) dated March 26, 2025
- 64 See [2Q25 10-Q](#), pg 16



Prepared by:  
Gaughen, Gaughen, Lane & Hernando LLP  
528 Broad Street  
Weymouth, MA 02189

Square 0989 Lot 809  
Square 0989 Lot 808

**ASSIGNMENT OF LEASES, RENTS AND PROFITS**

THIS ASSIGNMENT OF LEASES, RENTS AND PROFITS, dated as of January 12, 2023 (the "Effective Date"), is made by 115 12th St SE LLC, a District of Columbia limited liability company, (the "Assignor" or "Borrower"), for the benefit of HINGHAM INSTITUTION FOR SAVINGS, a bank chartered under the laws of the Commonwealth of Massachusetts (together with its successors and assigns, the "Assignee") (said Assignment, as the same may be amended from time to time, this "Assignment").

**WITNESSETH:**

**WHEREAS**, 115 12th St SE LLC, a District of Columbia limited liability company and Adam Lobene, Individually (jointly and severally, the "Borrower") has/have executed and delivered to Assignee (i) a certain Commercial Note, dated as of the Effective Date, executed by Borrower and made payable to the order of Lender in the principal amount of **FOUR MILLION FOUR HUNDRED NINETY THOUSAND AND 00/100 Dollars (U.S. \$4,490,000.00)** (said Commercial Note, together with any extensions, modifications and substitutions thereof, being collectively referred to as the "Note");

65

Washington DC Recorder of Deeds ([Link](#))

Page 1 of 1

**B**

Department of Buildings  
Permit Operations Division  
1100 4th Street SW  
Washington DC 20024  
Tel. (202) 671 - 3500

WE ARE  
STRONGER  
DC

THIS PERMIT MUST ALWAYS BE CONSPICUOUSLY DISPLAYED AT THE ADDRESS OF WORK UNTIL WORK IS COMPLETED AND APPROVED

PERMIT NO.: B2401319

Issue Date: 6/20/2025  
Expiration Date: 06/20/2026

Address of Project: 1701 PARK RD NW		Zone: RA-2	Ward: 1	Square: 2612	Suffix:	Lot: 0651
Permit Restrictions: HERITAGE/SPECIAL TREES, HPRB, YEARBUILT/PRIOR1978						
Permission Is Hereby Granted To: Park Regent Llc		Owner Address: 2300 WISCONSIN AVE NW SUITE 200 A FRED A SMITH CO WASHINGTON, DC 20007			PERMIT FEE: \$58,361.64	
Permit Type: Alteration and Repair	Existing Use: Apartment Houses - R-2	Proposed Use: Apartment Houses - R-2	Building Construction Type: TYPE III - Non-Combustible Exterior Walls		Floor(s): 5	
Agent Name / Address: Ginger Teapole 1315 Powhatan Street Alexandria, VA 22314		Contractor Name / Address: AMERICAN HOUSING CONSTRUCTION 2300 WISCONSIN AVE NW WASHINGTON, DC 20007		Existing Dwell Units: 96	Proposed Dwell Units: 105	No. of Stories: 4

66

67

67

Erin E. Girard  
301-657-0736  
eegirard@lercheary.com

September 30, 2025

Artie Harris, Chair  
and Members of the Montgomery County Planning Board  
Maryland-National Capital Park and Planning Commission  
2425 Reedie Drive  
Wheaton, Maryland 20910

Re: 8008 Wisconsin Avenue; Request for Validity Period Extensions for Preliminary Plan No. 120160050 (“Preliminary Plan”)

Dear Chair Harris and Members of the Planning Board:

On behalf of our client, Artena Equities, LLC (“Artena”), the owner of the property located at 8008 Wisconsin Avenue that is the subject of the above-referenced Preliminary Plan (the “Property”), and pursuant to Sections 50.4.2.H *et seq.* and 50.4.3.J *et seq.* of the Montgomery County Code (“Code”), the purpose of this letter is to request amendments to Conditions 18 and 19 of the Preliminary Plan to extend the adequate public facilities (“APF”) validity period to December 31, 2027 and the Preliminary Plan validity period to December 31, 2026, respectively.<sup>1</sup> To allow for the APF extension, we are also requesting a waiver pursuant to Section 50.9 *et seq.* of the Code of the prerequisites contained in subsections d.i.(a)-(c) of Section 50.4.3.J.7 that would otherwise be applicable to the APF extension request (the “Waiver”).

**Background**

The Preliminary Plan, originally approved on September 16, 2016, allows for redevelopment of the Property with a mixed use project consisting of up to 150,375 square feet of residential use, comprised of 106 dwelling units, 15% of which are moderately priced dwelling units (“MPDUs”), and 5,793 square feet of ground floor commercial space (“Project”). The Preliminary Plan’s original validity period was for 60 months, and APF validity period 85 months, both of which were later automatically extended for an additional two years pursuant to Ordinance No. 19-12. The Preliminary Plan validity period was subsequently extended to October 16, 2025 by Preliminary Plan Amendment No. 12016005A, approved by Resolution No. 23-081 (“Resolution”) on July 28, 2023, which added Condition No. 19 to reflect this extension (the “First Extension”).

68

(Link)

## Circle Gateway

Project type	Private Development
Project division	Community & Development
Project schedule	Application Under Review

### Project Updates

- On July 1, 2024, the applicant submitted the revised general development plan for staff review
- On October 10, 2023, the applicant submitted a land use application for staff review
- On July 12, 2022, the potential applicant submitted a conceptual plan for an informational briefing with Planning Commission and City Council.



### Background

The applicant is proposing to replace two existing commercial buildings (formerly Lotte Plaza and 7-11) with 16,000 sq. ft. of ground floor commercial and up to 261 69 apartments in a 10-story building with structured parking on approximately 1.64 acres.

#### Contact details

Albert (Fred) Frederick, Senior Planner  
(703) 385-7916  
[albert.frederick@fairfaxva.gov](mailto:albert.frederick@fairfaxva.gov)

#### Applicant

Woodbridge Commons, LLC

**Applicant's Representative:**  
Carlos M. Montenegro, Esq.  
2821 Center Ridge Dr.  
Oakton, VA 22124  
703.819.0707

[\(Link\)](#)

# WOODBIDGE COMMONS, LLC

**Company Number** S3144179

**Status** Active

**Incorporation Date** 20 January 2010 (about 16 years ago)

**Company Type** Limited Liability Company

**Jurisdiction** [Virginia \(US\)](#)

**Registered Address** 9705 LIBERIA AVENUE, SUITE 299

MANASSAS

20110-0000

Virginia

United States

**Business Classification Text** GENERAL

**Agent Name** AHMET B. AKSOYLU

**Agent Address** 8012 CENTREVILLE ROAD, MANASSAS, Virginia, 20111-0000

**Directors / Officers** [AHMET B. AKSOYLU](#), agent

## Artena Dulles

[Submit Comment](#)

[View Plan in LandMarc](#)

Application Date	December 13, 2023
Plan Number	LEGI-2023-0089
Status	In Review
Type	Legislative Application
<b>Comments:</b>	
No Comments exist for this case type	
ARTENA DULLES	
ZCPA-2023-0006: A Zoning Concept Plan Amendment to remove a partially constructed hotel with 434 multifamily attached dwelling units, 18 multifamily stacked dwelling units, 15,900 sf of commercial and civic uses, an 844-space parking garage, and other site improvements.	

70

[\(Link\)](#)

Permit # :	Permit Type :	Date Filed :	Address :	Name :	SSL :
B2503530	Construction/Alteration and Repair	2025/09/25	1100 - 1114 F ST NE, WASHINGTON, DC 20002	LEXINGTON OWNER LLC	0983 0070
<b>Owner Name:</b> LEXINGTON OWNER LLC		<b>Applicant Name:</b> ROSHAUN DENNIS		<b>Trade Name:</b>	
<b>Permit Status:</b> <b>Permit Issued</b>		<a href="#">Get Current Permit Status</a>			
<b>Job Classification:</b>					
<a href="#">More Info</a>					
Job Class Code	Size	Classification	End of Initial Review Cycle (Projected)		
D-C	1,000 - 2,000 sq ft	Commercial	2025/10/14		
<b>Description of work/ Review status:</b>					

71

B2500102 permit addendum. Revised demo scope to maintain additional existing structure, minor plan revisions, revised mechanical work, revised plumbing work, revised electrical work, revised structural work for additional maintenance of existing structure, updated structural details, revised green

[\(Link\)](#)

72

See reporting "[Date Set for 99 Unit Apartment complex foreclosure in NoMa](#)"

**NOTICE OF FORECLOSURE SALE OF REAL PROPERTY  
OR CONDOMINIUM UNIT**

(Pursuant to Public Law 90-566, approved October 12, 1968)

Square 0671 Suffix  Lot \* \*See attached Addendum Exhibit B.

List Name and address of each owner of the real property encumbered by said deed of trust, mortgage, or security instrument.)

TO: TRIBECA CONDOMINIUMS, LLC  
140 Q Street, NE, Suite 140B  
Washington, DC 20002  
Attention: Peter J. Bonnell

FROM: Philip T. Evans, Esq. PHONE: (202) 457-7043

YOU ARE HEREBY NOTIFIED THAT IN ORDER TO SATISFY THE DEBT SECURED BY THE DEED OF TRUST, MORTGAGE, OR OTHER SECURITY INSTRUMENT, THE REAL PROPERTY OR CONDOMINIUM UNIT HEREIN DESCRIBED WILL BE SOLD AT A FORECLOSURE SALE TO BE HELD ON June 20, 2024, AT THE OFFICE OF Alex Cooper Auctioneers, Inc., 4910 Massachusetts Ave, NW, Suite 100 Washington, DC 20016 11:00 A.M./P.M. THIS SALE DATE IS SUBJECT TO POSTPONEMENT FOR A PERIOD NOT TO EXCEED THIRTY (30) CALENDAR DAYS FROM THE ORIGINAL DATE OF FORECLOSURE SALE, AFTER WHICH THIS NOTICE OF FORECLOSURE SHALL EXPIRE.

Security Instrument recorded in the land records of the District of Columbia at the Recorder of Deed on July 1, 2022.



Tax Map. No. Lot 188 Square 70

**ASSIGNMENT OF LEASES, RENTS AND PROFITS**

THIS ASSIGNMENT OF LEASES, RENTS AND PROFITS, dated as of April 8, 2020 (the "Effective Date"), is made by ELLINGTON BUILDING LLC, a Delaware limited liability company, (the "Assignor" or "Borrower"), for the benefit of HINGHAM INSTITUTION FOR SAVINGS, a bank chartered under the laws of the Commonwealth of Massachusetts (together with its successors and assigns, the "Assignee") (said Assignment, as the same may be amended from time to time, this "Assignment").

**WITNESSETH:**

**WHEREAS**, Borrower has executed and delivered to Assignee (i) a certain Commercial Note, dated as of the Effective Date, executed by Borrower and made payable to the order of Lender in the principal amount of Eighteen Million and 00/100 Dollars (U.S. \$18,000,000.00) (said Commercial Note, together with any extensions, modifications and substitutions thereof, being collectively referred to as the "Note");

**WHEREAS**, the loan evidenced by the Note is governed, in part, by that certain Loan Agreement between Borrower and Assignee dated as of the Effective Date;

**WHEREAS**, the Note is secured by, among other things, that certain Deed of Trust and Security Agreement, of even date herewith, from Assignor to Joseph P. Corish and David C. Canfield, Trustees, recorded or to be recorded in the land records of the District of Columbia (said Deed of Trust and Security Agreement, as the same may be amended from time to time, the "Deed of Trust"), with respect to the real property described on Exhibit A attached hereto and

73

Washington DC Recorder of Deeds ([Link](#))

# ELLINGTON BUILDING LLC BRANCH

**Company Number** EXTUID\_4132164  
**Native Company Number** L00004804636  
**Status** Withdrawn  
**Incorporation Date** 30 August 2013 (about 12 years ago)  
**Dissolution Date** 1 August 2023  
**Company Type** Limited Liability Company  
**Jurisdiction** District of Columbia (US)  
**Branch** Branch of ELLINGTON BUILDING LLC (Delaware (US))  
**Registered Address** 4416 East West Highway, Suite 300  
Bethesda  
20814  
Maryland  
United States  
**Inactive Directors / Officers** McCallum, Kathleen, governor  
McCallum, Kathleen A, executingofficer  
McCallum, Kathleen A, governor  
NATIONAL REGISTERED AGENTS INC, agent  
PAUL, RONALD D, executingofficer  
PAUL, RONALD D, governor

74

[SEE LESS](#)

[Open Corporates \(Link\)](#)

75 See press reports: [Former EagleBank CEO Ron Paul Banned From Banking, Fined Over Improper Real Estate Loans](#), see also SEC [statement](#) on his settlement

The screenshot shows a web interface for document history. At the top, there are icons for home, print, and share, followed by a search bar containing 'History: 2023042573 DEED' and navigation arrows. Below this are two tabs: 'Document Info' (selected) and 'Related Inst.'. The main content area displays the following details:

- Document Type: DEED
- Document Number: 2023042573
- Recorded Date: 05/22/2023 12:06:08 PM
- Book Type: OPR
- Roll / Frame:
- Number of Pages: 5
- Consideration Amt.: \$20,500,000.00

Below the details are three sections with blue headers:

- Name Information**
  - Grantor:** ELLINGTON BUILDING LLC
  - Grantee:** CSC WARD PLACE LLC, THE GERALD WALDMAN REVOCABLE TRUST, THE NEEL REDDY SEPARATE PROPERTY TRUST
- Legal Description**
  - Legal Description:** 0070 / 0188

76

[Washington DC Recorder of Deeds \(Link\)](#)



Prepared by:  
Gaughen, Gaughen, Lane & Hernando LLP  
528 Broad Street  
Weymouth, MA 02189

Square 70, Lot 188

**ASSIGNMENT OF LEASES, RENTS AND PROFITS**

THIS ASSIGNMENT OF LEASES, RENTS AND PROFITS, dated as of May 19, 2023 (the "Effective Date"), is made by CSC Ward Place LLC, a District of Columbia limited liability company, Neel Reddy, Settlor and Trustee of The Neel Reddy Separate Property Trust, and Gerald Waldman, Trustee of The Gerald Waldman Revocable Trust Dated March 26, 2002, (the "Assignor"), for the benefit of HINGHAM INSTITUTION FOR SAVINGS, a bank chartered under the laws of the Commonwealth of Massachusetts (together with its successors and assigns, the "Assignee") (said Assignment, as the same may be amended from time to time, this "Assignment").

**WITNESSETH:**

**WHEREAS**, CSC Ward Place LLC, a District of Columbia limited liability company, and Chris Channell, Individually (jointly and severally, the "Borrower") has/have executed and delivered to Assignee (i) a certain Commercial Note, dated as of the Effective Date, executed by Borrower and made payable to the order of Lender in the principal amount of **FIFTEEN MILLION THREE HUNDRED SEVENTY FIVE THOUSAND AND 00/100 Dollars (U.S. \$15,375,000.00)** (said Commercial Note, together with any extensions, modifications and substitutions thereof, being collectively referred to as the "Note");

77

Washington DC Recorder of Deeds ([Link](#))



Prepared by:  
Gaughen, Gaughen, Lane & Hernando LLP  
528 Broad Street  
Weymouth, MA 02189

Square 70, Lot 188

**ASSIGNMENT OF LEASES, RENTS AND PROFITS**

THIS ASSIGNMENT OF LEASES, RENTS AND PROFITS, dated as of January 19, 2024 (the "Effective Date"), is made by CSC Ward Place LLC, a District of Columbia limited liability company, The Neel Reddy Separate Property Trust, LSP One 1 LLC, a District of Columbia limited liability company (the "Assignor"), for the benefit of HINGHAM INSTITUTION FOR SAVINGS, a bank chartered under the laws of the Commonwealth of Massachusetts (together with its successors and assigns, the "Assignee") (said Assignment, as the same may be amended from time to time, this "Assignment").

**WITNESSETH:**

**WHEREAS**, CSC Ward Place LLC, a District of Columbia limited liability company, and Chris Channell, Individually (jointly and severally, the "Borrower") has/have executed and delivered to Assignee (i) a certain Commercial Note, dated as of the Effective Date, executed by Borrower and made payable to the order of Lender in the principal amount of **SIX MILLION AND 00/100 Dollars (U.S. \$6,000,000.00)** (said Commercial Note, together with any extensions, modifications and substitutions thereof, being collectively referred to as the "Note");

**WHEREAS**, the Loan evidenced by the Note is governed, in part, by that certain Loan Agreement between Borrower and Assignee dated as of the Effective Date;

78

Washington DC Recorder of Deeds ([Link](#))

Consideration: \$550,548.08  
Lot 188, Sq. 70

**DEED**

THIS DEED, is made as of the 19<sup>th</sup> day of January, 2024, between Gerald Waldman, Trustee of THE GERALD WALDMAN REVOCABLE TRUST dated March 26, 2002, a trust governed by the laws of the Commonwealth of Virginia (the "Grantor") and CSC WARD PLACE LLC, a District of Columbia limited liability company ("CSC"); and LSP One 1 LLC, a District of Columbia limited liability company ("LSP") ("CSC" and "LSP" are sometimes hereinafter collectively referred to as the "Grantee").

WITNESSETH:

That Grantor, in consideration of FIVE HUNDRED FIFTY THOUSAND FIVE HUNDRED FORTY-EIGHT and 08/100 DOLLARS (\$550,548.08) and other good and valuable consideration paid by Grantee, the receipt and sufficiency of which are hereby acknowledged, does hereby convey, grant and release unto CSC and LSP, their successors and assigns, forever:

A 2.438% undivided Tenant-in-Common interest to CSC and a 0.001% Tenant-in-Common interest to LSP constituting Grantor's entire undivided 2.439% interest in and to that certain plot, piece, or parcel of land, with buildings and improvements erected, situate, lying and being in the District of Columbia, as described in Exhibit A attached hereto (the "Real Property"), subject only to those matters set forth on Exhibit B attached hereto (collectively, the "Permitted Exceptions").

Washington DC Recorder of Deeds ([Link](#))

79

80 Review of HIFS annual reports

81 [Bankregdata](#) information sourced from Call Report data. "Peers" consist of 100 banks of similar size (US banks with \$2-\$5B in total assets)

82 [Bankregdata](#) information sourced from Call Report data. "Peers" consist of 100 banks of similar size (US banks with \$2-\$5B in total assets)

83 According to our proprietary analysis of Washington DC CAMA data. The Washington DC Office of Tax and Revenue stores publicly assessable real estate transaction information in a database called Computer Assisted Mass Appraisal (CAMA). We've utilized the CAMA database to analyze historical property sale valuations on a sales price per sq foot basis for the "Commercial-Office-Large" use code. In order to provide a more accurate view of price per sq foot changes over time we also segmented these sales by their appraisal grade ("Poor", "Average", "Good" etc...).

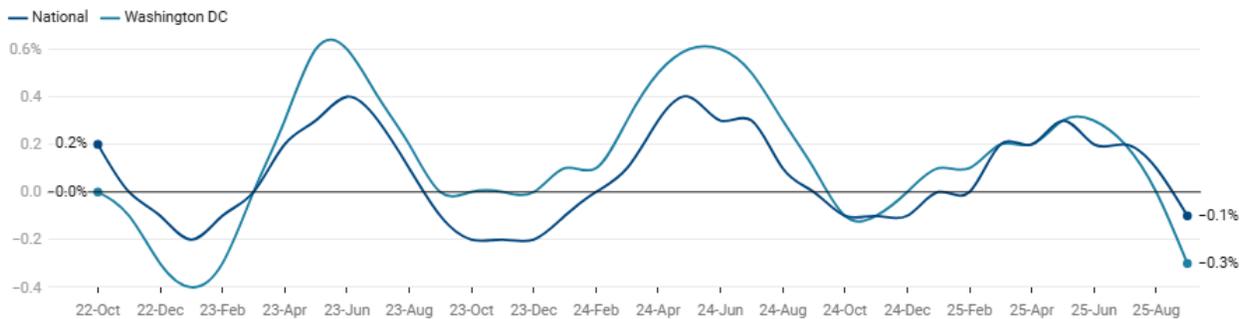
84 If HIFS underwrote these WMA large office loans at a 75% LTV, a 40% decline in property valuations (average from CAMA analysis) would mean the implied LTV is >125% on these loans today (\$153m/\$122m).

In order for HIFS to get these loans back to 75% LTV on company's balance sheet, it would require a massive \$45m loss provision. We think it's only a matter of time before some of these HIFS borrowers (who are likely underwater on their loans) decide to exit the DC office market in the near future catalyzing the write-downs of these loans.

85 See also Yardi [Matrix](#) article on Rent Growth through November

**Washington DC vs. National Rent Growth**

Data as of September 2025



Source: Yardi Matrix · Created with [Datavrapper](#)

86 See [3Q25 10-Q](#), pg 39

---

<sup>87</sup> See FHLB [Products + Solutions Guide](#), pg 32

<sup>88</sup> See [Article](#) It was the year of the commercial foreclosure in D.C. The numbers are staggering.

<sup>89</sup> [Bankregdata](#) information sourced from Call Report data. “Peers” consist of 100 banks of similar size (US banks with \$2-\$5B in total assets)

<sup>90</sup> Defined as EBIT ex- gain on equity securities gains, sourced from HIFS 10-Qs & 10-Ks

<sup>91</sup> 4Q25 marketable equity securities of \$141 million vs. book value of \$480 million

<sup>92</sup> 4Q25 13-F disclosure ([Link](#)), GOOG position comprised \$47 million of the total disclosed \$122 million 13-F portfolio

<sup>93</sup> We estimate if HIFS public equity positions did not change throughout the year; GOOG would’ve compromised ~70% of the bank’s public equity portfolio gains for 2025.

<sup>94</sup> Analysis of earnings contributions from 10-Qs & 10-Ks from the last several years

---

## Financial Disclaimer

Please be advised that the reports on this website have been prepared by WPR, LLC, (“Wolfpack Research” or “WPR” or “we” or “us”). Wolfpack Research is under common control and affiliated with Wolfpack Capital Partners Manager, LLC (“Wolfpack Capital Partners”). Wolfpack Research is an online research publication that produces due diligence-based reports on publicly traded securities, and Wolfpack Capital Partners is an exempt reporting advisor that is not currently registered with U.S. Securities and Exchange Commission. None of our trading or investing information, including the Content, WPR Email, Research Reports and/or content or communication (collectively, "Information") provides individualized trading or investment advice and should not be construed as such.

The reports on this website are the property of Wolfpack Research. Wolfpack Research and Wolfpack Capital Partners, collectively their respective affiliates and related parties, including, but not limited to any principals, officers, directors, employees, members, clients, investors, consultants and agents, are referred herein to as “Wolfpack”.

We publish Information regarding certain stocks, options, futures, bonds, derivatives, commodities, currencies and/or other securities (collectively, "Securities") that we believe may interest our Users (“Wolfpack Offerings”). You are reading a short-biased opinion piece. Obviously, we will make money if the price of the covered issuer stock declines.

**As of the time and date of each report, Wolfpack is short the securities of, or derivatives linked to, the securities of the subject issuer (each, a “Covered Issuer”), unless otherwise stated in the report.** Upon the publication of each report, we intend to begin covering a substantial majority of our short positions. Our risk reduction is not a reflection of a lack of conviction in our opinions or the facts presented; rather, it has to do with managing risk in a manner that is prudent for a fiduciary of our investors’ money.

Wolfpack will continue transacting in the securities of Covered Issuer for an indefinite period after a report on a Covered Issuer, and we may be net short, net long or flat positions in the Covered Issuer’s securities after the initial publication of a report, regardless of our initial position and views herein.

The Information is provided for information purposes only. Wolfpack does not solicit the purchase of or sale of, or offer any, Securities featured by and/or through the Wolfpack Offerings and nothing we do and no element of the Wolfpack Offerings should be construed as such.

Without limiting the foregoing, the Information is not intended to be construed as a recommendation to buy, hold or sell any specific Securities, or otherwise invest in any specific Securities. Trading in Securities involves risk and volatility. Past results are not necessarily indicative of future performance.

---

The Information represents an expression of our opinions, which we have based upon generally available information, field research, inferences and deductions through our due diligence and analytical processes.

We do not provide “price targets”, although we may express our opinion of what the security is worth. An opinion of the value of a security differs from a price target in that we do not purport to have any insight as to how the market might value a security – we can only speak for how we view its value. We therefore do not hold a position until it reaches a certain price target, nor do we always hold positions until they reach the price at which we have expressed a valuation opinion

Due to the fact that opinions and market conditions change over time, opinions made available by and through the Wolfpack Offerings may differ from time-to-time, and varying opinions may also be included in the Wolfpack Offerings simultaneously.

To the best of our ability and belief, all information is accurate and reliable, and has been obtained from public sources that we believe to be accurate and reliable, and who are not insiders or connected persons of the applicable Securities covered or who may otherwise owe any fiduciary duty or duty of confidentiality to the issuer. However, such information is presented on an "as is," "as available" basis, without warranty of any kind, whether express or implied. Wolfpack makes no representation, express or implied, as to the accuracy, timeliness or completeness of any such information or with regard to the results to be obtained from its use.

All expressions of opinion are subject to change without notice, and Wolfpack does not undertake to update or supplement any of the Information. We also have no duty or obligation to update this report or update you on the size or direction of any position we hold in a Covered Issuer.

The Information may include or may be based upon, "Forward-Looking" statements as defined in the Securities Litigation Reform Act of 1995. Forward-Looking statements may convey our expectations or forecasts of future events, and you can identify such statements: (a) because they do not strictly relate to historical or current facts; (b) because they use such words such as "anticipate," "estimate," "expect(s)," "project," "intend," "plan," "believe," "may," "will," "should," "anticipates" or the negative thereof or other similar terms; or (c) because of language used in discussions, broadcasts or trade ideas that involve risks and uncertainties, in connection with a description of potential earnings or financial performance.

There exists a variety of risks/uncertainties that may cause actual results to differ from the Forward-Looking statements. We do not assume any obligation to update any Forward-Looking statements whether as a result of new information, future events or otherwise, and such

---

statements are current only as of the date they are made. You acknowledge and agree that use of Wolfpack Information is at your own risk.

In no event will Wolfpack or any affiliated party be liable for any direct or indirect trading losses caused by any Information featured by and through the Wolfpack Offerings. You agree to do your own research and due diligence before making any investment decision with respect to Securities featured by and through the Wolfpack Offerings. You represent to WPR that you have sufficient investment sophistication to critically assess the Information.

If you choose to engage in trading or investing that you do not fully understand, we may not advise you regarding the applicable trade or investment. We also may not directly discuss personal trading or investing ideas with you. The Information made available by and through the Wolfpack Offerings is not a substitute for professional financial advice. You should always check with your professional financial, legal and tax advisors to be sure that any Securities, investments, advice, products and/or services featured by and through the Wolfpack Offerings, as well as any associated risks, are appropriate for you.

You further agree that you will not distribute, share or otherwise communicate any Information to any third-party unless that party has agreed to be bound by the terms and conditions set forth in the Agreement including, without limitation, all disclaimers associated therewith.

If you obtain Information as an agent for any third-party, you agree that you are binding that third-party to the terms and conditions set forth in the Agreement. Unless otherwise noted and/or explicitly disclosed, you should assume that as of the publication date of the applicable Information, Wolfpack (along with or by and through any affiliates)), together with its clients and/or investors, has an investment position in all Securities featured by and through the Wolfpack Offerings, and therefore stands to realize significant gains in the event that the price of such Securities change in connection with the Information.

We obviously believe all statements included in our report made by former employees, confidential sources, experts, and whistleblowers are reliable (we think everything we say or cite is reliable); however, you should know that these sources likely not just biased but may even have a financial interest in our short report. We sometimes pay former employees indirectly through an expert network to speak with us, and these former employees may hold a grudge against their former employer. In some cases, we directly pay our sources a fixed fee or enter into a profit-sharing agreement with a source. In cases where we believe a whistleblower suit with a regulatory agency is appropriate, we may share a financial interest with a source in the potential award.

We intend to continue transacting in the Securities featured by and through the Wolfpack Offerings for an indefinite period, and we may be long, short or neutral at any time, regardless of any related information that is published from time-to-time.

---

Therefore, you should assume that upon publication of this report, we will, or have begun to, close a substantial portion – possibly the entirety – of our positions in the Covered Issuer’s securities. By the time you read this report, we may be covering or have already covered (i.e., bought back) our short position, and we are unlikely to increase our short positions unless it is in our financial interest to do so.