

UNITED STATES DISTRICT COURT
NORTHERN DISTRICT OF ILLINOIS
EASTERN DIVISION

_____)	
UNITED STATES SECURITIES)	
AND EXCHANGE COMMISSION,)	Civil Action No. 19-cv-05957
)	
Plaintiff,)	
v.)	Hon. John Z. Lee
)	
NORTHRIDGE HOLDINGS, LTD., ET AL.,)	
)	Magistrate Judge Susan E. Cox
Defendants.)	
_____)	

RECEIVER’S COMBINED EMERGENCY MOTION FOR ORDER APPROVING (1) AMENDMENT TO PURCHASE AND SALE AGREEMENT (BARTLETT LAKE PROPERTY); (2) AGREEMENT AS TO DISTRIBUTION OF PROCEEDS OF SALE (BARTLETT LAKE PROPERTY); AND (3) PARTIAL RELIEF FROM AMENDED GENERAL ORDER 20-0012 IN RE: CORONAVIRUS COVID-19 PUBLIC EMERGENCY FOR (A) RELIEF SET FORTH IN THIS MOTION; AND (B) RECEIVER’S COMBINED FEE APPLICATION [DKT. 118]

N. Neville Reid, not individually, but solely as the Court-appointed receiver (the “Receiver”) for the Estate of Defendant Northridge Holdings, Ltd. and its related entities and affiliates as more particularly set forth in the Receivership Order (as defined herein) (collectively, the “Receivership Defendants,” and the assets of such entities as more particularly set forth therein, the “Receivership Assets,” and such estate the “Receivership Estate” and such administration, the “Receivership”), and pursuant to the powers vested in him by the *Order Appointing Receiver* entered by the Court on September 12, 2019 [Dkt. No. 22] and amended by subsequent Court order [Dkt. 108] (collectively, the “Receivership Order”), hereby respectfully moves (the “Motion”) for entry of an order: (1) approving an amendment to the Court-approved Agreement of Purchase and Sale (as amended) between the Receiver and Monument Capital Management IV, LLC, an affiliate of Monument Capital Management

(“Proposed Buyer”); (2) approving and directing payoff of the secured lender at closing; and (3) partial relief from the Court’s Third Amended General Order 20-0012 [Dkt. 137] (the “General Order”) with respect to (a) the relief requested herein, and (b) Receiver’s Combined Second Interim Fee Application and Motion for Approval of Payment of Fees and Expenses of Motion for Court Approval of Payment of Fees and Expenses of Receiver’s Non-Attorney Professionals. [Dkt. 118] (the “Fee Application”). In support of the Motion, the Receiver states as follows:

INTRODUCTION

1. On March 31, 2020, this Court approved the sale of the Bartlett Lake Property (defined below) to the Proposed Buyer and the PSA (defined below) (“Approval Order”). [Dkt. 131] In the weeks after the Approval Order was signed, the COVID-19 crisis worsened impacting, among other things, residential real estate values. As a result, the Proposed Buyer requested certain concessions from the Receiver, including a purchase price reduction. After several weeks of arm’s length negotiations, the Receiver and the Proposed Buyer have agreed to amend the PSA as follows:

- a. **The Purchase Price Reduction:** The purchase price shall be reduced by \$1.5 million from \$19.3 million to **\$17.8 million**.
- b. **Earnest Money Increase:** The Proposed Buyer’s non-refundable earnest money shall be increased by \$250,000.00 from \$400,000.00 to **\$650,000.00**.
- c. **Closing Timeline:** Closing shall be five (5) business days after the order approving this Motion becomes final and non-appealable. The Proposed Buyer’s ability to further extend closing under the PSA, was eliminated.

A true and accurate copy of the Second Amendment to PSA (the “Second Amendment”) is

attached hereto as **Exhibit 1**. Additionally, contemporaneous with execution of the Second Amendment, the Proposed Buyer provided the Receiver an updated financing commitment. The Receiver confirmed such commitment is sufficient to allow the Proposed Buyer to close this transaction as set forth in the PSA as revised by the Second Amendment.

2. As more fully set forth below, the Court should approve the Second Amendment because, in the Receiver's business judgment, closing the sale of the Bartlett Lake Property under proposed revised terms is better for the Receivership Estate than any likely alternative.

3. Additionally, as more fully set forth below, the Receiver and Fannie Mae previously engaged in discussions regarding payoff of the Loan (defined below) from the sale proceeds of the Bartlett Lake Property. The Receiver agreed to pay the Loan in full upon closing (subject only to final review and approval of the final payoff statement). Fannie Mae has agreed to credit at closing, or return to the Receiver, certain amounts held in escrow in connection with the Loan. As a result, the Receiver seeks entry of an order approving and directing payoff of the Loan at closing.

4. Lastly, this Motion seeks relief from the General Order with respect to the relief sought in this Motion and with respect to the Fee Application. As set forth below, cause exists to shorten the objection periods proscribed by the General Order. Attached as **Exhibit 2**, is a proposed order setting forth the relief sought in this Motion (the "Proposed Order").

RELEVANT BACKGROUND

A. Second Amendment

5. As set forth in the Sale Motion, the Receivership Assets include a 192-unit apartment complex located in Bartlett, Illinois (the "Bartlett Lake Property" or the "Property"). On January 27, 2020, the Receiver and the Proposed Buyer executed an Agreement of Purchase

and Sale which set forth the terms of sale for the Bartlett Lake Property. Under this agreement, the parties were required to close the transaction within sixty days of the date of execution of the PSA (this deadline was March 27, 2020), subject to Court approval. If closing did not occur by that date, either party had the right to terminate the agreement without penalty. To allow more time for closing, the parties entered into an amendment to the agreement which, in relevant part, extends the closing date through May 29, 2020 and obligates the Receiver to provide bi-weekly and monthly financial information related to the Bartlett Lake Property during the period prior to closing (the “First Amendment” and collectively with the Agreement of Purchase and Sale, the “PSA”).

6. On February 27, 2020, pursuant to the powers vested in him by the Receivership Order, the Receiver filed a Motion to Authorize Sale of Real Property and Related Relief (Bartlett Lake Property) (the “Sale Motion”). [Dkt. 110]. The Sale Motion sought approval of the sale of the Bartlett Lake Property to the Proposed Buyer pursuant to the terms of the PSA at a purchase price of \$19.3 million.

7. On March 30, 2020, the Receiver filed his Emergency Motion for Partial Relief from Amended General Order 20-0012 In re: Corona Virus COVID-19 Public Emergency. [Dkt. 127]. Such motion sought immediate entry of a sale order due to the issues and uncertainty caused by the COVID-19 crisis. This motion was granted and the order [Dkt. 131] (the “Sale Order”). The Sale Order approved the PSA and authorized the sale of the Bartlett Lake Property to the Proposed Buyer as more fully set forth in the Sale Order.

8. Approximately a week after entry of the Sale Order, the Proposed Buyer advised the Receiver that it may seek concessions (including on price) as a result of the COVID-19 crisis and its impact on the real estate market.

9. With respect to the parties' negotiation of the Second Amendment, the Proposed Buyer originally requested a \$1.6 million price reduction, a mid-July closing, but did not offer to increase its earnest money deposit. After arms-length negotiations over the course of weeks, the parties agreed on the terms as reflected in the Second Amendment (i.e. the parties' negotiated in good faith to find an agreeable middle ground).

B. Payoff of the Loan

10. Fannie Mae holds a first lien security interest on the Bartlett Lake Property pursuant to that certain Multifamily Mortgage, Assignment of Leases and Rents, Security Agreement and Fixture Filing dated October 28, 2011 and recorded on November 1, 2011 with the Cook County Recorder as Document Number 1130531018 ("Mortgage"). The Mortgage secures repayment of that certain loan (the "Loan") in the original amount of \$10,000,000.00 made by Alliant Capital LLC to Parkway Bank & Trust Company, an Illinois banking corporation, as Trustee under Trust No. 14106 under trust agreement dated January 19, 2006 as evidenced by that certain Multifamily Note dated October 28, 2011 (the "Note" and collectively with the Mortgage and other loan documents related to the Loan, the "Loan Documents"). Fannie Mae is the current holder of the Note and Mortgage.

11. The Receiver and Fannie Mae previously engaged in discussions regarding payoff of the Loan from the sale proceeds of the Bartlett Lake Property. The Receiver agreed to pay the Loan in full upon closing (subject only to final review and approval of the final payoff statement). Fannie Mae has agreed to credit at closing, or return to the Receiver, certain amounts held in escrow in connection with the Loan.

12. Consistent with the parties' prior agreement, the parties hereby stipulate to entry of the relief relating to payoff of the Loan set forth in the Proposed Order.

C. The Fee Application

13. On March 6, 2020, the Receiver filed the Fee Application which seeks fees and costs incurred by the Receiver and his professionals during November and December 2019. On March 9, 2020, this Court entered a Minute Order setting an objection deadline for March 30, 2020. Prior to the running of the objection deadline, the Court entered its original General Order extending all court deadlines 21 days. This order was amended, extending all court deadlines an additional 28 days and then further amended by the Amended Order extending all court deadlines an additional 28 days (77 days total).

14. To date, no objection has been filed to the Fee Application.

BEST INTERESTS OF RECEIVERSHIP ESTATE

A. Approval of the Second Amendment

15. With respect to the Second Amendment, the Receiver's analysis can be summarized as follows: Is the Receivership Estate better off: (a) proceeding with the Proposed Buyer under the PSA as modified by the Second Amendment; or (b) if the Proposed Buyer forfeits its earnest money (\$400,000)¹ and the Bartlett Lake Property is remarketed for sale or otherwise sold to a different buyer (i.e. has the market value of the property decreased by more than \$400,000). In the Receiver's business judgment proceeding with the Proposed Buyer is in the best interest of the Receivership Estate because:

16. First, the requested purchase price reduction is only 7.8% of the original purchase price, which represents a reasonable and market discount under these unprecedented circumstances. In connection with evaluating the reasonableness of the price reduction, the Receiver confirmed that market conditions were deteriorating to the point where it would be

¹ While the Receiver strongly believes that the receivership estate would be absolutely entitled to the earnest money deposit under the PSA, the Receiver expects the Proposed Buyer to contest that assertion.

economically rational for the Proposed Buyer to walk away from its earnest money rather than close under the PSA (i.e., the market value of the property had declined by an amount in excess of \$400,000). Among the factors causing decline in property values generally are rent collection uncertainty and adverse conditions in the debt market. With respect to rent collection, while April rent collection for the Bartlett Lake Property was on par with prior months, most real estate professionals expect rent collections to decline significantly as this crisis continues. With respect to the debt markets, while the PSA contains no financing contingency, worsening interest rate spreads and increased escrow requirements (Fannie Mae is requiring twelve months principal, interest, taxes and insurance be escrowed) are negatively impacting investment returns which in turn impacts market value.

17. Second, contemporaneous with negotiating with the Second Amendment, the Receiver worked with his broker to obtain evidence of what a market discount would be and confirming the Receiver could not do better with another buyer (taking all factors into account). The Receiver, with the assistance of his broker, identified one of the previous bidders who could close in cash and did not require much if any additional due diligence. This buyer, while still interested in purchasing the property in a deteriorated market, indicated its willingness to pursue a transaction at less than the purchase price under the Second Amendment. Additionally, the Pinnacle bidder discussed in the Sale Motion was approached by the Receiver's broker. Pinnacle expressed interest, but required much more time to get a solid proposal together, required extensive due diligence and could not show that they currently have ability to close a deal (i.e. the issues that existed with their prior bid still exist).

18. Third, proceeding with the Proposed Buyer provides a more certain recovery for the Receivership Estates. Under the Second Amendment, the Proposed Buyer increased its

earnest money by \$250,000.00 and agreed to closing five (5) business days after the order approving this Motion becoming final and non-appealable (as required by the parties' title company). As a result, it is more likely that the Proposed Buyer will close under this deal (i.e., why put more earnest money at risk if the Proposed Buyer did not intend to close). Remarketing the property would mean taking on risk that an alternative transaction would have a lower purchase price and also exposes the Receivership to continued uncertainty as to rent collection (i.e., the same risk that is causing diminution of property values generally).

19. Put simply, after reviewing this unprecedented situation with his broker and other professionals, the Receiver believes that closing the sale pursuant to the PSA as amended by the Second Amendment is in the best interests of the Receivership Estate. Such sale will still allow the Receivership Estate to realize *in excess of \$8.5 million* and would eliminate any future uncertainty of ownership of the Bartlett Lakes Property (i.e., rent collection, capital availability, etc.).

B. Loan Payoff

20. With respect to payoff of the Loan, Fannie Mae is the sole secured creditor, entitled to payoff of the Loan at closing of the Bartlett Lake Property and such payment is required to release Fannie Mae's mortgage on the property. As a result, the agreed upon relief set forth in the Proposed Order should be approved by the Court.

RELIEF FROM THE GENERAL ORDER

21. Under the General Order, 28 days is added to an objection period in addition to the 21 day extended period under Amended General Order 20-00012 and the 28 day extended period under Second Amended General Order 20-00012. *General Order* at ¶ 2. As a result, approval of this Motion may be subject to an objection period of over 8 weeks. Under the

General Order, the Court has authority to shorten the extended notice periods set forth in the General Order for good cause. *Id.* at ¶ 2(c).

22. With respect to approval of the Second Amendment, good cause exists to limit the objection period for this Motion and for the Court to consider this Motion as soon as possible for the following reasons: (a) the terms of the Second Amendment are reasonable under the circumstances; (b) the uncertainty in the real estate market generally; (c) the paramount importance of quickly closing this sale to the receivership and its investors in this uncertain post-COVID-19 world; and (d) with respect to the revised sale terms, as set forth below, Mr. Mueller (who indicated objection to the original sale) and the SEC do not object to the Motion. As result, basis exists for immediate entry of the Proposed Order. In the alternative, the Receiver seeks shortening of the objection period to seven (7) days or less.

23. With respect to the Loan Payoff, the requested relief is stipulated between the relevant parties and the SEC has indicated no objection (as set forth below).

24. With respect to the Fee Application, all businesses are facing business challenges brought on by the COVID-19 pandemic. The Receiver's law firm and professionals are no different. Absent relief from the Amended Order, the objection period for the Fee Application would run, June 15, 2020 (over 5 months from which the relevant services were rendered and costs incurred). Cause exists to approve the Fee Application because it has been pending for almost two months, the SEC reviewed and approved the fees requested in the Fee Application (*Fee Application* at ¶ 43), no objection has been filed thereto, and the Receivership Estate has cash on hand to pay the requested fees and costs.

NO OBJECTION BY THE SEC

25. Counsel for the SEC has indicated that the SEC does not object to the relief

requested herein.

NO OBJECTION BY MR. MUELLER

26. Counsel for the Mr. Mueller has indicated that the Mr. Mueller does not object to the relief requested herein.

WHEREFORE, the Receiver respectfully requests that the Court (a) grant this Motion and (b) enter the Proposed Order.

Dated: May 11, 2020

N. Neville Reid, Receiver

By: /s/ Ryan T. Schultz

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EXHIBIT 1

[Amendment]

(see attached)

**SECOND AMENDMENT TO AGREEMENT OF PURCHASE AND SALE
(BARLETT LAKES APARTMENTS)**

THIS SECOND AMENDMENT TO AGREEMENT OF PURCHASE AND SALE (this "Amendment") is executed as of May 11, 2020, by and between N. Neville Reid, not individually but solely as Receiver ("Receiver"), appointed on September 12, 2019 by the United States District Court for the Northern District of Illinois in Case No. 19-cv-5957, and Monument Capital Management IV, LLC, a Florida limited liability company ("Purchaser"). Purchaser and Receiver are sometimes each referred to as a "Party" and collectively referred to as the "Parties."

RECITALS:

- A. The Parties have previously entered into that certain Agreement of Purchase and Sale dated January 27, 2020, as amended by that certain First Amendment to Agreement of Purchase and Sale dated March 20, 2020 (together, as it heretofore has or hereafter may be amended from time to time, including pursuant to the First Amendment thereto and this Amendment, the "Purchase Agreement") pursuant to which Receiver shall, pursuant to and subject to the terms thereof, cause the Property to be sold to Purchaser.
- B. On March 31, 2020, Receiver obtained the Sale Order described in Section 12 of the Purchase Agreement.
- C. In light of the current COVID-19 situation, Purchaser has requested an adjustment to the Purchase Price, and Receiver is willing to agree to the same, subject to the terms and conditions set forth in this Amendment.
- D. The Parties have agreed to amend certain provisions of the Purchase Agreement pursuant to the terms and conditions herein provided in this Amendment.

NOW, THEREFORE, in consideration of the foregoing recitals, and other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged and agreed, the Parties hereby agree as follows:

- 1. Definitions. All capitalized terms used herein and not otherwise defined in this Amendment shall assume the meanings ascribed to them in the Purchase Agreement.
- 2. Purchase Price. The Purchase Price is adjusted to the amount of Seventeen Million Eight Hundred Thousand and no/100 Dollars (\$17,800,000.00).
- 3. Earnest Money. Purchaser shall, within two (2) business days after the full execution and delivery of this Amendment, deposit with the Escrow Company, as escrow agent, the amount of Two Hundred Fifty Thousand and no/100 Dollars (\$250,000.00) (the "Second Additional Earnest Money Deposit"), which Second Additional Earnest Money Deposit shall be in the form of a wire transfer of immediately available United States of America funds. The Second Additional Earnest Money Deposit, together with the Earnest Money previously deposited by Purchaser with the Escrow Company in the amount of Four Hundred Thousand and no/100 Dollars (\$400,000.00), shall constitute the Earnest Money under the Purchase Agreement which,

following Purchaser's deposit of the Second Additional Earnest Money Deposit and for all purposes under the Purchase Agreement, is the sum of Six Hundred Fifty Thousand and no/100 Dollars (\$650,000.00).

4. Closing Date. The Closing Date is amended to be the date which is the later of (i) June 15, 2020, or (ii) five (5) business days after the date Receiver obtains the Final Amended Order described in Section 5 of this Amendment, or sooner by mutual agreement of the Parties. Purchaser hereby waives its options to extend the Closing Date pursuant to Section 4.5 of the Purchase Agreement.

5. Court Approval Contingency. In light of the adjustment to the Purchase Price set forth herein, Receiver is required, under the Receivership Order, to obtain the further approval of the Court to the adjusted Purchase Price described herein and the other terms and conditions of this Amendment. Accordingly, Receiver and Purchaser agree that the Purchase Agreement, as modified by this Amendment, and the obligations of Receiver and Purchaser to consummate the transaction described in the Purchase Agreement, are expressly subject to and conditioned upon approval of the Court in the SEC Proceedings to all of the terms and conditions set forth in this Amendment (such condition being referred to as the "Further Court Approval Contingency"). Within five (5) business days following the full execution and delivery of this Amendment, Receiver will file a motion seeking approval of this Amendment and the conveyance of the Property by Receiver to Purchaser as set forth in the Purchase Agreement, as amended by this Amendment (the "Amended Sale Motion"). The Amended Sale Motion shall seek entry of an order (the "Amended Sale Order") reasonably acceptable to the Parties and the Title Company authorizing the conveyance of the Property by Receiver to Purchaser as set forth in the Purchase Agreement, as amended by this Amendment. Upon the Amended Sale Order becoming final and non-appealable, including by virtue of expiration of the 30-day appeal period applicable thereto under the Federal Rules of Appellate Procedure, it shall be a "Final Amended Order". If the Amended Sale Motion is denied by the Court or the Receiver is otherwise unable to obtain the Final Amended Order, then such denial or inability shall not be deemed to be a default by Receiver under the Purchase Agreement, but rather the failure of a condition precedent, and in such event, either Purchaser or Receiver shall have the right to terminate the Purchase Agreement at any time thereafter by delivering written notice of said termination to the other Party. Further, if Receiver is unable to obtain the Final Amended Order by July 10, 2020, Purchaser shall have the right to terminate the Purchase Agreement at any time thereafter by delivering written notice of said termination to Receiver (it being understood that Receiver's inability to obtain the Final Amended Order by July 10, 2020 shall not be deemed to be a default by Receiver under the Purchase Agreement, but rather the failure of a condition precedent). Upon any termination pursuant to this Section 5, the Earnest Money will be returned to Purchaser and, except for the Surviving Obligations, neither Receiver nor Purchaser shall have any further rights or liability occurring hereunder after said termination.

6. Entire Agreement; Conflict. Except as otherwise amended by the terms of this Amendment, the Purchase Agreement shall continue to be in full force and effect as originally written. In the event of conflict between the terms and conditions of this Amendment and the terms and conditions of the Purchase Agreement, this Amendment shall control and govern in all respects.

7. Multiple Counterparts. This Amendment may be executed in multiple counterparts and by facsimile or e-mail (e.g., pdf), each of which shall be deemed to be an original, and together which shall constitute one and the same instrument.

[Rest of page blank; signature page follows.]

IN WITNESS WHEREOF, the Parties have executed or caused this Amendment to be executed and delivered as of the day and year first above written.

PURCHASER:

Monument Capital Management IV, LLC,
a Florida limited liability company

By: 
Name: Roman Cetona
Its: Manager

RECEIVER:

N. Neville Reid, not individually but solely as
Receiver appointed on September 12, 2019 by
the United States District Court for the Northern
District of Illinois in Case No. 19-cv-5957

IN WITNESS WHEREOF, the Parties have executed or caused this Amendment to be executed and delivered as of the day and year first above written.

PURCHASER:

Monument Capital Management IV, LLC,
a Florida limited liability company

By: _____
Name: _____
Its: _____

RECEIVER:

A handwritten signature in black ink, appearing to read "N. Neville Reid", is written over a horizontal line.

N. Neville Reid, not individually but solely as
Receiver appointed on September 12, 2019 by
the United States District Court for the Northern
District of Illinois in Case No. 19-cv-5957

EXHIBIT 2

[Proposed Sale Order]

(see attached)

UNITED STATES DISTRICT COURT
NORTHERN DISTRICT OF ILLINOIS
EASTERN DIVISION

UNITED STATES SECURITIES AND
EXCHANGE COMMISSION,

Plaintiff,

v.

NORTHRIDGE HOLDINGS, LTD., ET
AL.,

Defendants.

Case No. 19-cv-05957

Hon. John Z. Lee

**ORDER (1) APPROVING AMENDMENT TO AGREEMENT OF PURCHASE AND
SALE (BARTLETT LAKE PROPERTY) AND (2) REGARDING PAYOFF OF
MORTGAGE LOAN UPON CLOSING OF SALE OF BARTLETT LAKE PROPERTY**

This matter coming before the Court on the RECEIVER’S EMERGENCY MOTION FOR (1) APPROVAL OF AMENDMENT TO PURCHASE AND SALE AGREEMENT (BARTLETT LAKE PROPERTY); (2) APPROVING AGREEMENT AS TO DISTRIBUTION OF PROCEEDS OF SALE; AND (3) PARTIAL RELIEF FROM AMENDED GENERAL ORDER 20-0012 IN RE: CORONAVIRUS COVID-19 PUBLIC EMERGENCY (the “Motion”),¹ the Court having reviewed the Motion and found the Motion and proposed order and notice of same to be sufficient under the circumstances;

IT IS HEREBY ORDERED THAT:

1. The Motion is granted;
2. The Second Amendment is approved;
3. Cause exists to modify the notice periods set forth in the General Order and no additional notice of the Motion is required;

¹ Capitalized terms not specifically defined herein shall have the meanings ascribed in the Motion.

4. To the extent not specifically amended or modified herein, this Court's Sale Order [Dkt. 131] otherwise remains in full force and effect and, as a result, the Receiver may convey title to 561-564 Deere Park Circle, Bartlett, Illinois (the "Bartlett Lake Property") as set forth in such order and pursuant to the PSA as amended by the Second Amendment.

5. At the closing (the "Closing" and the date of Closing, the "Closing Date") of the sale of the Bartlett Lake Property, Receiver is authorized and directed to pay all amounts due under the loan documents to Federal National Mortgage Association ("Fannie Mae") regarding the Bartlett Lake Property, including but not limited to principal, interest, default interest, advances, attorneys' fees, and all other indebtedness and amounts due under the Loan documents (collectively, the "Payoff Amount"), in accordance with wire transfer or other payment instructions to be provided by Fannie Mae.

6. Receiver shall request a payoff statement from Fannie Mae at least fifteen (15) business days prior to the Closing Date and Fannie Mae shall provide to the Receiver a payoff statement (the "Payoff Statement") setting forth the Payoff Amount and the components that comprise the same (e.g., the amount of principal, interest, fees and costs, etc.). Fannie Mae shall provide the Receiver with the Payoff Statement at least five (5) business days prior to the Closing Date.

7. If the Receiver objects to any of the amounts set forth in the draft Payoff Statement, he shall raise any such objection(s) with Fannie Mae and the parties shall work in good faith to resolve any such objection(s). If any objection(s) cannot be resolved consensually, the Receiver may seek relief from this Order to the extent of the unresolved objection(s).

8. Absent a subsequent order granting such relief from this Order, the Receiver shall pay Fannie Mae the amount set forth on the Payoff Statement in full at closing of the sale of the

Bartlett Lake Property.

9. Fannie Mae shall provide wire transfer or other payment instructions to the Receiver at least two days prior to the Closing Date.

10. With respect to amounts held in escrow by Fannie Mae in connection with the Loan, Fannie Mae shall provide an accounting of such amounts prior to the Closing Date and either (a) credit such amounts at closing against the outstanding balance of the Loan; or (b) pay such amounts to the Receiver within fifteen (15) business days after the Closing Date.

11. To the extent Closing does not occur, the Loan Documents shall continue to control the Parties' obligations toward each other and the receivership estate herein shall have no obligation to pay off the Loan in full unless and until such obligation subsequently accrues under the terms of the Loan Documents.

12. Receiver's Combined Second Interim Fee Application and Motion for Approval of Payment of Fees and Expenses of Motion for Court Approval of Payment of Fees and Expenses of Receiver's Non-Attorney Professionals. [Dkt. 118] (the "Fee Application") is granted and the Receiver is authorized to immediately make the payments requested in the Fee Application.

DATED:

United States District Court Judge

SEC v. Northridge Holdings, Ltd., et al.
Case No. 19-cv-05957

SERVICE LIST

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