

**Before The
ARBITRATION SERVICE OF PORTLAND, INC.**

**MICHAEL ABBATTISTA,
EMMANUEL ABLAZA, SAMEER
ADVANI, RANJIT ADVANI, RAVI
AGGARWAL, BRETT ARNOW, SYED
ASAD HUSSAIN, GREG ASATRIAN,
MICHAEL ASHBURN, MICHAEL
ATISELE, ARCHANA BANDI, DAVID
BENTLEY, PRIYADARSHAN BHATE,
ASHOK BHATT, ATIQ BUDHANI,
RICK BURT, KARYN CAPELUTO,
ROSE CARTER, NAOMI CHAN,
MATTHEW CHASIN, PUNEESH
CHAUDHRY, JYOTI CHAWLA,
DAVID CHENG, JAMES CHO,
BLAKE CHRISTENSEN, BEHRAM
CONTRACTOR, HUGH DAVIES,
GREG DAVIS, JOHN DEMAS,
BENJAMIN DIETRICH, PAOLO
DILDA, AASIF DINGANKAR,
NIRMAL DOSHI, ANDREW DOYLE,
DANIEL EGGEMAN, JOSHUA
ENGLARD, ACHILLES FAKIRIS,
DANIEL FAS, BRENDAN FINN,
JOSHUA GAINES, RUI GASPAS,
AMAR GHORI, RAMAN GULATI,
PINAKI GUPTA, CHRISTOPHE
HENRION, KAREEM HINEDI, JAKE
HOFFNAGLE, ADAM HUFF, THUY
HUYNH, CALVIN HWANG, SANJAY
JAIN, KASHYAP JOSHI, SHASHI
KATIYAR, MORGAN KEIM, MUKUL
KHANDELIA, RUSLAN KHANUK,
BHISHAM KHARE, JIHAD
KHATTAB, RAMAKRISHNA
KINTADA, RICHARD KONCIUS,
MATTHEW KOSHY, MARK
KOSLOW, TYLER LARSEN, RON
LEE, MATTHEW LESTARGE, DAVID
LIN, HOWARD LIND, JOSEPH LIU,
KEITH LOBEL, CHRISTOPHER**

Case No.

**MARTIN, KEN MCGURK, JEFF
MCVEHIL, RAJ MEHTA,
MOHAMMED MERCHANT, YASER
MOUSTAFA, PRADEEP NAGARAJA,
JOSEPH NGUYEN, KURT NOVAK,
MARKUS NOVAK, ANDREW
OWENS, HARSHIT PARIKH, RITESH
PARIKH, WILLIAM PAULUS, DAN
PENAN, AARON PRING, JAY PRUITT
JR., PRADEEP RAMACHANDRAN,
NATHAN ROBERTS, DANIEL
ROSENFELD, ANDREAS ROTHE,
JOSH RUBENS, CYRIL RUWENDE,
NAMIT SAXENA, RYAN
SCHELLHOUS, VINCENT SCHULTZ,
FRANK SCIBILIA, AKSHAY SHAH,
NIRAJ SHAH, BIREN SHAH,
HARSHIT SHAH, ALIREZA
SHALVIRI, GYANENDRA SHARMA,
KIRAN SHETH, GARRETT
SHOEMAKER, KANWAL SINGH,
RENJIE SONG, MAXIM STEPIN,
JYOTHI SWAROOP, ALMAS SYED,
BRIAN TAGGART, THERESA
TALANY, AKHIL TAYAL, WILLIAM
TAYLOR, PARTHIK TELI, NEESHAD
THAKKAR, WEI FOONG THOO,
WALT THYER, WASEET VANCE,
KRISHNAMURTHY
VENKATARAMANA, KEN VINSON,
AMIT VORA, CHARLES WANG,
MATT WILLIAMS, FRANK XU, and
DONGHUI XU**

Claimants,

vs.

CROWDSTREET, INC.

Respondent.

STATEMENT OF CLAIM

Michael Abbattista, Emmanuel Ablaza, Sameer Advani, Ranjit Advani, Ravi Aggarwal, Brett Arnow, Syed Asad Hussain, Greg Asatrian, Michael Ashburn, Michael Atisele, Archana Bandi, David Bentley, Priyadarshan Bhate, Ashok Bhatt, Atiq Bughani, Rick Burt, Karyn Capeluto, Rose Carter, Naomi Chan, Matthew Chasin, Puneesh Chaudhry, Jyoti Chawla, David Cheng, James Cho, Blake Christensen, Behram Contractor, Hugh Davies, Greg Davis, John Demas Benjamin Dietrich, Paolo Dilda, Aasif Dingankar, Nirmal Doshi, Andrew Doyle, Daniel Eggeman, Joshua Englard, Achilles Fakiris, Daniel Fas, Brendan Finn, Rui Gaspar, Amar Ghorri, Raman Gulati, Pinaki Gupta, Christophe Henrion, Kareem Hinedi, Jake Hoffnagle, Adam Huff, Thuy Huynh, Calvin Hwang Sanjay Jain, Kashyap Joshi, Shashi Katiyar, Morgan Keim, Mukul Khandelia, Ruslan Khanuk, Bhisham Khare, Jihad Khattab, Ramakrishna Kintada, Richard Koncius, Matthew Koshy, Mark Koslow, Tyler Larsen, Ron Lee, Matthew Lestarge, David Lin, Howard Lind, Joseph Liu, Keith Lobel, Christopher Martin, Ken McGurk, Jeff McVehil, Raj Mehta, Mohammed Merchant, Yaser Moustafa, Pradeep Nagaraja, Joseph Nguyen, Kurt Novak, Markus Novak, Andrew Owens, Harshit Parikh, Ritesh Parikh, William Paulus, Dan Penan, Aaron Pring, Jay Pruitt, Jr., Pradeep Ramachandran, Nathan Roberts, Daniel Rosenfield, Andreas Rothe, Josh Rubens, Cyril Ruwende, Namit Saxena, Ryan Schellhous, Vincent Schultz, Frank Scibilia, Akshay Shah, Niraj Shah, Biren Shah, Harshit Shah, Alireza Shalviri, Gyanendra Sharma, Kiran Sheth, Garrett Shoemaker, Kanwal Singh, Renjie Song, Maxim Stepin, Jyothi Swaroop, Almas Syed, Brian Taggart, Theresa Talany, Akhil Tayal, William Taylor, Parthik Teli, Neeshad Thakkar, Wei Foong Thoo, Walt Theyer, Waseet Vance, Krishnamurthy Venkataramana, Ken Vinson, Amit Vora, Charles Wang, Matt Williams, Frank Xu, and Donghui Xu (collectively, “Claimants”) hereby commence this arbitration proceeding against Crowdstreet, Inc. (hereafter, “CrowdStreet” or “Respondent”).

Claimants allege the following upon personal knowledge as to themselves and their own acts, and as to all other matters upon information and belief, based upon the investigation made by and through their attorneys.

INTRODUCTION

Claimants are investors in a failed real estate investment fund, 200 W. Jackson Chicago CS Investor LLC (“200 W. Jackson” or “the Fund”) that was formed to invest in the purchase, management and operating of a Class A office tower in Chicago’s central business district. The Fund was sold to Claimants as a venture of Nightingale Properties (“Nightingale” or “the Sponsor”), which was touted to Claimants as having an approximate fifteen-year history of investing in, owning and managing 21.5 million square feet of office, retail, data center, life sciences, parking, and hotel assets.

CrowdStreet promoted the Fund, distributing offering materials claiming that Nightingale’s “investment pedigree exceeds nearly \$10 billion in transactions and the management of over \$1 billion of institutional equity from pension funds and sovereign wealth funds in addition to \$1 billion of equity from high-net-worth investors and family offices.” Through CrowdStreet, Nightingale touted its “skin in the game” by claiming it would be aligned with investors because it was investing \$11.7 million or approximately 25% of the total equity invested. Despite this being a very important representation to make in the private equity space, Claimants’ investigation has revealed that Nightingale has not come close to investing \$11.7 million or 25% of the equity received. The CrowdStreet offering materials also misstated the total debt associated with the project—amounts standing between Claimants and their ultimate recovery on their investments. As fully detailed below, there were other material misrepresentations and omissions that made Nightingale seem like a sponsor with a much better track record than it actually had.

Particularly disturbing to Claimants is the fact that Nightingale is under investigation by the United States Department of Justice and the United States Securities and Exchange Commission. In December 2024, Nightingale's Chief Executive Officer, Elie Schwartz, was indicted and accused of misappropriating \$54 million. On February 13, 2025, Schwartz pled guilty to the charges against him. According to the government, Nightingale's criminal fraud began shortly after the offering period for 200 W. Jackson ended. The victims of said fraud were, like Claimants, investors who were using CrowdStreet Marketplace to invest in Nightingale funds.

Claimants would never have heard of 200 W. Jackson without CrowdStreet's promotion of the project and its offering materials, many of which contained material misrepresentations and omissions. Reasonable diligence would have led CrowdStreet to discover these material misrepresentations and omissions before the Fund was offered on CrowdStreet's platform. CrowdStreet's failures are particularly egregious insofar as CrowdStreet promises to conduct a "rigorous" review of both the particular deals offered on its platform, as well as the sponsors who offer them. CrowdStreet even promises that it will continue to review the deal documents after a project is funded as a method of "fraud prevention." Unfortunately for Claimants and many others, CrowdStreet's claims about its own due diligence process and purported continuing efforts to monitor the status of Nightingale and 200 W. Jackson were also false and misleading.

To date, the 125 Claimants in this arbitration (who collectively invested \$7,255,000 in 200 W. Jackson through the purchase of LLC interests) have received no distributions or return on their investment whatsoever. Nightingale has provided limited, if any, updates to Claimants, which is particularly alarming given the civil and criminal investigations that currently surround Nightingale and its founder. Claimants are now searching for answers about 200 W. Jackson and few seem to be forthcoming.

Claimants were induced to purchase interests in 200 W. Jackson as a direct result of CrowdStreet's actions. Further, CrowdStreet's actions and assistance to Nightingale and 200 W. Jackson were material and essential to Nightingale's and 200 W. Jackson's ability to attract new investors, including Claimants. Through this arbitration Claimants seek damages and/or rescission of their investments from CrowdStreet on account of the foregoing.

JURISDICTION

This case is arbitrable pursuant to the Federal Arbitration Act ("FAA"), 9 U.S.C. §1, et. seq., and the Arbitration clauses contained in the Terms of Service that existed between Claimants and CrowdStreet at the time Claimants invested in 200 W. Jackson, which Terms apply to "any claim, controversy or alleged dispute, between CrowdStreet and individuals who use its marketplace. Specifically, the Terms of Service stated that "any claim, controversy or alleged dispute between you and CrowdStreet" will be administered by the Arbitration Service of Portland, Inc., in Multnomah County, Oregon, in accordance with the laws of the State of Oregon.

PARTIES

Claimants

Michael Abbattista resides in the state of Florida and invested approximately \$50,000 in 200 W. Jackson through CrowdStreet.

Emmanul Ablaza resides in the state of New Jersey and invested approximately \$25,000 in 200 W. Jackson through CrowdStreet.

Sameer Advani resides in the state of California and invested approximately \$150,000 in 200 W. Jackson through CrowdStreet.

Ranjit Advani resides in the state of California and invested approximately \$50,000 in 200 W. Jackson through CrowdStreet.

Ravi Aggarwal resides in the state of Illinois and invested approximately \$25,000 in 200 W. Jackson through CrowdStreet.

Brett Arnou resides in the state of Ohio and invested approximately \$50,000 in 200 W. Jackson through CrowdStreet.

Syed Asad Hussain resides in the state of Indiana and invested approximately \$30,000 in 200 W. Jackson through CrowdStreet.

Greg Asatrian resides in the state of California and invested approximately \$25,000 in 200 W. Jackson through CrowdStreet.

Michael Ashburn resides in the state of Massachusetts and invested approximately \$40,000 in 200 W. Jackson through CrowdStreet.

Michael Atisele resides in the state of Delaware and invested approximately \$100,000 in 200 W. Jackson through CrowdStreet.

Archana Bandi resides in the state of Pennsylvania and invested approximately \$75,000 in 200 W. Jackson through CrowdStreet.

David Bentley resides in the state of California and invested approximately \$100,000 in 200 W. Jackson through CrowdStreet.

Priyadarshan Bhate resides in the state of Texas and invested approximately \$25,000 in 200 W. Jackson through CrowdStreet.

Ashok Bhatt resides in the state of Texas and invested approximately \$50,000 in 200 W. Jackson through CrowdStreet.

Atiq Budhani resides in the state of Texas and invested approximately \$30,000 in 200 W. Jackson through CrowdStreet.

Rick Burt resides in the state of Florida and invested approximately \$100,000 in 200 W. Jackson through CrowdStreet.

Karyn Capeluto resides in the state of Florida and invested approximately \$25,000 in 200 W. Jackson through CrowdStreet.

Rose Carter resides in the state of California and invested approximately \$100,000 in 200 W. Jackson through CrowdStreet.

Naomi Chan resides in the state of California and invested approximately \$25,000 in 200 W. Jackson through CrowdStreet.

Matthew Chasin resides in the state of New York and invested approximately \$75,000 in 200 W. Jackson through CrowdStreet.

Puneesh Chaudhry resides in the state of Massachusetts and invested approximately \$35,000 in 200 W. Jackson through CrowdStreet.

Jyoti Chawla resides in the state of Illinois and invested approximately \$40,000 in 200 W. Jackson through CrowdStreet.

David Cheng resides in the state of California and invested approximately \$40,000 in 200 W. Jackson through CrowdStreet.

James Cho resides in the state of Nevada and invested approximately \$50,000 in 200 W. Jackson through CrowdStreet.

Blake Christensen resides in the state of Utah and invested approximately \$25,000 in 200 W. Jackson through CrowdStreet.

Behram Contractor resides in the state of California and invested approximately \$25,000 in 200 W. Jackson through CrowdStreet.

Hugh Davies resides in the state of Florida and invested approximately \$75,000 in 200 W. Jackson through CrowdStreet.

Greg Davis resides in the state of Kansas and invested approximately \$30,000 in 200 W. Jackson through CrowdStreet.

John Demas resides in the state of California and invested approximately \$100,000 in 200 W. Jackson through CrowdStreet.

Benjamin Dietrich resides in the state of New York and invested approximately 25,000 in 200 W. Jackson through CrowdStreet.

Paolo Dilda resides in the state of New York and invested approximately \$25,000 in 200 W. Jackson through CrowdStreet.

Aasif Dingankar resides in the state of California and invested approximately \$25,000 in 200 W. Jackson through CrowdStreet.

Nirmal Doshi resides in the state of Washington and invested approximately \$35,000 in 200 W. Jackson through CrowdStreet.

Andrew Doyle resides in the state of Georgia and invested approximately \$45,000 in 200 W. Jackson through CrowdStreet.

Daniel Eggeman resides in the state of Washington and invested approximately \$25,000 in 200 W. Jackson through CrowdStreet.

Joshua Englard resides in the state of New York and invested approximately \$50,000 in 200 W. Jackson through CrowdStreet.

Achilles Fakiris resides in the state of North Carolina and invested approximately \$40,000 in 200 W. Jackson through CrowdStreet.

Daniel Fas resides in the state of California and invested approximately \$25,000 in 200 W. Jackson through CrowdStreet.

Brendan Finn resides in the state of California and invested approximately \$100,000 in 200 W. Jackson through CrowdStreet.

Joshua Gaines resides in the state of Oregon and invested approximately \$25,000 in 200 W. Jackson through CrowdStreet.

Rui Gaspar resides in the state of New Jersey and invested approximately \$50,000 in 200 W. Jackson through CrowdStreet.

Amar Ghori resides in the state of California and invested approximately \$100,000 in 200 W. Jackson through CrowdStreet.

Raman Gulati resides in the state of California and invested approximately \$25,000 in 200 W. Jackson through CrowdStreet.

Pinaki Gupta resides in the state of California and invested approximately \$25,000 in 200 W. Jackson through CrowdStreet.

Christophe Henrion resides in the state of North Carolina and invested approximately \$25,000 in 200 W. Jackson through CrowdStreet.

Kareem Hinedi resides in the state of Pennsylvania and invested approximately \$50,000 in 200 W. Jackson through CrowdStreet.

Jake Hoffnagle resides in the state of California and invested approximately \$200,000 in 200 W. Jackson through CrowdStreet.

Adam Huff resides in the state of Colorado and invested approximately \$25,000 in 200 W. Jackson through CrowdStreet.

Thuy Huynh resides in the state of Hawaii and invested approximately \$100,000 in 200 W. Jackson through CrowdStreet.

Calvin Hwang resides in the state of California and invested approximately \$25,000 in 200 W. Jackson through CrowdStreet.

Sanjay Jain resides in the state of California and invested approximately \$35,000 in 200 W. Jackson through CrowdStreet.

Kashyap Joshi resides in the state of North Carolina and invested approximately \$25,000 in 200 W. Jackson through CrowdStreet.

Shashi Katiyar resides in the state of California and invested approximately \$50,000 in 200 W. Jackson through CrowdStreet.

Morgan Keim resides in the state of California and invested approximately \$75,000 in 200 W. Jackson through CrowdStreet.

Mukul Khandelia resides in the state of Texas and invested approximately \$200,000 in 200 W. Jackson through CrowdStreet.

Ruslan Khanuk resides in the state of New Jersey and invested approximately \$50,000 in 200 W. Jackson through CrowdStreet.

Bhisham Khare resides in the state of North Carolina and invested approximately \$25,000 in 200 W. Jackson through CrowdStreet.

Jihad Khattab resides in the state of Oklahoma and invested approximately \$75,000 in 200 W. Jackson through CrowdStreet.

Ramakrishna Kintada resides in the state of California and invested approximately \$25,000 in 200 W. Jackson through CrowdStreet.

Richard Koncius resides in the state of Ohio and invested approximately \$35,000 in 200 W. Jackson through CrowdStreet.

Matthew Koshy resides in the state of Illinois and invested approximately \$50,000 in 200 W. Jackson through CrowdStreet.

Mark Koslow resides in the state of Arizona and invested approximately \$25,000 in 200 W. Jackson through CrowdStreet.

Tyler Larsen resides in the state of California and invested approximately \$220,000 in 200 W. Jackson through CrowdStreet.

Ron Lee resides in the state of California and invested approximately \$25,000 in 200 W. Jackson through CrowdStreet.

Mathew LeStarge resides in the state of Florida and invested approximately \$150,000 in 200 W. Jackson through CrowdStreet.

David Lin resides in the state of California and invested approximately \$25,000 in 200 W. Jackson through CrowdStreet.

Howard Lind resides in the state of California and invested approximately \$50,000 in 200 W. Jackson through CrowdStreet.

Joseph Liu resides in the state of California and invested approximately \$25,000 in 200 W. Jackson through CrowdStreet.

Keith Lobel resides in the state of South Carolina and invested approximately \$25,000 in 200 W. Jackson through CrowdStreet.

Christopher Martin resides in the state of North Carolina and invested approximately \$35,000 in 200 W. Jackson through CrowdStreet.

Ken McGurk resides in the state of New York and invested approximately \$50,000 in 200 W. Jackson through CrowdStreet.

Jeff McVehil resides in the state of Colorado and invested approximately \$125,000 in 200 W. Jackson through CrowdStreet.

Raj Mehta resides in the state of New Jersey and invested approximately \$50,000 in 200 W. Jackson through CrowdStreet.

Mohammed Merchant resides in the state of Texas and invested approximately \$25,000 in 200 W. Jackson through CrowdStreet.

Yaser Moustafa resides in the state of Illinois and invested approximately \$150,000 in 200 W. Jackson through CrowdStreet.

Pradeep Nagaraja resides in the state of Washington and invested approximately \$50,000 in 200 W. Jackson through CrowdStreet.

Joseph Nguyen resides in the state of Texas and invested approximately \$60,000 in 200 W. Jackson through CrowdStreet.

Kurt Novak resides in the state of Utah and invested approximately \$100,000 in 200 W. Jackson through CrowdStreet.

Markus Novak resides in the state of Illinois and invested approximately \$25,000 in 200 W. Jackson through CrowdStreet.

Andrew Owens resides in the state of New Mexico and invested approximately \$35,000 in 200 W. Jackson through CrowdStreet.

Harshit Parikh resides in the state of Washington and invested approximately \$30,000 in 200 W. Jackson through CrowdStreet.

Ritesh Parikh resides in the state of Illinois and invested approximately \$75,000 in 200 W. Jackson through CrowdStreet.

William Paulus resides in the state of New Jersey and invested approximately \$100,000 in 200 W. Jackson through CrowdStreet.

Dan Penan resides in the state of Maine and invested approximately \$25,000 in 200 W. Jackson through CrowdStreet.

Aaron Pring resides in the state of Colorado and invested approximately \$75,000 in 200 W. Jackson through CrowdStreet.

Jay Pruitt, Jr., resides in the state of South Carolina and invested approximately \$60,000 in 200 W. Jackson through CrowdStreet.

Pradeep Ramachandran resides in the state of North Carolina and invested approximately \$100,000 in 200 W. Jackson through CrowdStreet.

Nathan Roberts resides in the state of Florida and invested approximately \$250,000 in 200 W. Jackson through CrowdStreet.

Daniel Rosenfield resides in the state of Florida and invested approximately \$50,000 in 200 W. Jackson through CrowdStreet.

Andreas Rothe resides in the state of Florida and invested approximately \$40,000 in 200 W. Jackson through CrowdStreet.

Josh Rubens resides in the state of Florida and invested approximately \$25,000 in 200 W. Jackson through CrowdStreet.

Cyril Ruwende resides in the state of Michigan and invested approximately \$25,000 in 200 W. Jackson through CrowdStreet.

Namit Saxena resides in the state of Illinois and invested approximately \$35,000 in 200 W. Jackson through CrowdStreet.

Ryan Schellhous resides in the state of California and invested approximately \$75,000 in 200 W. Jackson through CrowdStreet.

Vincent Schultz resides in the state of Minnesota and invested approximately \$30,000 in 200 W. Jackson through CrowdStreet.

Frank Scibilia resides in the state of Massachusetts and invested approximately \$25,000 in 200 W. Jackson through CrowdStreet.

Akshay Shah resides in the state of Washington and invested approximately \$25,000 in 200 W. Jackson through CrowdStreet.

Niraj Shah resides in the state of Washington and invested approximately \$35,000 in 200 W. Jackson through CrowdStreet.

Biren Shah resides in the state of Pennsylvania and invested approximately \$25,000 in 200 W. Jackson through CrowdStreet.

Harshit Shah resides in the state of Washington and invested approximately \$50,000 in 200 W. Jackson through CrowdStreet.

Alireza Shalviri resides in the state of New Jersey and invested approximately \$100,000 in 200 W. Jackson through CrowdStreet.

Gyanendra Sharma resides in the state of Louisiana and invested approximately \$40,000 in 200 W. Jackson through CrowdStreet.

Kiran Sheth resides in the state of Texas and invested approximately \$25,000 in 200 W. Jackson through CrowdStreet.

Garrett Shoemaker resides in the state of Maryland and invested approximately \$25,000 in 200 W. Jackson through CrowdStreet.

Kanwal Singh resides in the state of Washington and invested approximately \$150,000 in 200 W. Jackson through CrowdStreet.

Renjie Song resides in the state of Illinois and invested approximately \$25,000 in 200 W. Jackson through CrowdStreet.

Maxim Stepin resides in the state of Washington and invested approximately \$100,000 in 200 W. Jackson through CrowdStreet.

Jyothi Swaroop resides in the state of California and invested approximately \$100,000 in 200 W. Jackson through CrowdStreet.

Almas Syed resides in the state of Louisiana and invested approximately \$50,000 in 200 W. Jackson through CrowdStreet.

Brian Taggart resides in the state of Arizona and invested approximately \$25,000 in 200 W. Jackson through CrowdStreet.

Theresa Talany resides in the state of California and invested approximately \$25,000 in 200 W. Jackson through CrowdStreet.

Akhil Tayal resides in the state of Texas and invested approximately \$25,000 in 200 W. Jackson through CrowdStreet.

William Taylor resides in the state of New Jersey and invested approximately \$40,000 in 200 W. Jackson through CrowdStreet.

Parthik Teli resides in the state of Washington and invested approximately \$25,000 in 200 W. Jackson through CrowdStreet.

Neeshad Thakkar resides in the state of Washington and invested approximately \$35,000 in 200 W. Jackson through CrowdStreet.

Wei Foong Thoo resides in the state of Colorado and invested approximately \$25,000 in 200 W. Jackson through CrowdStreet.

Walt Thyer resides in the state of California and invested approximately \$25,000 in 200 W. Jackson through CrowdStreet.

Waseet Vance resides in the state of Florida and invested approximately \$200,000 in 200 W. Jackson through CrowdStreet.

Krishnamurthy Venkataramana resides in the state of California and invested approximately \$25,000 in 200 W. Jackson through CrowdStreet.

Ken Vinson resides in the state of California and invested approximately \$100,000 in 200 W. Jackson through CrowdStreet.

Amit Vora resides in the state of California and invested approximately \$75,000 in 200 W. Jackson through CrowdStreet.

Charles Wang resides in the state of California and invested approximately \$250,000 in 200 W. Jackson through CrowdStreet.

Matt Williams resides in the state of Maryland and invested approximately \$25,000 in 200 W. Jackson through CrowdStreet.

Frank Xu resides in the state of Texas and invested approximately \$50,000 in 200 W. Jackson through CrowdStreet.

Donghui Xu resides in the state of Texas and invested approximately \$25,000 in 200 W. Jackson through CrowdStreet.

Respondent

CrowdStreet is a self-described real estate investing platform. During the time period that Claimants invested in 200 W. Jackson, the majority of CrowdStreet employees and infrastructure were based in Portland, Oregon, and all work performed in connection with the 200 W. Jackson offering was performed in Oregon.¹ Each of the Claimants in this matter was a customer of CrowdStreet, and utilized its online platform, the CrowdStreet Marketplace, to make real estate investments, including Nightingale’s venture in 200 W. Jackson. CrowdStreet is required to arbitrate all disputes with Claimants, pursuant to CrowdStreet’s terms of service in effect when Claimants were using the service offered by CrowdStreet. Those terms of service require all disputes to be arbitrated by the Arbitration Service of Portland, Inc., in accordance with the law of the State of Oregon.

FACTUAL BACKGROUND

CrowdStreet operates the “CrowdStreet Marketplace,” which is an online platform through which individuals can peruse and invest in real estate investment opportunities. CrowdStreet calls itself “the largest online private equity real estate investing platform.”

Offerings on CrowdStreet are typically “sponsored” by third parties that invest and manage the capital contributed by CrowdStreet customers or users, like Claimants. CrowdStreet is an active participant in the investments it features on CrowdStreet Marketplace; indeed, CrowdStreet

¹ CrowdStreet relocated certain operations to Austin, Texas sometime after the offering period of 200 W. Jackson had closed.

claims that every opportunity offered on its Marketplace has been specifically vetted and approved by CrowdStreet’s “investment team,” which CrowdStreet boasts has more than 120 years of collective “commercial real estate investment expertise.” Consistent therewith, CrowdStreet called itself a “partner” in each offering and invites its Marketplace customers to “invest with CrowdStreet.”

CrowdStreet partnered with Nightingale to offer 200 W. Jackson investments on the CrowdStreet Marketplace. The offering documents claimed that the investment in 200 W. Jackson was an investment in a Class A office tower with a credit-backed rent roll in Chicago’s central business district. Nightingale claimed in documents offered through CrowdStreet that the tower was a “heavily cash-flowing asset [that] is at a discount to appraised value, comps, and replacement costs, allowing for the opportunity to achieve strong risk-adjusted returns.”

Nightingale, through CrowdStreet, highlighted the following facts within the first pages of the offering materials:

Targeted Investor IRR	18.5%
Targeted Equity Multiple	2.1x
Targeted Average Cash Yield	11.8%
Targeted Investment Period	5 Years
Property Type	Office
City, State MSA	Chicago, IL
Investment Profile	Core Plus
Targeted Project IRR	22%
Sponsor Co-Invest (\$)	\$11,700,000
Sponsor Co-Invest (%)	25.0% of Total Equity

Nightingale, as disseminated by CrowdStreet, described the “Capital Stack” as follows:

Investor Equity (75%)	
\$35,100,000	23.4%
Sponsor Equity (25%)	
\$11,700,000	7.8%
Senior Debt	

\$103,000,000	68.8%
Total	
\$149,800,000	100%

These statements were false. Nightingale never made its promised co-investment, and, a mezzanine lender was omitted from the Capital Stack, which, in addition to hiding another lender with rights senior to those of Claimants, also negatively impacted the presentation of projected cash flows and other deal metrics. These misrepresentations and omissions would have been caught had CrowdStreet performed proper due diligence prior to offering and promoting the 200 W. Jackson offering on the CrowdStreet platform.

Prior to hosting and endorsing Nightingale and 200 W. Jackson, CrowdStreet purportedly performed due diligence on Nightingale and its management team as a potential sponsor, and also as to certain key terms of the offering itself. CrowdStreet promises investors an in-depth review of all potential investments before recommending the investment – and these investors, including Claimants, relied on this promise. Here, after purportedly conducting this due diligence, CrowdStreet gave Nightingale its “Enterprise” designation and touted such designation to investors. Enterprise is the highest designation – meaning most experienced and reliable – that CrowdStreet gives a sponsor. This is particularly notable because CrowdStreet claims that most sponsors who seek CrowdStreet’s platform are denied and therefore received no sponsor designation.

CrowdStreet also claimed that it conducted a “meticulous” examination of certain details and terms related the offering itself, including financial statements, to “validate” statements made in the offering materials. This was not true; even a cursory examination would have revealed Nightingale’s failure to make the promised co-investment, for example. Indeed, it was later revealed - in connection with the two Nightingale offerings at issue in Schwartz’s criminal

proceedings - that CrowdStreet at the time lacked any sort of ability to track funds in connection with deals on the Marketplace. There was no excuse for CrowdStreet's failures, as the company had been burned by fraudsters on its platform before and thus had firsthand knowledge of the consequences that result when CrowdStreet fails to accurately complete the diligence it promised.

It was only after CrowdStreet's purported due diligence that CrowdStreet affixed its seal of approval and allowed Nightingale's offering materials to be disseminated to investors through its platform or marketplace.

In addition to disseminating Nightingale's offering documents to investors, CrowdStreet also hosted messaging services for communications between investors and 200 W. Jackson and/or Nightingale and also provided discussion boards for investors in 200 W. Jackson to interact with each other. CrowdStreet also hosted what appears to be at least two webinars for Nightingale and 200 W. Jackson.

Eventually, CrowdStreet raised approximately \$35 million for Nightingale and 200 W. Jackson. For doing so, CrowdStreet was compensated for its services, and for offering and endorsing 200 W. Jackson to its clients on the platform.

To date, despite the promise of distributions to start within 15 days of the end of the quarter following closing and for them to be given quarterly after, no distributions have ever been made. Nightingale and 200 W. Jackson have refused to provide financial statements, allow an inspection of books and records, or to provide any meaningful information whatsoever. As noted above, its CEO was recently indicted for running a scheme designed to defraud CrowdStreet investors that according to the Government began shortly after the offering period for 200 W. Jackson was over. The 200 W. Jackson investors were lied to by Nightingale in connection with their decision to invest in 200 W. Jackson, and further, they would not be in business with an admitted fraudster

were it not for CrowdStreet’s material aid and assistance. As set forth below, CrowdStreet either knew, or should have known, that Nightingale’s offering materials were replete with misrepresentations and omissions but allowed its platform to disseminate the misinformation anyway. Additionally, CrowdStreet continued to provide support to Nightingale after the 200 W. Jackson offering closed, despite its knowledge of Nightingale’s continuous breaches of its duties to Claimants and other investors.

A. Misrepresentations and Omissions CrowdStreet Disseminated to Claimants

Below is a summary of the key misrepresentations and omissions that CrowdStreet allowed Nightingale to make through its platform. They pertain to Nightingale’s success, or lack thereof, as a property investor and manager; Nightingale’s false “skin in the game” representation; misrepresentation of the debts associated with 200 W. Jackson as reflected in its Capital Stack; and other misstatements and exaggerations about the likely success of 200 W. Jackson.²

1. Nightingale Misrepresented Key Aspects of its Operating History Which Led to Exaggerated Past Performance Results.

On CrowdStreet’s website there is a page for each sponsor that describes its track record. Nightingale had previously raised capital from investors for a similar building referred to as 645 Madison in New York City. Nightingale’s management of that project was not successful, and through its diligence efforts CrowdStreet knew or should have known that Nightingale had lost 645 Madison to its lender, East West Bank, prior to September 2021.

For a sponsor who CrowdStreet gave an Enterprise rating to, its highest designation,³ the fact that a similar building that Nightingale had owned and managed was lost to a lender was a

² Claimants reserve all rights to present more examples of Nightingale’s misrepresentations and omissions at the Final Hearing of this arbitration.

³ According to CrowdStreet, the Enterprise rating is reserved for those sponsors who have a 15-year operating history and an existing portfolio worth \$5 billion or more. While it appears Nightingale had an

material fact that should have been made available to investors. Instead, when describing Nightingale’s involvement in 645 Madison, CrowdStreet allowed the sale price, the IRR, and the Equity Multiple to all be listed as “N/A.” The notes section, which could have included a note about losing the property to a lender, was left blank. But, far from “not applicable,” the failure of this project to be profitable was material and would have been important for a prospective investor to know.

This misrepresentation and omission certainly calls into question the veracity of Nightingale’s entire track record summary on the CrowdStreet page. As stated in that page, the total purchase price of the approximately 35 properties listed is just over \$2.12 billion. The total sales price is listed as just over \$2.46 billion. However, the average return is listed as 37.4% with an equity multiple of 2.1x. There are many questions about how that came to be, but obviously listing the 645 Madison property as a negative return, as opposed to N/A, would have decreased that number significantly.

2. Nightingale Misrepresented Its \$11.7 million Investment and Its Alignment With Investors.

Throughout the offering materials disseminated through CrowdStreet’s platform, Nightingale touted the \$11.7 million and 25% of equity raised that it was going to invest in 200 W. Jackson. It did so in the cover pages describing both the Sponsor Co-Invest (\$) as \$11,700,000 and the Sponsor Co-Invest (%) as 25.0% of Total Equity. The “Capital Stack” pages include a Sponsor Equity described as 25% or \$11,700,000 which was listed as one of the three sources of the total amount of capital Nightingale intended to raise.

Additionally, in an Offering Summary page, a bullet point list states the following:

operating history of just over 15 years, according to the offering materials its total assets under management were less than \$5 billion.

- **Significant Sponsor Co-Investment:** The Sponsor will be truly aligned with the investors and invest a minimum of 25% of the total equity. They have already invested \$4M prior to closing on the acquisition, including a \$3M non-refundable deposit to secure the acquisition and approximately \$1M in deal costs to get ahead of their business plan prior to closing.

It appears that CrowdStreet itself prepared a document describing its review of Nightingale and 200 W. Jackson. The columns include “Review Factor,” “Criteria,” “Offering Notes,” and “Criteria Met.” For the review factor entitled “Sponsor Co-Investment,” CrowdStreet described the criteria as being met because “The Sponsor will be investing a minimum of 25.0% of the total equity. The Sponsor has already invested \$3.0 million in the form of a non-refundable deposit to secure the acquisition and an additional \$1.0 million (~8.6% of the total equity on a cumulative basis including the non-refundable deposit) in due diligence costs, deposits, marketing for leasing, legal fees, and other costs. The significant investment in the Property by the Sponsor prior to closing of the acquisition exhibits tremendous ‘skin in the game.’”

The fact that CrowdStreet has a review factor entitled “Sponsor Co-Investment” speaks volumes in describing how critical such co-investments are to prospective investors. To use CrowdStreet’s own phrasing, investors want to know that a sponsor has “skin in the game.” Here, Nightingale’s representation that it would be investing a minimum of 25% and \$11.7 million was a total farce. CrowdStreet’s representations that it did due diligence on such claims also appears to be a farce.

In an update of May 2024, long after promised distributions should have begun, and months after it was announced Nightingale was under civil and criminal investigation, CrowdStreet stated the following in response to many questions from investors:

We’ve received a number of questions around an intercompany receivable of \$5.84 million shown in 200 West Jackson property’s latest update from Nightingale.

We have been asking for additional information, and it is our understanding that this receivable represents approximately 50% of One Night Holdings' (ONH) original co-invest in the deal. ONH apparently had not fulfilled all of its capital commitment. We also understand that ONH is seeking a purchaser for its ownership position in this project. As this \$5.84 million stands as a receivable, it will be payable to the project entity from the sale of ONH's ownership position.

We continue to demand answers to additional outstanding questions, but despite our ongoing efforts over the course of this year, we have not yet received substantial documents or detailed information. As such, we continue to request transparency on your behalf and will keep you informed of any developments.

In fact, Nightingale and/or affiliates failed to invest \$11.7 million into 200 W. Jackson, despite its repeated representations that it would do so.

Claimants believe that even the amount that Nightingale did purportedly invest, approximately \$4 million according to CrowdStreet, was actually other non-CrowdStreet investor funds and not really Nightingale's investment. Nightingale itself had very little "skin in the game" and its representation that other investors' money was its money simply served to subordinate the CrowdStreet investor's funds according to the Capital Stack. This, of course, was not disclosed to Claimants but should have been.

Yet another omission from the Capital Stack description was the fact that Nightingale also incurred mezzanine debt that would further stand in between CrowdStreet's investors, including Claimants, and recovery of their investment. Claimants were told there was just one senior lender, Citibank. This, too, was a lie—and one that CrowdStreet either caught or should have caught.

B. CrowdStreet's Material Assistance to Nightingale

None of Claimants would have ever heard of, much less invested in 200 W. Jackson, without CrowdStreet. CrowdStreet presented, endorsed, and solicited investments from Claimants for Nightingale's 200 W. Jackson. As noted above, Claimants invested in 200 W. Jackson through CrowdStreet and received the offering documents for 200 W. Jackson through CrowdStreet.

CrowdStreet even offered an investor forum for 200 W. Jackson investors to speak amongst themselves about the investment. Typically, CrowdStreet also had an “Ask A Question” button whereby an investor could ask a sponsor a question which would be responded to via email. CrowdStreet also hosted two webinars for Nightingale to speak to investors. CrowdStreet did not just call itself a partner, it was in actuality a partner with Nightingale in securing and obtaining Claimants’ investments in 200 W. Jackson.

CrowdStreet aggressively markets its deals to the general public. CrowdStreet’s marketing literature describes Marketplace offerings as “institutional grade” investments that are parceled and made available to the masses on an individualized bases, sometimes for as little as \$25,000. Since individual investors lack the resources to conduct their own due diligence on an institutional level, CrowdStreet touts its ability to bridge the gap by performing its own due diligence and “rigorous review process.” CrowdStreet claimed to weed out up to 95% of potential offerings.

This sponsor review process is marketed to lure investors like Claimants to invest through CrowdStreet and ultimately sponsor’s funds like Nightingale’s 200 W. Jackson.

According to CrowdStreet, it performs a thorough diligence process before sponsoring an asset. First, CrowdStreet gives its seal of approval to the proposed sponsor seeking to place its offering on CrowdStreet’s Marketplace. This seal of approval is the result of CrowdStreet’s proprietary “objective review process” that evaluates and analyzes the sponsor’s history of acquisitions and/or transaction volume; current capitalization; and experience raising capital from investors for commercial real estate deals. CrowdStreet also reviews financials from the sponsor’s past deals to ensure the sponsor has “demonstrate[d] stewardship of investor capital.”

Some proposed sponsors do not make the cut. For those who do, CrowdStreet assigns them a rank using a four-tiered system ranging from “Emerging” (the lowest rank) to “Seasoned,”

“Tenured,” and finally, “Enterprise” (the highest ranking). The fact that a sponsor receives a ranking is an indication to potential investors that the sponsor is a legitimate enterprise the investor can trust to prudently manage his or her hard-earned money. As noted above, CrowdStreet claims to have completed the review process for Nightingale and ultimately awarded it a rank of “Enterprise,” which is the highest rank CrowdStreet bestows.

Once a sponsor passes muster, CrowdStreet’s investment team proceeds to the second phase of its diligence process: analyzing the specifics of the proposed deal. As part of this process CrowdStreet’s team reviews financials and other key deal points, along with the capital stack, co-investments, opening statements, rent rolls, management agreements, loan documents, appraisals, comparable and other data to determine whether the sponsors’ “assumptions [are] supported by market data.” As noted above, CrowdStreet claims that approximately 95% of proposed deals are rejected through this process.

CrowdStreet also promises its customers that its Investment Committee will continue to review deal documents “throughout the lifecycle of the project to validate the sponsor and underwriting of the opportunity, *as well as for fraud prevention.*” Claimants relied on this promise as an additional reason to invest in 200 W. Jackson through CrowdStreet. Given the misrepresentations and omissions about Nightingale and 200 W. Jackson in the offering documents, as well as the fact that Nightingale’s CEO is currently under federal indictment for a fraud he perpetrated upon CrowdStreet’s investors, it is clear that CrowdStreet failed to live up to its due diligence promises it made to customers or users of its platform.

In short, CrowdStreet’s due diligence process failed completely. Instead, CrowdStreet assisted Nightingale in its scheme to deceive hundreds of investors out of tens of millions of dollars.

CLAIMANTS' LEGAL CLAIMS AGAINST CROWDSTREET

A. Secondary Liability Under O.R.S. 59:115(3) For Material Aid Provided to 200 W. Jackson.

CrowdStreet is liable to Claimants, pursuant to O.R.S. 59:115(3), for its participation in the sale of the Fund and the material aid it provided to the Fund and Nightingale in the sale of the Fund to Claimants.

Nightingale made a number of material misrepresentations and/or omissions in the offering materials it used to solicit the sale of the Fund on the CrowdStreet marketplace. Nightingale misrepresented and/or omitted key facts about itself, 200 W. Jackson, debt associated with 200 W. Jackson, and its own investment in the Fund or its “skin in the game.” Claimants relied on the supposed truth of these statements in deciding to invest their hard-earned assets in 200 W. Jackson.

As such, pursuant to O.R.S. 59.115(3), CrowdStreet is liable for the material aid it provided to Nightingale and 200 W. Jackson. Specifically, O.R.S. 59.115(3) states:

[E]very person who participates or materially aids in the sale is also jointly and severally with and to the same extent as the seller, unless the nonseller sustains the burden of proof that the nonseller did not know, and, in the exercise of reasonable care, could not have known, of the existence of facts on which the liability is based. Any person held liable under this section shall be entitled to contribution from those jointly and severally liable with that person.⁴

CrowdStreet both participated and materially aided in Nightingale’s sale of 200 W. Jackson through the conduct described at length herein, including but not limited to its review and approval of Nightingale’s offering materials that CrowdStreet disseminated through its online Marketplace. CrowdStreet is thus jointly and severally liable for Claimants’ losses sustained in 200 W. Jackson.

⁴ O.R.S. 59.115(3).

B. Primary Liability Under O.R.S. 59.115(1)

CrowdStreet is also liable as a statutory seller of 200 W. Jackson. By its express terms ORS 59.115(1)(b) creates liability for any person who:

Sells or successfully solicits the sale of a security in violation of ORS 59.135 (Fraud and deceit with respect to securities or securities business) (1) or (3) or by means of an untrue statement of a material fact or an omission to state a material fact necessary in order to make the statements made, in light of the circumstances under which they are made, not misleading (the buyer not knowing of the untruth or omission), and who does not sustain the burden of proof that the person did not know, and in the exercise of reasonable care could not have known, of the untruth or omission.⁵

The “successfully solicit” language found in O.R.S. 59.115(1) mirrors the federal standard the Supreme Court adopted in *Pinter v. Dahl*, 486 U.S. 622 (1988), whereby the Court held that, for purposes of Section 12(1) of the Securities Act, “it has long been ‘quite clear’ that persons who solicit securities purchases are liable as statutory sellers.” “[L]iability extends only to the person who successfully solicits the purchase, motivated at least in part by a desire to serve his own financial interests or those of the securities owner.” *Id.* at 647.

CrowdStreet is a statutory seller subject to primary liability under O.R.S. 59.115(1) because it “successfully solicited” the sale of the Fund to Claimants through CrowdStreet Marketplace, using offering materials that CrowdStreet’s investment team reviewed and approved. These offering materials made a number of material misstatements and/or omissions about 200 W. Jackson and Nightingale, including but not limited to the misstatement that Nightingale was investing \$11.7 million in sponsor equity which equated to 25% of the equity it intended to raise. This “skin in the game” misrepresentation engendered an unwarranted confidence in Nightingale and the likely success of 200 W. Jackson.

⁵ O.R.S. 59.115(1)(b).

CrowdStreet knew or should have known the statements it was approving for dissemination through its online Marketplace to Claimants were not accurate. Claimants relied on the “expertise” of the CrowdStreet investment team, including CrowdStreet’s supposed “rigorous” diligence of Nightingale and 200 W. Jackson. Nonetheless, CrowdStreet approved the Fund for sale on the CrowdStreet Marketplace; went on to solicit investors, including Claimants, to purchase interests in 200 W. Jackson; and was compensated by Nightingale for offering 200 W. Jackson to CrowdStreet customers on its platform. CrowdStreet is thus a primary violator of O.R.S. 59.115(1), for Claimants’ losses sustained in 200 W. Jackson.

C. Breach of Contract

CrowdStreet made express and implied promises to its online Marketplace users that the investment opportunities featured on the Marketplace had been subjected to a “rigorous” diligence process that validated both the statements contained in the offering documents and the sponsor’s abilities as a fund manager and commitment to the Fund. CrowdStreet also promised investors that once a deal was offered for sale on the Marketplace, CrowdStreet’s investment team would continue to review deal documents throughout the lifecycle of the project to continually validate underwriting and to prevent fraud.

CrowdStreet failed to honor this representation with respect to Nightingale and 200 W. Jackson. If CrowdStreet had continued to monitor Nightingale throughout the lifecycle of the 200 W. Jackson project it would have prevented the fraud that clearly did occur on CrowdStreet’s platform. It would have alerted investors that Nightingale was not the “Enterprise” sponsor that CrowdStreet had previously represented it to be.

CrowdStreet's failure to continue to monitor Nightingale and 200 W. Jackson caused damages to CrowdStreet's investors, who relied on CrowdStreet's promises and ongoing duties in deciding to invest in the Fund.

D. Negligence

CrowdStreet owed Claimants duties of care, including a duty to competently perform the diligence promised to potential investors.

As described more fully above, CrowdStreet either failed to detect or intentionally omitted material facts in the offering materials used to solicit the sale of interests in 200 W. Jackson. A competent team of investment professionals would have discovered the discrepancies, particularly those regarding Nightingale's "skin in the game." They would have also realized that CrowdStreet's platform was being used to commit a massive fraud on hundreds of investors.

CrowdStreet negligently failed to discharge these duties, causing Claimants to suffer damages.

E. Tortious Conduct in Concert with Nightingale Pursuant to Rest. (Second) of Torts § 876

Nightingale negligently, recklessly, and/or intentionally deceived Claimants through the acts described above, including but not limited to, misrepresenting its supposed co-investment and/or failing to fund that co-investment, misrepresenting its operating history and that the fact that it previously lost a property to a lender, failing to accurately state and/or describe the "Capital Stack" and senior lenders standing between Claimants and recovery, and failing to provide required information and disclosures to Claimants.

The above conduct also breached fiduciary duties Nightingale owed to Claimants in their capacities as LLC members in 200 W. Jackson.

CrowdStreet was aware of Nightingale's misconduct but nonetheless acted in concert with Nightingale to promote the 200 W. Jackson investment, disseminate the offering documents, and otherwise facilitate the sale of interests in that investment. Through this conduct CrowdStreet also breached direct statutory and common-law duties owed to Claimants under Oregon law, as described in more detail above. CrowdStreet's substantial assistance and encouragement through the foregoing particulars and otherwise allowed Nightingale's misconduct to continue unchecked. CrowdStreet is therefore jointly and severally liable for all damages Nightingale inflicted upon Claimants.)

RELIEF REQUESTED

As a result of the course of conduct outlined above, CrowdStreet is liable as follows:

- (1) for all losses of principal suffered by Claimants;
- (2) for all interest, commissions and fees paid by Claimants;
- (3) for the loss of income that would have been received had Claimants' accounts been managed properly, as well as other losses, foreseeable or not, that Claimants suffered, including non-pecuniary losses;
- (4) for rescission and full refund of Claimants' 200 W. Jackson investments, together with statutory interest, expense and fees;
- (5) for attorneys' fees, costs and other expenses;
- (6) for interest, both pre-judgment and post-judgment;
- (7) for all other sums Claimants are entitled to at law or equity; and
- (8) for punitive damages.

Dated: March 5, 2025

Respectfully Submitted,

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