

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

**UNITED STATES SECURITIES
AND EXCHANGE COMMISSION,**

Plaintiff,

V.

NORTHRIDGE HOLDINGS, LTD., ET AL.,

Defendants.

Civil Action No. 19-cv-5957

Hon. John Z. Lee

Magistrate Judge Susan E. Cox

RECEIVER'S MOTION FOR AUTHORITY TO ENTER INTO CONSENT ORDER

N. Neville Reid, not individually, but solely as the court-appointed receiver (the “Receiver”) for the Estate of Defendant Northridge Holdings, Ltd. and the related entities and affiliates as set forth in more particularity in the Receivership Order (as defined herein) (collectively, the “Receivership Defendants”), and pursuant to the powers vested in him by the *Order Appointing Receiver* entered by the Court on September 12, 2019 [Dkt. No. 22] (the “Receivership Order”), respectfully submits this Motion for authority to enter into a consent order resolving the matter pending before the Superior Court of New Jersey, Chancery Division (the “NJ Court”) as Case No. C-54-19 (the “NJ Proceeding”). In support of the Motion, the Receiver states as follows:

INTRODUCTION

1. On June 10, 2019, prior to this receivership, Gurbir S. Grewal, Attorney General of New Jersey, on behalf of Christopher W. Gerold (the “Bureau Chief”), Chief of the New Jersey Bureau of Securities (the “Bureau”) filed a complaint alleging violations of the New Jersey Uniform Securities Law, N.J.S.A. 49:3-47 through 89 by certain of the Receivership

Defendants (the “NJ Defendants”) and defendant Glenn Mueller. The NJ Proceeding remains pending before the New Jersey Court. On the same day, the Bureau Chief issued a Summary Cease and Desist Order, which was served on the relevant defendants (the “Cease and Desist Order”). A copy of the Cease and Desist Order is attached hereto as **Exhibit A**. The Cease and Desist Order was not contested or responded to and, among other things, enjoins the NJ Defendants and Mr. Mueller from offering for sale any security in New Jersey and otherwise violating New Jersey’s security laws.

2. In light of the instant proceeding, on September 25, 2019, the NJ Court entered a Consent Order Staying Proceeding, which stayed the NJ Proceeding pending the outcome of this action or until further order of this Court.

3. The Bureau, through counsel, and the NJ Defendants, through the Receiver, have agreed to resolve the NJ Proceeding on the terms set forth in this consent order (“Consent Order”). A copy of the Consent Order is attached hereto as **Exhibit B**.

4. This Motion seeks authority from this Court for the Receiver to enter into the Consent Order which will fully resolve the NJ Proceeding.¹

AUTHORITY

5. Pursuant to the Securities Act of 1933 and the Securities Exchange Act of 1934, the Securities and Exchange Commission (the “SEC”) sought and obtained the appointment of a Receiver. Under the Receivership Order, the Receiver has authority in equity, as well as under 28 U.S.C. §§ 754, 959, and 1692, and Fed. R. Civ. P. 66, and was given broad powers to investigate and safeguard the assets of the Receivership Defendants. The Receivership Order provides, among other things, that the assets and property of Receivership Assets are to be

¹ Mr. Mueller is entering into a separate Consent Order, which essentially makes the injunctive relief contained in the Cease and Desist Order permanent.

placed in the Receiver's control; that the Receiver is to manage, control, and operate the Receivership Estate; that the Receiver is to take such action as necessary and appropriate to prevent the dissipation of Receivership Assets; that the Receiver is authorized to take all necessary and reasonable actions to cause the sale of real property the Receiver deems most beneficial to the Receivership Estate, and with due regard to the realization of the true and proper value of such real property; and that the Receiver is authorized to investigate, prosecute, institute, defend, compromise, and/or adjust any legal actions. (Receivership Order, ¶¶ 8B, 8D, 8L, 19, 38-39, 43.) The Consent Order is in accordance with, and in furtherance of, such duties and obligations, and the Receiver files this Motion in connection therewith.

THE PROPOSED SETTLEMENT AGREEMENT

6. The proposed Consent Order provides in pertinent part:
- The NJ Defendants are enjoined from (a) the issuance, sale, offer for sale, purchase, offer to purchase, promotion, negotiation, advertisement, or distribution from or within New Jersey of any securities; (b) engaging in the conduct described in the Complaint, and violating the Uniform Securities Law; and (c) engaging in the securities business in New Jersey in any capacity including, but not limited to, as an agent as defined in N.J.S.A. 49:3-56(b), a broker-dealer as defined N.J.S.A. 49:3-56(c), an investment adviser as defined in N.J.S.A. 49:3-49(g), and an investment adviser representative as defined in N.J.S.A. 49:3-49(s). This injunction does not limit the Receiver's authority in this proceeding, including any proposal the Receiver may make to issue any interests or securities to investors as part of any distribution plan approved by the court. .
 - Investors residing or otherwise located in New Jersey ("New Jersey Investors") are to receive restitution pursuant to any plan of distribution approved by this Court in the same manner as all other investors, subject to any applicable rules under federal receivership law generally that would require any different treatment of a New Jersey Investor claim or right to a distribution relative to other investors or creditors herein.
 - The Bureau may file an appearance in this matter and the Receiver shall not contest the Bureau's standing to protect the interests of the New Jersey Investors.

See Ex. B.

BEST INTERESTS OF THE RECEIVERSHIP

7. The Receiver respectfully submits that the Court should authorize the Receiver to enter into the Consent Order because it is in the best interest of the Receivership Estate. The process of reaching the proposed Consent Order was fair, well-informed, and well-advised by the Receiver's professionals.

8. The ultimate inquiry in assessing a proposed receivership settlement is whether the proposed "settlement is fair, adequate, and reasonable." *Sterling v. Stewart*, 158 F. 3d 1199, 1203 (11th Cir. 1998) (quoting *Cotton v. Hinton*, 559 F.2d 1326, 1330 (5th Cir. 1977); see *In re Consol. Pinnacle West Sec. Litig./Resolution Trust Corp.-Merabank Litig.*, 51 F. 3d 194, 196-97 (9th Cir. 1995) ("We see no reason to upset the court's conclusion that the settlement process and result were fair."). Determining the fairness of [a] settlement is left to the sound discretion of the trial court." *Sterling*, 158 F. 3d at 1202. In determining fairness, the Court should examine the following broad array of factors: (1) the likelihood of success on the merits; (2) the range of possible discovery; (3) the point on or below the range of discovery at which settlement is fair, adequate and reasonable; (4) the complexity, expense and duration of litigation; (5) the substance and amount of opposition to the settlement; and (6) the stage of proceedings at which the settlement was achieved. *Sterling*, 158 F. 3d at 1203 n. 6; see also *SEC v. Princeton Economic Int'l*, Case No. 99 CIV 9667(RO), 2002 WL 206990, *1 (S.D.N.Y. 2002) (receivership court should consider "various factors including, inter alia: (1) the probable validity of the claim; (2) the apparent difficulties attending its enforcement through the courts; (3) the collectability of the judgment thereafter; (4) the delay and expenses of the litigation to be incurred; and (5) the amount involved in the compromise").

9. For example, the district court in *Gordon v. Dadante* “analyze[d] the settlement as a whole, under the totality of the circumstances.” No. 1:05CV2726, 2008 WL 1805787, at *10 (N.D. Ohio Apr. 18, 2008). The Sixth Circuit affirmed, finding that the district court had fulfilled its responsibilities by engaging in an “independent analysis of the settlement,” as “the district court had extensive knowledge of the claims involved in the case, the valuation of those claims, and the nature of the settlement,” and thus “had more than sufficient information to assess the fairness of the settlement proposed.” *Gordon v. Dadante*, 336 F. App’x 540, 546-48 (6th Cir. 2009). As the district court noted in a later approval proceeding, the courts must recognize that plans relating to settlement of a receivership are inherently imperfect, “because no proposal can be [perfect],” and the “task at hand, however, is to do justice to the extent possible.” *Gordon v. Dadante*, No. 1:05-CV-2726, 2010 WL 148131, at *3 (N.D. Ohio Jan. 11, 2010).

10. Here, the Receiver respectfully submits that the Consent Order is a fair, adequate, and reasonable resolution of the NJ Proceeding. The proposed Consent Order provides that unless part of a Court-approved process, the Receiver will not issue any securities in New Jersey or violate any securities laws in New Jersey. The Receiver has no intention of doing either, and the Consent Order is clear that it does not limit the Receiver in fulfilling his duties in this action. Additionally, the proposed Consent Order contemplates that the Bureau will monitor this case and seek to protect the interests of the NJ Investors and their right to be treated in the same manner as all other investors/creditors. The Receiver believes that not contesting the standing of the Bureau to protect the NJ Investors will not impact the Receiver’s efforts and will allow the Bureau to fulfill their mission. In short, resolving the NJ Proceeding and not spending any additional resources with respect to the same is well worth the limited relief granted to the

Bureau in the Consent Order.²

NO OBJECTION BY THE SEC

11. The SEC has indicated that it does not object to the relief requested herein.

WHEREFORE, the Receiver respectfully requests that the Court grant this Motion and (a) authorize the Receiver to enter into the Consent Order; and (b) grant all other or further relief as is just and proper.

Dated: May 29, 2020

N. Neville Reid, Receiver

By: /s/ Ryan T. Schultz

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² The NJ Court stated that if the parties did not resolve this matter, it would hold a trial on June 25, 2020 (seemingly to incentivize quick resolution of the matter). While the Receiver believes that he could successfully seek a stay of such litigation in this Court, it is better to simply resolve the NJ Proceeding in its entirety and moot this issue.

EXHIBIT A

[Cease and Desist Order]

(see attached)

STATE OF NEW JERSEY
BUREAU OF SECURITIES
P.O. Box 47029
Newark, New Jersey 07101
(973) 504-3600

IN THE MATTER OF:

GLENN C. MUELLER,
individually, and as President
and Chief Executive Officer of
Northridge Holdings, Ltd.,
Eastridge Holdings, Ltd., and
Unity Investment Group I, Ltd.;
NORTHRIDGE HOLDINGS, LTD.,
a North Dakota corporation;
EASTRIDGE HOLDINGS, LTD.,
an Illinois corporation;
UNITY INVESTMENT GROUP I, LTD.,
an Illinois corporation;
SOUTHRIDGE HOLDINGS, LTD., and
an Illinois corporation;
**AMBERWOOD HOLDINGS LIMITED
PARTNERSHIP,**
an Illinois limited partnership;

Respondents.

**SUMMARY CEASE
AND DESIST ORDER**

Pursuant to the authority granted to Christopher W. Gerold, Chief of the New Jersey Bureau of Securities ("Bureau Chief"), under the Uniform Securities Law (1997), N.J.S.A. 49:3-47 to -83 ("Securities Law") and certain regulations thereunder, and based upon an investigation by the New Jersey Bureau of Securities ("Bureau"), the Bureau Chief hereby finds that there is good cause and it is in the public interest to enter this Summary Cease and Desist Order ("Order") against Glenn C. Mueller, Northridge Holdings, Ltd., Eastridge Holdings, Ltd., Southridge Holdings,

Ltd., Unity Investment Group I, Ltd., and Amberwood Holdings Limited Partnership.

From March 2011 through at least October 2018, Glenn C. Mueller ("Mueller") and Northridge Holdings, Ltd. ("Northridge"), through Mueller and other unregistered individuals ("Unregistered Agents"), illegally sold approximately \$10.46 million of unregistered securities to sixty-two investors in violation of the New Jersey Uniform Securities Law (1997), N.J.S.A. 49:3-47 to -83 ("Securities Law"). Located in Addison, Illinois, Mueller and Northridge sold more than \$47 million of unregistered securities nationally to more than 500 investors in more than thirty states.

The unregistered securities were typically one-page promissory notes ("Northridge Securities") issued by Mueller controlled entities, including Eastridge Holdings, Ltd. ("Eastridge"), Unity Investment Group I, Ltd. ("Unity"), Southridge Holdings, Ltd. ("Southridge"), and Amberwood Holdings Limited Partnership ("Amberwood") (collectively, the "Mueller Entities").

The Northridge Securities were sold to investors without the benefit of any meaningful risk disclosures, information regarding the financial solvency of the issuers, information regarding corporate structure, or most of the information that would typically be found in a private placement memorandum or prospectus.

To sell the unregistered Northridge Securities to investors, Mueller, Northridge, the Mueller Entities, and other related entities engaged and paid commissions and/or fees to Unregistered Agents. In New Jersey, at least two Unregistered Agents were paid at least \$694,977 in commissions or fees for selling approximately 132 Northridge Securities.

The Bureau Chief makes the following findings of fact and conclusions of law:

FINDINGS OF FACT

I. The Respondents

1. Respondent Mueller is an individual who, at all relevant times, resided in West Chicago, Illinois. Mueller has never been registered with the Bureau in any capacity.

2. Respondent Northridge is a North Dakota corporation formed on March 11, 1987, and headquartered in Addison, Illinois. Mueller is the President and sole shareholder of Northridge. Northridge purportedly owns and manages multi-family apartment complexes and other properties. Northridge has never been registered with the Bureau in any capacity.

3. Respondent Eastridge is an Illinois corporation formed on January 17, 2008, and headquartered in Addison, Illinois. Mueller is the President and sole shareholder of Eastridge. Eastridge has never been registered with the Bureau in any capacity.

4. Respondent Unity is an Illinois corporation formed on November 8, 2007, and headquartered in Addison, Illinois. Mueller is the President and sole shareholder of Unity. Unity has never been registered with the Bureau in any capacity.

5. Respondent Southridge is an Illinois corporation formed on October 13, 2005, and headquartered in Addison, Illinois. Mueller is the President of Southridge. Southridge has never been registered with the Bureau in any capacity.

6. Respondent Amberwood is an Illinois limited partnership formed on February 21, 1990, and headquartered in Addison, Illinois. Northridge is the general partner, and Mueller is the registered agent and one of the three limited partners, of Amberwood. Amberwood has never been registered with the Bureau in any capacity.

II. Offer and Sale of Northridge Securities

7. Beginning on or about March 2011 through at least October 2018 ("Relevant Period"), Mueller and Northridge, through Mueller, offered and sold the Northridge Securities issued by the Mueller Entities to investors.

8. Mueller and Northridge, through Mueller, contracted with at least two New Jersey-based Unregistered Agents to offer and sell the Northridge Securities in or from New Jersey.

9. Among other things, the Unregistered Agents solicited potential investors, and for certain investors, arranged for them to speak directly with Mueller about the Northridge Securities.

10. The investors invested their funds with the respective promissory note issuers – Eastridge, Unity, Southridge, or Amberwood.

11. Northridge effected or attempted to effect the sale of the Northridge Securities by, among other things:

- a. acting as the investors' contact for the Mueller Entities;
- b. soliciting investors in the Mueller Entities, through Mueller and the Unregistered Agents;
- c. establishing, maintaining, and servicing investor accounts through actions such as receiving from each investor a completed "Investor Contact Information Sheet" and "Accreditation Form" and sending welcome letters to new investors containing login credentials for investors' online accounts;
- d. sending the Northridge Securities to investors for execution;
- e. communicating and coordinating with the Unregistered Agents and investors via Northridge's "Investor Relations" department;

f. maintaining a website to market the Northridge Securities; and

g. sending periodic account statements to investors regarding their investments with Northridge.

12. From approximately April 2011 to June 2017, the Unregistered Agents were paid commissions by Amberwood for the sale and renewal of each Northridge Security sold to an investor. The commissions paid to the Unregistered Agents varied from approximately 2% to 10% of the principal amount of the Northridge Security sold, depending on the term to maturity of the promissory note, and whether it was an original sale or a renewal of an existing promissory note. Promissory notes with a longer term to maturity, or that contained a potential conversion option, paid greater commissions to the Unregistered Agent.

13. Starting in June 2017, and continuing thereafter, the Unregistered Agents' compensation structure changed to a "consulting fee" agreement, whereby the Unregistered Agents were paid monthly "consulting fees" by Amberwood for the sale and/or renewal of the Northridge Securities.

14. The Unregistered Agents entered into "Consulting Fee Agreements" with Northridge (signed by Mueller as President and CEO). The Consulting Fee Agreements referred to each Unregistered Agent as a "Consultant" and, among other things, provided that:

- a. the Unregistered Agent would be compensated if an investor was referred to Northridge and invested;
- b. the Unregistered Agent would be paid pursuant to a schedule attached to the Consulting Fee Agreement, which provided for fixed monthly payments over a four-month period; and
- c. the Consulting Fee Agreement could be extended every four months with renegotiated monthly payments.

15. Payments made to the Unregistered Agents pursuant to the schedule attached to the Consulting Fee Agreements ranged from \$400 to \$8,000 per month.

16. In total, during the Relevant Period, at least \$694,977 was paid to the two Unregistered Agents in New Jersey as commissions and/or consulting fees.

17. Mueller and the Unregistered Agents were not registered with the Bureau as agents to sell the Northridge Securities.

18. The Northridge Securities are securities as defined in N.J.S.A. 49:3-49(m).

19. The Northridge Securities were not registered with the Bureau, not federally covered, and not exempt from registration.

20. Mueller, the Mueller Entities, and Northridge, through Mueller and the Unregistered Agents, raised more than \$10.46 million from the sale of at least 132 original or renewed Northridge Securities to at least sixty-two investors to or from

New Jersey.

III. Eastridge Promissory Notes

21. Eastridge, through Northridge, both acting through Mueller, raised approximately \$4.85 million from the sale of sixty-eight Northridge Securities to thirty-three investors to or from New Jersey ("Eastridge Promissory Notes") by Mueller and the Unregistered Agents.

22. The Eastridge Promissory Notes were sold to investors with interest rates ranging from 2% to 10% per annum and maturity dates ranging from six months to eight years. Typically, the notes with longer maturity dates paid greater interest. The Eastridge Promissory Notes automatically renewed for the same duration as the original note, at the same principal as the original note plus accrued interest, at the current interest rate offered by Eastridge at the stated maturity date, unless the investor provided at least ten days' written notice to Eastridge to prevent the renewal.

23. At least three of the sixty-eight Eastridge Promissory Notes sold to investors offered a convertibility feature that stated the promissory note would remain in effect until "such time as it is invested in a real estate limited partnership." The Eastridge Promissory Notes did not provide any additional explanation as to the meaning or terms of such conversion.

IV. Unity Promissory Notes

24. Unity, through Northridge, each acting through Mueller, raised approximately \$4.94 million from the sale of sixty-two Northridge Securities to thirty-six investors to or from New Jersey ("Unity Promissory Notes"), by Mueller and the Unregistered Agents.

25. The Unity Promissory Notes were sold only to investors who were using funds from an individual retirement account to purchase securities offered by Northridge.

26. The Unity Promissory Notes were sold to investors with interest rates ranging from 3% to 6% per annum and maturity dates ranging from one year to eight years. Typically, the notes with longer maturity dates paid greater interest.

27. At least two of the sixty-two Unity Promissory Notes sold to investors offered a convertibility feature that stated the promissory note would remain in effect until invested in a "Limited Partnership, with Northridge Holdings Ltd., as General Partner." These two Unity Promissory Notes further stated: "The loan amount will be increased or reduced by the profit or loss distribution as specified in the Limited Partnership Agreement in proportion that the note is to the aggregate capital accounts of all the Limited Partners. This distribution will be reduced by the stated interest accrued to that point. This note

is subject to the terms and conditions of the subsequent Limited Partnership Agreement."

V. Southridge Promissory Note

28. Southridge, through Northridge, both acting through Mueller, raised approximately \$154,836 from one New Jersey investor through the sale of one Northridge Security ("Southridge Promissory Note"), by Mueller and the Unregistered Agent.

29. The Southridge Promissory Note was sold to an investor with an interest rate of 3% per annum and a maturity date of six months. The Southridge Promissory Note automatically renewed for the same duration as the original note, at the same principal of the original note plus accrued interest, at the current interest rate offered by Southridge at the stated maturity date, unless the investor provided at least ten days' written notice to Southridge to prevent the renewal.

VI. Amberwood Promissory Note

30. Amberwood, through Northridge, both acting through Mueller, raised at least \$40,275 from one New Jersey investor ("Amberwood Investor") through the sale of one Northridge Security ("Amberwood Promissory Note"), by Mueller and an Unregistered Agent.

31. The Amberwood Investor had originally been solicited to purchase a Unity Promissory Note, but the Amberwood Investor's

inquiries as to the risks of purchasing the Unity Promissory Note led to her being sold the Amberwood Promissory Note.

32. The Amberwood Promissory Note that was sent to the Amberwood Investor provided in relevant part that:

- a. it replaced a Unity Promissory Note for \$40,275, backdated to the original purchase date;
- b. it paid interest at a rate of 6% per annum; and
- c. it matured in five years.

33. The Amberwood Promissory Note was attached as an exhibit to a "Security Agreement."

34. The "Security Agreement" purportedly securing the payment and performance of the \$40,275 Amberwood Promissory Note, was provided to the Amberwood Investor to address the concerns about the riskiness of the investment.

35. The Amberwood Investor signed the Amberwood Promissory Note and provided the \$40,275 investment. However, the Amberwood Investor requested that the investment not be processed. Northridge and Amberwood agreed to void the investment and returned the investment funds to the investor.

36. The Northridge Securities were sold by: (a) Eastridge through Northridge, each acting through Mueller, Mueller individually, and the Unregistered Agents; (b) Southridge, through Northridge, each acting through Mueller, Mueller individually, and an Unregistered Agent; (c) Unity, through Northridge, each acting

through Mueller, Mueller individually, and the Unregistered Agents; and (d) Amberwood, through its general partner Northridge, each acting through Mueller, Mueller individually, and an Unregistered Agent.

CONCLUSIONS OF LAW

37. The Northridge Securities are securities as defined in N.J.S.A. 49:3-49(m).

38. The Northridge Securities were not registered with the Bureau, not exempt from registration, and not federally covered.

39. The Northridge Securities were required to be registered with the Bureau pursuant to N.J.S.A. 49:3-60.

40. Each renewal of the Northridge Securities constitutes a separate sale under the Securities Law.

41. Each offer and sale of the unregistered Northridge Securities by the Mueller Entities, through Northridge, all acting through Mueller, Mueller individually, and the Unregistered Agents constitutes a separate violation of N.J.S.A. 49:3-60.

42. Northridge effected or attempted to effect transactions in securities issued by Eastridge, Southridge, Unity, and Amberwood — specifically, the Eastridge Promissory Notes, the Southridge Promissory Note, the Unity Promissory Notes, and the Amberwood Promissory Note, from or in New Jersey and, thus, acted

as a broker-dealer, as defined in N.J.S.A. 49:3-49(c), without being registered with the Bureau.

43. Northridge violated N.J.S.A. 49:3-56(a), which provides, among other things, that only persons registered with the Bureau may lawfully act as a broker-dealer.

44. Mueller represented Northridge, Eastridge, Unity, Southridge, and Amberwood in effecting or attempting to effect transactions in securities from or in New Jersey and, thus, acted as an agent, as defined in N.J.S.A. 49:3-49(b), without being registered with the Bureau to sell the Northridge Securities.

45. Mueller violated N.J.S.A. 49:3-56(a) which provides, among other things, that only individuals registered with the Bureau may lawfully act as an agent.

46. Northridge, Eastridge, Unity, Southridge, and Amberwood employed or engaged agents, including Mueller and the Unregistered Agents, in effecting or attempting to effect transactions in securities from or in New Jersey.

47. Mueller and the Unregistered Agents acted as agents, as defined in N.J.S.A. 49:3-49(b), without being registered with the Bureau.

48. Northridge, Eastridge, Unity, Southridge, and Amberwood engaged agents who were not registered with the Bureau to sell Northridge Securities in violation of N.J.S.A. 49:3-56(h).

49. N.J.S.A. 49:3-67 empowers the Bureau Chief to issue orders that are reasonably necessary to carry out the provisions of the Law.

50. N.J.S.A. 49:3-69(a)(1) empowers the Bureau Chief to issue a cease and desist order against persons engaged in prohibited activities, directing them to cease and desist from further illegal activity or doing acts in furtherance thereof.

51. Respondents violations are continuous and ongoing, therefore making a cease and desist order in the public interest and an appropriate remedy.

ORDER

Therefore, based upon all of the foregoing,

It is on this 10th day of JUNE 2019, hereby

ORDERED that:

1. Respondents and any person, employee, officer, director, entity, agent, finder, or independent contractor under Respondents' direction or control immediately CEASE AND DESIST from:

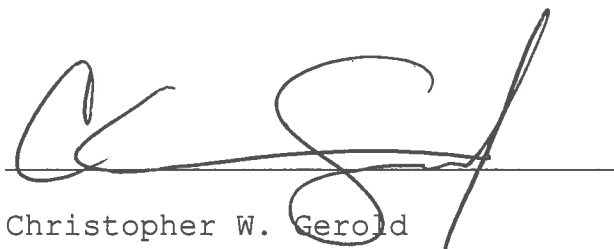
a. offering for sale any security in New Jersey until the security is registered with the Bureau or is offered for sale pursuant to an exemption from registration under the Securities Law. This shall include additional sales or renewals of promissory notes to current investors;

- b. acting as agents in New Jersey until each is registered with the Bureau or are acting pursuant to an exemption from registration under the Securities Law; and
- c. violating any other provisions of the Securities Law and any rules promulgated thereunder for the sale of any security in New Jersey.

2. All exemptions contained in N.J.S.A. 49:3-50 subsection (a) paragraph 9, 10, and 11 and subsection (b) are hereby **DENIED** as to Respondents.

3. All exemptions to the registration requirements provided by N.J.S.A. 49:3-56(b), N.J.S.A. 49:3-56(c) and N.J.S.A. 49:3-56(g) are hereby **DENIED** as to Respondents.

4. Nothing in this order shall preclude Respondents or any person, employee, officer, director, entity, agent, finder, or independent contractor under Respondents' direction or control from paying interest or principal pursuant to the terms of the Northridge Securities.

A handwritten signature in dark ink, appearing to read 'C. Gerold', is written over a horizontal line.

Christopher W. Gerold
Chief, New Jersey Bureau of
Securities

NOTICE OF RIGHT TO HEARING

Pursuant to N.J.S.A. 49:3-69(a)(1)(i) the Bureau Chief shall entertain on no less than three days' notice a written application to lift the Order to Cease and Desist on written application of the person subject thereto and in connection therewith may, but need not, hold a hearing and hear testimony, but shall provide to the person subject thereto a written statement of the reasons for the Order to Cease and Desist.

Pursuant to N.J.S.A. 49:3-69(a)(1)(ii), upon service of notice of the Order to Cease and Desist issued by the Bureau Chief, the person subject thereto shall have up to 15 days to respond to the Bureau in the form of a written answer and written request for a hearing. The Bureau Chief shall, within five days of receiving the answer and request for a hearing, either transmit the matter to the Office of Administrative Law for a hearing or schedule a hearing at the Bureau of Securities.

Orders issued pursuant to N.J.S.A. 49:3-69 shall be subject to an application to vacate upon 10 days' notice, and a preliminary hearing on the Order shall be held in any event within 20 days after it is requested, and the filing of a motion to vacate the Order shall toll the time for filing an answer and written request for a hearing.

Pursuant to N.J.S.A. 49:3-69(a)(1)(iii), if any person subject to the Order fails to respond by filing a written answer

and written request for a hearing with the Bureau or moving to vacate the order within the 15 day prescribed period, that person shall have waived the opportunity to be heard. The Order will be a Final Order and shall remain in effect until modified or vacated.

NOTICE OF OTHER ENFORCEMENT REMEDIES

You are advised that the Uniform Securities Law provides several enforcement remedies, which are available to be exercised by the Bureau Chief, either alone or in combination. These remedies include, in addition to this action revoking your registration, the right to seek and obtain injunctive and ancillary relief in a civil enforcement action, N.J.S.A. 49:3-69, and the right to seek and obtain civil penalties in an administrative or civil action, N.J.S.A. 49:3-70.1.

You are further advised that the entry of the relief requested does not preclude the Bureau Chief from seeking and obtaining other enforcement remedies against you in connection with the claims made against you.

EXHIBIT B

[Proposed Consent Order]

(see attached)

GURBIR S. GREWAL
ATTORNEY GENERAL OF NEW JERSEY
Division of Law
124 Halsey Street
P.O. Box 45029
Newark, New Jersey 07101
Attorney for Plaintiff

By: Nicholas Dolinsky (No. 044202010)
Deputy Attorney General
(973) 693-5055

SUPERIOR COURT OF NEW JERSEY
CHANCERY DIVISION
GENERAL EQUITY
MORRIS COUNTY
DOCKET NO. C-54-19

GURBIR S. GREWAL,
Attorney General of New Jersey,
on behalf of
CHRISTOPHER W. GEROLD,
Chief of the New Jersey Bureau
of Securities,

Plaintiff,

v.

CONSENT ORDER

GLENN C. MUELLER,
individually, and as President
and Chief Executive Officer of
Northridge Holdings, Ltd.,
Eastridge Holdings, Ltd., and
Unity Investment Group I, Ltd.;
NORTHBRIDGE HOLDINGS, LTD.,
a North Dakota corporation;
EASTRIDGE HOLDINGS, LTD.,
an Illinois corporation;
UNITY INVESTMENT GROUP I, LTD.,
an Illinois corporation;
SOUTHRIDGE HOLDINGS, LTD., and
an Illinois corporation;
**AMBERWOOD HOLDINGS LIMITED
PARTNERSHIP,**
an Illinois limited partnership;

Defendants.

This matter was brought before the Court by Gurbir S. Grewal, Attorney General of New Jersey, on behalf of Christopher W. Gerold, Chief of the New Jersey Bureau of Securities ("Plaintiff" or "Bureau Chief"), by the filing of the Complaint on June 10, 2019, alleging violations of the New Jersey Uniform Securities Law, N.J.S.A. 49:3-47 to -89 ("Securities Law") by the Defendants. On or about August 14, 2019, an Answer was filed with this Court for all Defendants by the law firms of Monico & Spevack, and The Law Office of Brian J. Neary,¹ who represent only Defendant Glenn C. Mueller ("Mueller") at this time. Subsequently, on September 5, 2019, the United States Securities and Exchange Commission ("SEC") filed a complaint against Mueller, the Defendant entities herein - Northridge Holdings, Ltd. ("Northridge"), Eastridge Holdings, Ltd.

¹ The Answer inadvertently states in the preamble that "Defendants Glenn C. Mueller, Northridge Holding, Ltd., Eastridge Holdings, Ltd., Unity Investment Group I, Ltd., Cornerstone II Limited Partnership, 561 Deere Park Limited Partnership, 1200 Kings Circle Limited Partnership, and 106 Surrey Limited Partnership (collectively, "Defendants") answer the Complaint as follows: ..." and should have stated in the preamble that "Defendants Glenn C. Mueller, Northridge Holding, Ltd., Eastridge Holdings, Ltd., Unity Investment Group I, Ltd., Southridge Holdings, Ltd. and Amberwood Holdings Limited Partnership Partnership (collectively, "Defendants") answer the Complaint as follows: ...". In a Consent Order between Plaintiff and Defendant Mueller entered by this Court on May , 2020, the Answer was deemed to have been filed on behalf of Defendants Glenn C. Mueller, Northridge Holding, Ltd., Eastridge Holdings, Ltd., Unity Investment Group I, Ltd., Southridge Holdings, Ltd. and Amberwood Holdings Limited Partnership Partnership.

("Eastridge"), Unity Investment Group I, Ltd. ("Unity"), Southridge Holdings, Ltd. ("Southridge") and Amberwood Holdings Limited Partners ("Amberwood"), (collectively, the "Northridge Entities") - and others in the U.S. District Court, Northern District of Illinois, in SEC v. Northridge Holdings, Ltd., Civil Action No. 19-CV-5957 ("SEC Action"). An Order Appointing Receiver was entered in the SEC Action on September 12, 2019, appointing N. Neville Reid as the federal equity receiver ("Receiver") for the Northridge Entities and others. In view of the SEC Action, on September 25, 2019, this Court entered a Consent Order Staying Proceeding, which stayed this action pending the outcome of the SEC Action or until further order of this Court. The Receiver subsequently filed a Liquidation Plan with the court in the SEC Action, and anticipates proposing a claims process and plan of distribution of the receivership assets to creditors and investors for court approval in the SEC Action. Plaintiff, through counsel (Nicholas Dolinsky, Deputy Attorney General, appearing), and the Northridge Entities, through the Receiver, have agreed to resolve this matter on the terms set forth in this Consent Order ("Consent Order").

The Bureau Chief makes the following findings of fact and conclusions of law which the Northridge Entities and the Receiver neither admit nor deny:

1. Mueller is an individual who, at all relevant times, resided in West Chicago, Illinois. Mueller has never been registered with the Bureau in any capacity.

2. Northridge is a North Dakota corporation formed on March 11, 1987, and headquartered in Addison, Illinois. Mueller is the President and sole shareholder of Northridge. Northridge purportedly owns and manages multi-family apartment complexes and other properties. Northridge has never been registered with the Bureau in any capacity.

3. Eastridge is an Illinois corporation formed on January 17, 2008, and headquartered in Addison, Illinois. Mueller is the President and sole shareholder of Eastridge. Eastridge has never been registered with the Bureau in any capacity.

4. Defendant Unity is an Illinois corporation formed on November 8, 2007, and headquartered in Addison, Illinois. Mueller is the President and sole shareholder of Unity. Unity has never been registered with the Bureau in any capacity.

5. Defendant Southridge is an Illinois corporation formed on October 13, 2005, and headquartered in Addison, Illinois. Mueller is the President of Southridge. Upon information and belief, Mueller is the sole shareholder of Southridge. Southridge has never been registered with the Bureau in any capacity.

6. Defendant Amberwood is an Illinois limited partnership formed on February 21, 1990, and headquartered in Addison, Illinois. Northridge is the general partner, and Mueller is the registered agent and one of the three limited partners, of Amberwood. Amberwood has never been registered with the Bureau in any capacity.

Offer and Sale of Northridge Securities

7. Beginning on or about March 2011 through at least October 2018 ("Relevant Period"), Mueller and Northridge, through Mueller, offered and sold promissory notes (the "Northridge Securities") issued by Eastridge, Unity, Southridge, and/or Amberwood (the "Issuers") to investors (the "Investors").

8. Mueller and Northridge, through Mueller, contracted with at least two New Jersey-based Unregistered Agents to offer and sell the Northridge Securities in or from New Jersey.

9. Among other things, the Unregistered Agents solicited potential investors, and for certain investors, arranged for them to speak directly with Mueller about the Northridge Securities.

10. The investors invested their funds with the respective promissory note issuers.

11. Northridge effected or attempted to effect the sale of the Northridge Securities by, among other things:

a. acting as the investors' contact for the Issuers;

- b. soliciting investors in the Issuers, through Mueller and the Unregistered Agents;
- c. establishing, maintaining, and servicing investor accounts through actions such as receiving from each investor a completed "Investor Contact Information Sheet" and "Accreditation Form" and sending welcome letters to new investors containing login credentials for investors' online accounts;
- d. sending the Northridge Securities to the Investors for execution;
- e. communicating and coordinating with the Unregistered Agents and the Investors via Northridge's "Investor Relations" department;
- f. maintaining a website to market the Northridge Securities; and
- g. sending periodic account statements to investors regarding their investments.

12. From approximately April 2011 to June 2017, the Unregistered Agents were paid commissions by Amberwood for the sale and renewal of each Northridge Security sold to an investor. The commissions paid to the Unregistered Agents varied from approximately 2% to 10% of the principal amount of the Northridge Security sold, depending on the term to maturity of the promissory note, and whether it was an original sale or a

renewal of an existing promissory note. Promissory notes with a longer term to maturity, or that contained a potential conversion option, paid greater commissions to the Unregistered Agent.

13. Starting in June 2017, and continuing thereafter, the Unregistered Agents' compensation structure changed to a "consulting fee" agreement, whereby the Unregistered Agents were paid monthly "consulting fees" by Amberwood for the sale and/or renewal of the Northridge Securities.

14. The Unregistered Agents entered into "Consulting Fee Agreements" with Northridge (signed by Mueller as President and CEO). The Consulting Fee Agreements referred to each Unregistered Agent as a "Consultant" and, among other things, provided that:

- a. the Unregistered Agent would be compensated if an investor was referred to Northridge and invested;
- b. the Unregistered Agent would be paid pursuant to a schedule attached to the Consulting Fee Agreement, which provided for fixed monthly payments over a four-month period; and
- c. the Consulting Fee Agreement could be extended every four months with renegotiated monthly payments.

15. Payments made to the Unregistered Agents pursuant to the schedule attached to the Consulting Fee Agreements ranged from \$400 to \$8,000 per month.

16. In total, during the Relevant Period, at least \$694,977 was paid to the two Unregistered Agents in New Jersey as commissions and/or consulting fees.

17. Mueller and the Unregistered Agents were not registered with the Bureau as agents to sell the Northridge Securities.

18. The Northridge Securities are securities as defined in N.J.S.A. 49:3-49(m).

19. The Northridge Securities were not registered with the Bureau, not federally covered, and not exempt from registration.

20. Mueller, the Issuers, and Northridge, through Mueller and the Unregistered Agents, raised more than \$10.46 million from the sale of at least 132 original or renewed Northridge Securities to at least sixty-two Investors to or from New Jersey.

Eastridge Promissory Notes

21. Eastridge, through Northridge, both acting through Mueller, raised approximately \$4.85 million from the sale of sixty-eight Northridge Securities to thirty-three investors to or from New Jersey ("Eastridge Promissory Notes") by Mueller and the Unregistered Agents.

22. The Eastridge Promissory Notes were sold to investors with interest rates ranging from 2% to 10% per annum and maturity dates ranging from six months to eight years. Typically, the notes with longer maturity dates paid greater interest. The Eastridge Promissory Notes automatically renewed for the same duration as the original note, at the same principal as the original note plus accrued interest, at the current interest rate offered by Eastridge at the stated maturity date, unless the investor provided at least ten days' written notice to Eastridge to prevent the renewal.

23. At least three of the sixty-eight Eastridge Promissory Notes sold to investors offered a convertibility feature that stated the promissory note would remain in effect until "such time as it is invested in a real estate limited partnership." The Eastridge Promissory Notes did not provide any additional explanation as to the meaning or terms of such conversion.

Unity Promissory Notes

24. Unity, through Northridge, each acting through Mueller, raised approximately \$4.94 million from the sale of sixty-two Northridge Securities to thirty-six investors to or from New Jersey ("Unity Promissory Notes"), by Mueller and the Unregistered Agents.

25. The Unity Promissory Notes were sold only to investors who were using funds from an individual retirement account to purchase securities offered by Northridge.

26. The Unity Promissory Notes were sold to investors with interest rates ranging from 3% to 6% per annum and maturity dates ranging from one year to eight years. Typically, the notes with longer maturity dates paid greater interest.

27. At least two of the sixty-two Unity Promissory Notes sold to investors offered a convertibility feature that stated the promissory note would remain in effect until invested in a "Limited Partnership, with Northridge Holdings Ltd., as General Partner." These two Unity Promissory Notes further stated:

The loan amount will be increased or reduced by the profit or loss distribution as specified in the Limited Partnership Agreement in proportion that the note is to the aggregate capital accounts of all the Limited Partners. This distribution will be reduced by the stated interest accrued to that point. This note is subject to the terms and conditions of the subsequent Limited Partnership Agreement.

Southridge Promissory Note

28. Southridge, through Northridge, both acting through Mueller, raised approximately \$154,836 from one New Jersey investor through the sale of one Northridge Security ("Southridge Promissory Note"), by Mueller and the Unregistered Agent.

29. The Southridge Promissory Note was sold to an investor with an interest rate of 3% per annum and a maturity date of six months. The Southridge Promissory Note automatically renewed for the same duration as the original note, at the same principal of the original note plus accrued interest, at the current interest rate offered by Southridge at the stated maturity date, unless the investor provided at least ten days' written notice to Southridge to prevent the renewal.

Amberwood Promissory Note

30. Amberwood, through Northridge, both acting through Mueller, raised at least \$40,275 from one New Jersey investor ("Amberwood Investor") through the sale of one Northridge Security ("Amberwood Promissory Note"), by Mueller and an Unregistered Agent.

31. The Amberwood Investor had originally been solicited to purchase a Unity Promissory Note, but the Amberwood Investor's inquiries as to the risks of purchasing the Unity Promissory Note led to her being sold the Amberwood Promissory Note.

32. The Amberwood Promissory Note that was sent to the Amberwood Investor provided in relevant part that:

- a. it replaced a Unity Promissory Note for \$40,275, backdated to the original purchase date;
- b. it paid interest at a rate of 6% per annum; and

c. it matured in five years.

33. The Amberwood Promissory Note was attached as an exhibit to a "Security Agreement."

34. The "Security Agreement" purportedly securing the payment and performance of the \$40,275 Amberwood Promissory Note, was provided to the Amberwood Investor to address the concerns about the riskiness of the investment.

35. The Amberwood Investor signed the Amberwood Promissory Note and provided the \$40,275 investment. However, the Amberwood Investor requested that the investment not be processed. Northridge and Amberwood agreed to void the investment and returned the investment funds to the investor.

36. The Northridge Securities are securities as defined in N.J.S.A. 49:3-49(m).

37. Mueller, individually, and the Northridge Entities sold unregistered securities in the form of the promissory notes in violation of N.J.S.A. 49:3-60 of the Securities Law.

38. The Northridge Securities were sold by: (a) Eastridge through Northridge, each acting through Mueller, Mueller individually, and the Unregistered Agents; (b) Southridge, through Northridge, each acting through Mueller, Mueller individually, and an Unregistered Agent; (c) Unity, through Northridge, each acting through Mueller, Mueller individually, and the Unregistered Agents; and (d) Amberwood, through its

general partner Northridge, each acting through Mueller, Mueller individually, and an Unregistered Agent.

39. The Northridge Securities were not registered with the Bureau, not exempt from registration, and not federally covered.

40. The Northridge Securities were required to be registered with the Bureau pursuant to N.J.S.A. 49:3-60.

41. Each renewal of the Northridge Securities constitutes a separate sale under the Securities Law.

42. Each offer and sale of the unregistered Northridge Securities by the Issuers, through Northridge, all acting through Mueller, Mueller individually, and the Unregistered Agents constitutes a separate violation of N.J.S.A. 49:3-60 and is cause for imposition of civil monetary penalties for each separate violation pursuant to N.J.S.A. 49:3-70.1.

43. Northridge effected or attempted to effect transactions in securities issued by the Issuers, from or in New Jersey and, thus, acted as a broker-dealer, as defined in N.J.S.A. 49:3-49(c), without being registered with the Bureau. Northridge violated N.J.S.A. 49:3-56(a), which provides, among other things, that only persons registered with the Bureau may lawfully act as a broker-dealer.

44. The Northridge Entities employed or engaged agents, including Mueller and the Unregistered Agents, in effecting or attempting to effect transactions in securities from or in New

Jersey. Mueller and the Unregistered Agents acted as agents, as defined in N.J.S.A. 49:3-49(b), without being registered with the Bureau. The Northridge Entities engaged agents who were not registered with the Bureau to sell Northridge Securities in violation of N.J.S.A. 49:3-56(h).

Based upon the Bureau Chief's findings of fact and conclusions of law which the Northridge Entities and the Receiver neither admit nor deny, and the Bureau Chief's determination that it is in the public interest to enter into this Consent Order,

IT is ORDERED and AGREED as follows:

45. Injunction. The Northridge Entities and any person acting on their behalf including agents, employees, brokers, partners, officers, directors or stockholders, are permanently restrained and enjoined from the issuance, sale, offer for sale, purchase, offer to purchase, promotion, negotiation, advertisement, or distribution from or within New Jersey of any securities.

46. The Northridge Entities are further permanently restrained and enjoined from: (a) engaging in the conduct described in the Complaint, and violating the Securities Law; and (b) engaging in the securities business in New Jersey in any capacity including, but not limited to, as an agent as defined in N.J.S.A. 49:3-56(b), a broker-dealer as defined N.J.S.A.

49:3-56(c), an investment adviser as defined in N.J.S.A. 49:3-49(g), and an investment adviser representative as defined in N.J.S.A. 49:3-49(s).

47. The Injunction set forth herein shall not limit: (a) the Receiver's authority in the SEC Action as set forth in the Order Appointing Receiver (as heretofore or hereafter amended by order in the SEC Action); or (b) the Receiver's ability or authority to issue instruments or debt or equity interests, including any securities, in connection with or otherwise as a part of any plan of distribution for or to any investors (including New Jersey investors) or creditors of the receivership estate, including interests in any trust or limited partnership entity or other similar investment vehicle or entity, as approved by the District Court.

48. Restitution. The Northridge Entities shall pay restitution to the NJ Investors² to the extent they are entitled to distributions under a distribution plan approved by the District Court overseeing the SEC Action. The NJ Investors shall be paid restitution in the SEC Action exclusively through

² Pursuant to the Complaint, the Plaintiff sought relief against the Northridge Entities, including restitution and/or rescission for investors in New Jersey and investors that were sold securities from New Jersey (collectively, the "NJ Investors" and individually, a "NJ Investor"). The Plaintiff has identified the New Jersey Investors for the Receiver.

any claims process and distribution plan as approved by the court in the SEC Action. The NJ Investors shall be treated in the same manner and shall be afforded the same rights as any of the investor/creditors in the SEC Action. Specifically (a) all rights of NJ Investors shall be subject to applicable law governing federal receiverships generally (including the law governing the calculation of investor claims, appropriate methodologies for calculating claims and investor distributions and similar issues related to investor rights) and (b) nothing herein shall be construed to grant to a NJ Investor a right or preference that they would not have relative to other investors under federal receivership law or any order or ruling of the District Court overseeing the SEC Action. To the extent and only to the extent that any of the NJ Investors are entitled to payment pursuant a court-approved distribution plan, the Receiver shall make such payments as set forth in such plan. In the event of any conflict between this Consent Order and federal law or other applicable law governing receiverships, such federal or other applicable law shall control. Nothing herein shall be construed to require the Receiver to violate, modify, prejudice or contradict any fiduciary duty he may have to the Court, any investor or the receivership estate arising under any applicable law.

49. Plaintiff may file an appearance in the SEC Action and, therefore, receive notice of all filings in the SEC Action. The Receiver is under no obligation to notice Plaintiff of any matters in the SEC Action.

50. The Receiver and/or the Northridge Entities shall not contest the Plaintiff's standing to object to any motion(s) or filing(s) that impact or potentially impact the NJ Investors (e.g. claims procedures motion, distribution plan motion, objection to the claim of any NJ Investor).

51. Plaintiff shall have standing in the SEC Action to submit a claim on behalf of any or all of the NJ Investors. Any such claim will be subject to the review and objection process approved by the Court in the SEC Action (same as any other claim). Plaintiff shall have standing in the SEC Action to participate in any claims review, objection and/or resolution process on behalf of any NJ Investor.

52. Nothing in this Consent Order shall bar Plaintiff from pursuing any claims against Mueller for rescission, restitution and/or disgorgement of ill-gotten gains, pursuant to N.J.S.A. 49:3-69(a)(2), and/or assessing civil monetary penalties against Mueller for violations of the Securities Law pursuant to N.J.S.A. 49:3-70.1, and, if so, the amounts, by refileing a complaint against Mueller in the Superior Court of New Jersey at any time after the resolution of the SEC Action and termination

of the receivership in the SEC Action. Nothing in this Consent Order shall prohibit Plaintiff from distributing any funds recovered by Plaintiff to the NJ Investors to the extent the NJ Investors did not receive full restitution from the SEC Action.

53. This Consent Order shall in no manner affect the Summary Cease and Desist Order issued by the Bureau Chief on June 10, 2019 against Mueller and the Northridge Entities, which was properly served upon them and which they did not contest or otherwise respond.

54. Miscellaneous. The parties agree that entry of this Consent Order and any action taken by Plaintiff to enforce any express provision of this Consent Order does not violate any existing orders entered in the SEC Action.

55. This Consent Order shall be governed and construed pursuant to the laws of New Jersey, except as otherwise expressly set forth herein. Any and all disputes arising directly or indirectly out of or relating to this Consent Order and its terms, and all actions to enforce this Consent Order and its terms shall be adjudicated in the Superior Court of New Jersey, subject to the last sentence of this paragraph 55. The parties expressly and irrevocably submit to the exclusive jurisdiction of such court in any suit, action or proceeding arising, directly or indirectly, out of or relating to this Consent Order, provided that, notwithstanding the foregoing or

any other provision hereof to the contrary, all issues related to (i) the submission, review, adjudication and payment of claims by or on behalf of the NJ Investors, including any and all issues related to the calculation of NJ Investor claims and the amount of any distributions to be made thereon (and whether any NJ Investor is entitled to any particular distribution), (ii) any interpretation or enforcement of the order appointing the Receiver in the SEC Action or of any other order entered therein at any time, or (iii) any and all duties, rights or responsibilities of the Receiver to any investor or otherwise arising under federal law or other applicable law related to federal receiverships generally, shall be resolved exclusively in the SEC Action by the District Court overseeing such SEC Action.

56. This Consent Order constitutes the entire agreement of the parties, and may not be modified except by a writing executed by all of the parties.

57. This Consent Order may be executed in any number of counterparts, each of which shall be deemed an original and all of which, when taken together, shall constitute one and the same instrument.

58. The Receiver acknowledges effective assistance of counsel in the negotiation, drafting and execution of this

Consent Order, and agrees that it shall not be construed for or against any party on the basis of drafting responsibility.

59. This Consent Order shall be binding upon and inure to the benefit of the parties hereto and each and all of their respective successors, assigns, heirs, and personal representatives.

60. The Receiver waives any right to appeal this Consent Order.

61. The Receiver's execution of this Consent Order is subject to approval of the District Court in the SEC Action.

62. This Court shall retain jurisdiction over this matter, except as otherwise set forth herein as to the jurisdiction of the District Court overseeing the SEC Action.

Hon. Maritza Berdote-Byrne, P.J. Ch.

CONSENT TO THE FORM, CONTENT AND ENTRY OF THIS CONSENT ORDER:

GURBIR S. GREWAL
ATTORNEY GENERAL OF NEW JERSEY
Counsel for Plaintiff
Christopher W. Gerold, Chief of the
New Jersey Bureau of Securities

By: _____

Nicholas Dolinsky
Deputy Attorney General
Attorney ID 044202010

DATED: _____

N. Neville Reid, Esq.
Fox Sweibel Levin & Carroll LLP
200 West Madison Street
Chicago, IL 60606

Receiver for Northridge Holdings, Ltd.,
Eastridge Holdings, Ltd.,
Unity Investment Group I, Ltd.,
Southridge Holdings, Ltd.,
and Amberwood Holdings Limited Partners

N. Neville Reid, Esq. - Receiver

DATED: _____