

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 AUTHORIZING THE SALE OF REAL ESTATE AND GRANTING RELATED
RELIEF (ELSTON PROPERTY)**

Upon the Motion to Authorize Sale of Real Estate and Related Relief (the “Motion”) of N. Neville Reid, as the receiver (“Receiver”) for the Estate of Defendant Northridge Holdings, Ltd. and its related entities and affiliates as more particularly set forth in the Receivership Order; the Court having reviewed the Motion; the Court having determined that the legal and factual bases set forth in the Motion establish just cause for the relief granted herein; upon due notice of all of the proceedings had before the Court; and after due deliberation and sufficient cause appearing therefor:

THE COURT HEREBY FINDS AND DETERMINES THAT:

1. To the extent that any of the following findings of fact constitute conclusions of law, they are adopted as such. To the extent any of the following conclusions of law constitute findings of fact, they are adopted as such;

2. In his Motion, the Receiver, as the Receiver over 5097 Elston Limited Partnership, an Illinois limited partnership, which is the owner of the property located at 5097 North Elston Avenue, Chicago, Illinois 60630 (as more fully described in the Motion and the Agreement, the

“Property”), seeks entry of an order authorizing and approving the sale of the subject property (the “Order”) and granting related relief. The proposed sale is made by the Receiver pursuant to the powers conferred upon him by this Court’s *Order Appointing Receiver* entered by the Court on September 12, 2019 [Dkt. No. 22] (as modified by the Court’s subsequent order [Dkt. 108]; the “Receivership Order”). The terms of the proposed sale of the subject property to Mario Weber (the “Proposed Buyer”) are set out in the real estate sale contract (as amended, the “Agreement”) and the sale of the subject property to the Proposed Buyer referenced therein or contemplated thereby, the “Proposed Sale”), a true and correct copy of which is attached to this Order as **Exhibit A**. The Receiver and the Proposed Buyer shall be referred to collectively as the “Parties”. Capitalized terms not otherwise defined herein shall have the meanings ascribed to them in the Motion;

3. The Court, noting that the Parties have entered into the Agreement and that notice was given to those potentially interested parties, as more particularity identified and set forth on the service list attached to the notice of Motion filed contemporaneously with the Motion, of the Proposed Sale, Agreement and Motion;

4. The Court having reviewed the marketing and sale procedures employed by the Receiver in soliciting offers for the Property (as appropriately modified by the Receiver and his advisors in response to COVID -19 conditions and related factors) and achieving the highest and best value for the Property; and,

5. The Court, having found that the Receiver has substantially complied with the Court-approved Sale Procedures [Dkt. Nos. 96, 106]; and the Court, having (i) found that no other or further notice need be provided, (ii) considered the Agreement, and (iii) given an opportunity to be heard to all persons requesting to be heard;

IT IS HEREBY ORDERED THAT:

1. The Court has jurisdiction over this matter pursuant to sections 20(b), 20(d), and 22(a) of the Securities Act, 15 U.S.C. §§77t(b), 77t(d), and 77v(a), and Sections 21(d), 21(e), and 27 of the Exchange Act, 15 U.S.C. §§78u(d), 78u(e), and 78aa.

2. The form and manner of notice of the Proposed Sale and the Motion are hereby determined to have been the best notice practicable under the circumstances and to have been good, proper and sufficient notice to all persons whose interests could be affected by this Order.

3. The Court has been apprised of the negotiations that preceded the Agreement and finds that the Proposed Sale is a result of arms-length negotiations among the Parties in good faith. There is no evidence that the Proposed Sale is the result of collusion among the Parties or that there has been any intent to prejudice the persons who, or the entities which, will be subject to this Order. The Proposed Buyer, as transferee of the Property, is a good faith purchaser for value. The legal and factual bases set forth in the Motion and on the record establish that the Agreement represents a fair, reasonable, and adequate consideration for the Property. The Proposed Buyer's offer for the Property as described in the Agreement is the highest and best offer for the Property.

4. The Receiver is authorized to sell the Property to the Proposed Buyer under the terms set forth in the Agreement, to close such sale and to perform any ministerial or other actions required to close such sale. Each of the terms of the Agreement is hereby expressly approved as if stated herein.

5. Upon the occurrence of the closing of the sale of the Property to the Proposed Buyer pursuant to the Agreement, the Property shall be the sole and exclusive property of the Proposed Buyer (as set forth in the Agreement) free and clear of any mortgage, pledge, lien,

charge, security interest, claim or other encumbrance (other than encumbrances that run with the land pursuant to applicable law, but in any event free and clear of any monetary encumbrance which can be removed from title by the payment of a sum certain).

6. Payment of the costs of the closing of the Proposed Sale (the “Closing Costs”) is in the best interest of the Receivership Estate and such Closing Costs may be paid at the closing of the Property, subject to paragraph 7 hereof.

7. The Lender Terms as described in the Motion are hereby approved. Accordingly, at the closing (the “Closing” and the date of Closing, the “Closing Date”) of the sale of the Property to the Proposed Buyer, and after payment in full of the Closing Costs, Receiver is authorized to pay all amounts due under the loan documents to Parkway Bank in its capacity as the mortgagee of the Property (“Parkway Bank” and such amounts due to it as mortgagee, the “Loan Balance”), except that the portion of the proceeds of the Proposed Sale that may be used to pay the Receiver’s legal fees related to (i) the negotiation and documentation of the Proposed Sale, and (ii) the Agreement and the Closing, shall be limited to \$7500. Parkway Bank shall have a general unsecured claim against the Receivership Estate for the amount of the Loan Balance, if any, remaining after the Closing Date.

8. This Order may be relied on by the Proposed Buyer, its lender and any title company insuring title to the Property in connection with the sale of the Property to the Proposed Buyer, and any and all objections to the Closing are hereby overruled with prejudice.

9. This Court retains jurisdiction (i) to enforce the terms of the Agreement; and (ii) enforce the terms of this Order including, but not limited to, any protections afforded to the Parties hereunder.

10. This Order shall be effective immediately upon its entry.

DATED: 9/10/20

A handwritten signature in black ink, appearing to read "John Z. Lee", written in a cursive style.

John Z. Lee
United States District Court Judge