

**UNITED STATES DISTRICT COURT
NORTHERN DISTRICT OF ILLINOIS
EASTERN DIVISION**

**UNITED STATES SECURITIES
AND EXCHANGE COMMISSION,**

Plaintiff,

v.

**NORTHRIDGE HOLDINGS, LTD.,
SOUTHRIDGE HOLDINGS, LTD.,
EASTRIDGE HOLDINGS, LTD.,
BROOKSTONE INVESTMENT GROUP, LTD.,
GUARDIAN INVESTMENT GROUP, LTD.,
UNITY INVESTMENT GROUP, LTD.,
AMBERWOOD HOLDINGS L.P., and
GLENN C. MUELLER.**

Defendants.

Civil Action No. 19-cv-5957

**ORDER OF PRELIMINARY INJUNCTION
AND OTHER EMERGENCY RELIEF UPON CONSENT**

WHEREAS, this matter has come before this Court upon the emergency motion of plaintiff U.S. Securities and Exchange Commission (“SEC”) for a temporary restraining order, the appointment of a receiver, and other ancillary relief (Docket No. 3) against Defendants Northridge Holdings, Ltd. (“Northridge”), Southridge Holdings, Ltd. (“Southridge”), Eastridge Holdings, Ltd. (“Eastridge”), Brookstone Investment Group, Ltd. (“Brookstone”), Guardian Investment Group, Ltd. (“Guardian”), Unity Investment Group, Ltd. (“Unity”), Amberwood Holdings L.P. (“Amberwood”), and Glenn C. Mueller (“Mueller”) (collectively, “Defendants”); and,

WHEREAS, Defendants have waived service upon them of the Complaint, pursuant to Rule 4(d) of the Federal Rules of Civil Procedure, and admit the jurisdiction of this Court over them and over the subject matter of this action;

WHEREAS, Defendants have consented to the immediate entry of this Order, upon the terms set forth herein, without admitting the allegations set forth in the SEC's Complaint and motion papers, except as to jurisdiction as noted herein;

WHEREAS, Defendants acknowledge that no promises of immunity, threats, or assurances have been made by the SEC or by its members, officers, agents, or representatives to induce them to consent to the entry of this Order;

WHEREAS, Defendants agree that they will not oppose the enforcement of this Order on the ground, if any exists, that it fails to comply with Rule 65 of the Federal Rules of Civil Procedure, and hereby waive any objections based thereon;

WHEREAS, the Court finds that the relief set forth in the Order is necessary and appropriate for the benefit of investors who may have been injured as a result of the conduct alleged in this lawsuit;

WHEREAS, the Court is authorized to grant the relief set forth in the Order pursuant to the Federal Rules of Civil Procedure, its general equitable authority, and also pursuant to Section 20(b) of the Securities Act of 1933 ("Securities Act") [15 U.S.C. § 77t(b)] and Section 21(d) of the Securities Exchange Act of 1934 ("Exchange Act") [15 U.S.C. § 78u(d)].

IT IS THEREFORE ORDERED:

I. ORDER ENJOINING DEFENDANTS FROM VIOLATING REGISTRATION PROVISIONS OF THE SECURITIES ACT OF 1933

IT IS HEREBY ORDERED, ADJUDGED, AND DECREED that Defendants are preliminarily enjoined from violating Section 5 of the Securities Act [15 U.S.C. § 77e] by, directly or indirectly, in the absence of any applicable exemption:

- (a) Unless a registration statement is in effect as to a security, making use of any means or instruments of transportation or communication in interstate commerce or of the mails to sell such security through the use or medium of any prospectus or otherwise;
- (b) Unless a registration statement is in effect as to a security, carrying or causing to be carried through the mails or in interstate commerce, by any means or instruments of transportation, any such security for the purpose of sale or for delivery after sale; or
- (c) Making use of any means or instruments of transportation or communication in interstate commerce or of the mails to offer to sell or offer to buy through the use or medium of any prospectus or otherwise any security, unless a registration statement has been filed with the Commission as to such security, or while the registration statement is the subject of a refusal order or stop order or (prior to the effective date of the registration statement) any public proceeding or examination under Section 8 of the Securities Act [15 U.S.C. § 77h].

IT IS FURTHER ORDERED, ADJUDGED, AND DECREED that, as provided in Federal Rule of Civil Procedure 65(d)(2), the foregoing paragraph also binds the following who receive actual notice of this Order by personal service or otherwise including facsimile transmission, mail, overnight delivery service, or electronic mail: (a) Defendants' officers,

agents, servants, employees, and attorneys; and (b) other persons in active concert or participation with Defendants or with anyone described in (a).

II. ORDER ENJOINING DEFENDANTS FROM VIOLATING SECTION 17 OF THE SECURITIES ACT OF 1933

IT IS HEREBY FURTHER ORDERED, ADJUDGED, AND DECREED that Defendants are preliminarily restrained and enjoined from violating Section 17(a) of the Securities Act [15 U.S.C. § 77q(a)] in the offer or sale of any security by the use of any means or instruments of transportation or communication in interstate commerce or by use of the mails, directly or indirectly:

- (a) to employ any device, scheme, or artifice to defraud;
- (b) to obtain money or property by means of any untrue statement of a material fact or any omission of a material fact necessary in order to make the statements made, in light of the circumstances under which they were made, not misleading; or
- (c) to engage in any transaction, practice, or course of business which operates or would operate as a fraud or deceit upon the purchaser.

IT IS FURTHER ORDERED, ADJUDGED, AND DECREED that, as provided in Federal Rule of Civil Procedure 65(d)(2), the foregoing paragraph also binds the following who receive actual notice of this Order by personal service or otherwise including facsimile transmission, mail, overnight delivery service, or electronic mail: (a) Defendants' officers, agents, servants, employees, and attorneys; and (b) other persons in active concert or participation with Defendants or with anyone described in (a).

**III. ORDER ENJOINING VIOLATIONS OF SECTION 10(b) AND RULE 10b-5
OF THE SECURITIES EXCHANGE ACT OF 1934**

IT IS HEREBY FURTHER ORDERED, ADJUDGED, AND DECREED that Defendants are preliminarily restrained and enjoined from violating, directly or indirectly, Section 10(b) of the Exchange Act [15 U.S.C. § 78j(b)] and Rule 10b-5 promulgated thereunder [17 C.F.R. § 240.10b-5], by using any means or instrumentality of interstate commerce, or of the mails, or of any facility of any national securities exchange, in connection with the purchase or sale of any security:

- (a) to employ any device, scheme, or artifice to defraud;
- (b) to make any untrue statement of a material fact or to omit to state a material fact necessary in order to make the statements made, in light of the circumstances under which they were made, not misleading; or
- (c) to engage in any act, practice, or course of business which operates or would operate as a fraud or deceit upon any person.

IT IS FURTHER ORDERED, ADJUDGED, AND DECREED that, as provided in Federal Rule of Civil Procedure 65(d)(2), the foregoing paragraph also binds the following who receive actual notice of this Order by personal service or otherwise including facsimile transmission, mail, overnight delivery service, or electronic mail: (a) Defendants' officers, agents, servants, employees, and attorneys; and (b) other persons in active concert or participation with Defendants or with anyone described in (a).

IV. PROHIBITION AGAINST RAISING INVESTOR FUNDS

Pending a final disposition of this action, each of the Defendants, their agents, servants, employees, attorneys, and those persons in active concert or participation with them who receive actual notice of this Order, by personal service or otherwise, including facsimile transmission, mail, overnight delivery service, or electronic mail, are enjoined from, directly or indirectly, soliciting any new investors or accepting additional funds from existing investors.

V. ASSET FREEZE

A. Pending a final disposition of this action or further order from the Court, and subject to an allowance for necessary and reasonable living expenses to be granted only upon good cause shown by application to the Court with notice to and an opportunity for the SEC to be heard, Defendant Mueller and his financial and brokerage institutions, officers, agents, servants, employees, and attorneys, and those persons in active concert or participation with them who receive actual notice of such Order by personal service, facsimile service, telephonic notice, email, or otherwise, and each of them, shall hold and retain within their control, and otherwise prevent, any withdrawal, transfer, pledge, encumbrance, assignment, dissipation, concealment, or other disposal (including money, real or personal property, securities, commodities, choses in action or other property of any kind whatsoever) of, held by, or under the direct or indirect control of Defendant Mueller, whether held in any of their names or for any of their direct or indirect beneficial interest wherever situated, in whatever form such assets may presently exist and wherever located within the territorial jurisdiction of the United States courts, and directing each of the financial or brokerage institutions, debtors and bailees, or any other person or entity holding such assets, funds or other property of Defendant Mueller to hold or retain within his control and prohibit the withdrawal, removal, transfer or other disposal of any such assets, funds or other properties, including, but not limited to, the following accounts:

Account Title	Institution Name	Account Number
Glenn & Cornelia Mueller	Parkway Bank & Trust Co.	***5678
Glenn & Cornelia Mueller	Parkway Bank & Trust Co.	*****3272
Glenn & Cornelia Mueller	First American Bank	*****2410
Glenn Mueller Roth IRA	TD Ameritrade	*****1051
Glenn Mueller Roth IRA	TD Ameritrade	*****7470
720 Persimmon Drive, West Chicago, IL 60185	N/A	N/A

B. The parties agree that the Court may decide the issue of whether certain funds or proceeds from the deposit of \$145,000 into Defendant Mueller's account (ending 2410) at First American Bank on June 11, 2019 shall be exempt from the above paragraph of this Order. The parties will submit their positions on this issue to the Court by September 18, 2019, each brief not to exceed five (5) pages, or as otherwise directed by the Court.

C. Defendant Mueller is granted leave to establish a single account, solely in his name, at a bank with a branch located in the State of Illinois, and that is chartered in the United States and regulated by either the U.S. Federal Deposit Insurance Corporation, the U.S. Federal Reserve Board, or the U.S. Office of the Comptroller of the Currency (the "Account"). The purpose of the Account shall be to deposit, withdraw or transfer funds lawfully earned or received after the entry of this Order, and derived from activities or sources unrelated to the allegations contained in the Complaint in this matter. Defendant Mueller (a) shall immediately provide the Commission documentation and information relating to the opening of the Account; (b) shall provide the Commission with monthly account statements provided by the bank; (c) shall permit the bank to produce to the Commission records relating to the Account; (d) shall notify the Commission immediately if the Account is closed, together with closing documentation; and (e) shall not provide any other entity or individual with control, direct or indirect beneficial interest, discretionary authority or power of attorney over the Account.

VI. ACCOUNTING

Defendant Mueller shall serve upon the SEC's counsel, within fifteen (15) calendar days of the date of this Order, or within such extension of time as the SEC staff agrees to in writing or is otherwise granted by the Court, a verified written accounting, signed under penalty of perjury, providing the following information:

1. A list of all accounts at all banks, brokerage firms or financial institutions (including the name of the financial institution and name and last four digits of the account number), tax identification numbers, telephone or facsimile transmission numbers (including numbers of pagers and mobile telephones), electronic mail addresses, World Wide Web sites or Universal Records Locators, Internet bulletin board sites, online interactive conversational spaces or chat rooms, Internet or electronic mail service providers, street addresses, postal box numbers, safety deposit boxes, and storage facilities used or maintained by Defendant, or under his direct or indirect control, at any time from January 1, 2014 to the present.
2. All assets, liabilities and property currently held directly or indirectly by or for the benefit of Defendant, including, but not limited to, bank accounts, brokerage accounts, investments, business interests, loans, lines of credit, and real and personal property wherever situated, describing each asset and liability, its current location and amount;
3. All money, property, assets, and other income received by Defendant, or for the direct or indirect benefit of one or more of them, in or at any time from January 1, 2014, to the date of the accounting, describing the source, amount, disposition, and current location of each of the items listed;

4. All assets, funds, securities, and real or personal property of Defendant transferred to or for the benefit of any other person or entity from May 9, 2014, to the date of the accounting, including a description of each transferred asset, the name of the recipient, and the date of the transfer; and
5. The names and last known addresses of all bailees, debtors, and other persons and entities that are currently holding the assets, funds, or property of any one or more of Defendant.

VII. ORDER PROHIBITING DESTRUCTION OF RECORDS

A. Until further order of this Court, Defendants and each of their officers, agents, servants, employees, attorneys, depositories, banks, and those persons in active concert or participation with any of them, are enjoined from, directly or indirectly, destroying, mutilating, concealing, altering, disposing of, or otherwise rendering illegible in any manner, any of the books, records, documents, correspondence, ledgers, accounts, financial transactions, statements, electronic files, computers, or any other property or data of any kind, and wherever located or stored: (1) pertaining in any way to any matter described in the complaint, or any amendment thereto, filed by the Commission in this action; (2) pertaining in any way to investments in Northridge, Southridge, Eastridge, Brookstone, Guardian, Unity, Amberwood, or any other investment offered for sale by Defendants (these documents and data are collectively referred to here as “Evidence”).

B. Such Evidence include both “hard copy” versions and electronically-stored information in Defendants’ possession, custody or control, including text files, data compilations, word processing documents, spreadsheets, e-mail, voicemail, data bases, calendars and scheduling information, log, file fragments and backup files, letters, instant messages, memoranda, notes, drawings, designs, correspondence or communication of any kind. Evidence

that is stored electronically may be maintained on shared network files, computer hard drives, servers, DVDs, CD-ROMs, flash drives, thumb drives, laptops, digital recorders, netbooks, PDA, or other handheld/ smartphone devices.

C. The obligations set forth in Section VII herein include an obligation to provide notice to all Defendants' employees, custodians, agents, or contractors who may be in possession of Evidence. This duty also extends to the preservation and retention of Evidence in the possession or custody of third-parties, such as an internet service provider or a cloud computing provider, if such Evidence is within Defendants' control.

D. Defendants are ordered to act affirmatively to prevent the destruction of Evidence. This duty may necessitate: (1) quarantining certain Evidence to avoid its destruction or alteration; or (2) discontinuing the recycling of backup tapes or other storage media, and the deletion of emails, "trash," "recycling," "drafts," "sent," or "archived" folders.

E. Defendants are directed not to run or install any drive cleaning, wiping, encrypting, or defragmenting software on hard disks of computers that may contain Evidence.

VIII. OTHER RELIEF

A. Notice of this Order, or any other Orders of the Court or Notices required to be issued by Plaintiff, may be accomplished by delivery of a copy of the Order or Notice by first class mail, overnight delivery, international express mail, facsimile, electronic mail, or personally, by agents or employees of Plaintiff, (i) upon the Defendants or their attorneys; and (ii) upon any bank, saving and loan institution, credit union, financial institution, transfer agent, broker-dealer, investment company, title company, commodity trading company, storage company, or any other person, partnership, corporation, or legal entity that may be subject to any provision of this Order.

B. This Court shall retain jurisdiction of this matter for all purposes.

C. Pursuant to Federal Rule of Civil Procedure 65(c), no security is required of the

SEC.

D. This Order shall be operative until further order of this Court.

IX. PRESERVATION OF RIGHTS AND PRIVILEGES

Nothing in this Order shall be construed to require that Defendants abandon or waive any constitutional or other legal privilege which they may have available to them including any Fifth Amendment privilege against self-incrimination. In turn, nothing in this Order shall prevent the SEC from opposing or challenging any assertion by a Defendant of any Fifth Amendment privilege against self-incrimination, or any other constitutional or other legal privilege.

SO ORDERED 12th day of September, 2019

A handwritten signature in black ink, appearing to read "John Z. Lee", written over a horizontal line.

John Z. Lee
UNITED STATES DISTRICT JUDGE

Entered: 9/12/19