

**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-05957

Hon. John Z. Lee

Magistrate Judge Susan E. Cox

**RECEIVER’S REPORT FOR THE PERIOD OF
JULY 1, 2020 THROUGH SEPTEMBER 30, 2020**

N. Neville Reid, not individually, but solely as the Court-appointed receiver (the “Receiver”) for the Estate of Defendant Northridge Holdings, Ltd. (“Northridge”) and its related entities and affiliates as more particularly set forth in the Receivership Order (as defined herein) (collectively, the “Receivership Defendants” or “Receivership Entities,” and their assets as more particularly identified therein, the “Receivership Assets,” and such estate, the “Receivership Estate” or the “Estate”, and such administration, the “Receivership”), and pursuant to the requirements of the *Order Appointing Receiver* entered by the Court on September 12, 2019 [Dkt. 22] and as amended by the Court on February 13, 2020 [Dkt. 18; see also Dkt. 102] (the “Receivership Order”),¹ respectfully submits this *Receiver’s Fourth Report* (the “Report”) for the *Period of July 1, 2020 through September 30, 2020* (the “Fourth Reporting Period”). The purpose of this Report is to provide the Court and all interested parties with a description of the nature of the Receiver’s activities during the Fourth Reporting Period.

¹ Capitalized terms not defined herein shall be given the same meaning ascribed to such terms in the Receivership Order.

I. THIRD AMENDED LIQUIDATION PLAN.

1. Pursuant to the Receivership Order, the Receiver attaches his Third Amended Liquidation Plan as **Exhibit A** hereto (the “Third Amended Liquidation Plan”). (Receivership Order at ¶ 59.) An updated status of marketing and sales efforts for the Real Property Assets (defined below) is set forth in the Third Amended Liquidation Plan. Additionally, the Third Amended Liquidation Plan summarizes the impact of COVID-19 (to the extent known) on the Receiver’s efforts to operate and liquidate the Receivership Estate. Finally, the Third Amended Liquidation Plan provides an update on the Receiver’s efforts to identify and pursue potential litigation claims, including third-party receivable claims, “finder” claims, “net winner” claims and insider claims. Accordingly, such information is not repeated in the body of this Report.

II. REAL PROPERTY ASSETS

a. Management of Real Property Assets Generally.

2. With the assistance of 33 Realty LLC (“33 Realty”), during the Fourth Reporting Period, the Receiver has satisfied his duty to manage the Receivership’s remaining real property assets (the “Real Property Assets”), including but not limited to the following: (a) collecting rents; (b) paying operational expenses; (c) timely paying lenders principal and interest (for the properties that have loans associated with them); (d) maintaining the properties; (e) completing necessary capital improvements; (f) renewing leases; (g) procuring new leases for vacant units and/or units where leases were not renewed; (h) resolving any tenant disputes if/when they arise; (i) keeping the tenants of the Real Property Assets informed as to best practices during the COVID-19 crisis (i.e., posting signs regarding stay at home orders, washing hands, mask protections, etc.); and (j) communicating with tenants regarding their employment status and potential rent payment difficulties related to COVID-19 with the intention of minimizing any

reduction in rent collection, while acting in a professional and humane manner. 33 Realty is also assisting the Receiver in remaining compliant with all relevant safety and regulatory issues relating to the Real Property Assets.

3. During the Fourth Reporting Period, the Receiver has been operating the Real Property Assets with the assistance of both the Receivership Defendants' employees and 33 Realty.

4. Lastly, during the Fourth Reporting Period, the Receiver (with the assistance of 33 Realty) has prepared certain of the Real Property Assets for marketing and sale by, among other things: (a) organizing the books and records associated with each property; (b) compiling due diligence information; and (c) seeking professional guidance in order to maximize the value of the Real Property Assets. Matters specific to each of the Real Property Assets are as follows:

b. Sales Closed

5. As set forth in the Third Amended Liquidation Plan:

- The Chablis Property sale closed on September 20, 2019, and the Estate received (a) \$3,882,611 in net proceeds from that sale; and (b) \$82,000.00 in escrow return post-closing;
- The Palatine Property sale closed on February 10, 2020, and the Estate received \$129,420.28 in net proceeds from that sale;
- The Bartlett Lake Property sale closed on June 24, 2020, and the Estate received (a) \$7,810,079.26 in net proceeds from that sale; (b) \$230,029.20 in escrow return post-closing; and (c) approximately \$34,000.00 for post-closing rental collections and pro-rations; and
- The Surrey Property sale closed on July 24, 2020, and the Estate received \$2,039,766.16 in net proceeds from that sale.
- While not closed in the Fourth Reporting Period, much of the work performed relating to the sale of the Elston Property occurred during the Fourth Reporting Period. The Elston Property sale closed on October 19, 2020. This was a "short" sale, and the Estate did not receive proceeds at closing. However, the secured lender's deficiency claim was minimized due to the Receiver's sale efforts.

c. Timber Lake Property.

6. The Timber Lake Property is a 576-unit apartment building located at 1200 Kings Circle, West Chicago, Illinois 60185 (the “Timber Lake Property”). During the Fourth Reporting Period, in addition to the actions stated above and as more fully set forth in the Third Amended Liquidation Plan, the Receiver sought to improve the value of the Timber Lake Property by renting previously vacant one bedroom apartments (the two bedroom apartments are presently fully occupied). As described in detail in the Third Amended Liquidation Plan, the Timber Lake Property was marketed for sale during the Third Reporting Period resulting in the receipt of numerous offers and the Receiver’s selection of a buyer in mid-July 2020. During the Fourth Reporting Period, the Receiver sought Court-approval of a sale of the Timber Lake Property and responded to Mueller’s objection to such sale. [*See* Dkt. Nos. 183, 186, 192, 198.]

7. An accounting for the Timberlake Property for the Fourth Reporting Period is attached hereto as **Exhibit B**. While COVID-19 impacted the Timber Lake Property during the Fourth Reporting Period, the property still generated sufficient income to remain generally current on its mortgage and other obligations. However, in August 2020, the Receiver transferred \$250,000.00 from the Receivership’s general funds to the Timber Lake operating account to cover the shortage of funds needed to pay the water bill and additional large maintenance expenses. When the sale of this property closes, the Receiver will reverse this transfer. The Receiver continues to analyze future projected cash flow and what, if any, actions should be taken to mitigate the financial effects of the current public health crisis (e.g., requesting forbearance under the CARES Act, etc.).

d. Bartlett Lake Property.

8. As set forth in the Third Amended Liquidation Plan and above, this property has

sold. Additionally, during the Fourth Reporting Period, the Receiver collected post-closing rent and costs pursuant to the relevant sale contract. An accounting for the Bartlett Lake Property for the Fourth Reporting Period is attached hereto as **Exhibit C**.

e. Surrey Property.

9. As set forth in the Third Amended Liquidation Plan and above, this property has sold. During the Fourth Reporting Period, the Receiver collected pre-closing rent. The Receiver also continues to satisfy his post-closing obligation to turn over the relevant condo association to the buyer of the Surrey Property. An accounting for the Surrey Property for the Fourth Reporting Period is attached hereto as **Exhibit D**.

f. Elston Property.

10. As set forth in the Third Amended Liquidation Plan and above, this property has sold. During the Fourth Reporting Period, the Receiver collected pre-closing rent. An accounting for the Elston Property for the Fourth Reporting Period is attached hereto as **Exhibit E**.

g. Miami Property.

11. The Miami Property is a condominium located at 3470 E. Coast Avenue, Unit #1003, Miami, Florida 33137 (the “**Miami Property**”). During the Fourth Reporting Period, in addition to the actions stated above and as more fully set forth in the Third Amended Liquidation Plan, the property was actively marketed, and a buyer was selected. The Receiver sought court-approval of a sale of the Miami Property for \$198,000.00. [See Dkt. No. 180.] The Court approved this sale shortly after the end of the Fourth Reporting Period. Dkt. No. 201.

12. An accounting for the Miami Property for the Fourth Reporting Period is attached hereto as **Exhibit F**. COVID-19 had no impact on rent collections for the Miami Property

during the Fourth Reporting Period.

h. Vacant Lots Property.

13. The Vacant Lots Property is comprised of 36 separate vacant lots located near Palm Springs, California (the “Vacant Lots Property”). There have been no renters or operations with respect to the Vacant Lots Property during the Receivership. Taxes, however, have been kept current. There was no financial activity for the Vacant Lots Property during the Fourth Reporting Period.

i. North Dakota Property.

14. Upon information and belief, Receivership Defendant Willow Creek Ventures Limited Partnership and/or Defendant Glenn Mueller (“Mueller”) and/or Mueller’s brother own interests in an entity which in turn owns a farm property in North Dakota (the “North Dakota Property”). The Receiver is investigating the extent of the Receivership Estate’s rights or interests in the North Dakota Property or its proceeds of sale. The Receiver’s investigation into this property is ongoing.

15. The Receiver is continuing to investigate the existence and nature of other real estate that may constitute Receivership Assets.

III. OTHER ASSETS.

16. As more fully set forth in the Third Amended Liquidation Plan, the Receivership Estate has identified assets that are not real property assets. Such assets are comprised primarily of: (a) shares of a penny stock; (b) a term life insurance policy on Mueller; (c) rights to sale proceeds of a home located at 22W371 Emerson Avenue, Glen Ellyn, Illinois 60137 (the “Glen Ellyn Property”); and (d) various potential litigation claims. The Receiver is continuing his investigation to identify additional assets of the Receivership Estate.

17. In summary, during the Fourth Reporting Period, the Receiver: (a) collected \$18,188.76 in connection with a settlement related to the Glen Ellyn Property; (b) collected approximately \$85,500.00 in connection with funds that were loaned to Tradewinds LP; (c) has negotiated settlements for receivable, “finder” and “net-winner” claims collectively totaling (1) approximately \$160,000.00 in cash and (2) approximately \$68,000.00 in claim reductions — amounting to a total benefit to the Estate of approximately \$228,000.00; and (d) sent demand letters to certain parties against whom the Receiver alleges liability for money owed to the Receivership arising from the receipt of “finder fees” and/or for being a “net winner” (i.e. receiving more cash than was invested). During the Fourth Reporting Period, the Receiver also worked with the SEC relating to the assertion of insider claims.

IV. BUSINESS OPERATION AND PRESERVATION OF BOOKS AND RECORDS.

18. Business operations during the Fourth Reporting Period are described above. With respect to preservation of books and records, there is no update since the last report. The Receiver’s review of these books and records and materials produced by Mueller is ongoing.

V. BANK AND INVESTMENT ACCOUNTS.

19. There is no material change with respect to bank and investment accounts. The Receiver continues to use a combination of pre-Receivership and post-Receivership accounts as operating accounts for the Real Property Assets. The Receiver continues to maintain separate Receivership accounts, which mirror the operating accounts, for the excess cash flow and property sale proceeds not needed for operations (as determined in consultation with the Receiver’s property manager). The Receiver continues to use these accounts to collect liquid assets of the Receivership Estate and to pay the administrative and other ordinary course expenses of the Real Property Assets (including payment of secured mortgages encumbering

such assets).

VI. CASH, ADMINISTRATIVE EXPENSES, UNENCUMBERED FUNDS, AND RECEIPTS AND DISBURSEMENTS

24. The Receiver's Standardized Fund Accounting Report ("SFAR") for the Fourth Reporting Period is attached hereto as **Exhibit G**. The SFAR sets forth certain funds received by and disbursed from the Receivership Estate during the Fourth Reporting Period. As reported in the SFAR, the amount of cash on hand in the Receivership Accounts (in the Receivership Estate) as of September 30, 2020 was \$12,512,507.84. The information set forth in the SFAR is based upon information and records available to the Receiver as of the date of this Report.

25. The Operating Accounts had a collective balance of \$337,313.80 as of September 30, 2020.

26. Collectively, the Receivership Estate had approximately **\$12,849,821.64** of cash on hand as of September 30, 2020.

27. The amount of administrative expenses incurred during the Fourth Reporting Period is summarized as follows:

Professional	Month/Year	Fees & Costs Incurred
Fox Swibel	July – September 2020	\$215,649.47
AlixPartners	July – September 2020	\$274,169.72
Dickler Kahn	July – September 2020	\$660.00
KRD	July – September 2020	\$24,620.00
ALAP	July – September 2020	\$13,070.00
Plante Moran	July – September 2020	\$0.00

<u>Total</u>		\$528,169.19
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28. Additionally, pursuant to the Q1 2020 Fee Application, the Receiver has requested a total of \$752,647.39, including \$146,712.17 in fees and expenses of counsel for the Receiver and \$605,935.22 in fees and expenses of the other professionals engaged by the Receiver as set forth *supra*. This application was granted and amounts requested therein were paid during the Fourth Reporting Period. [See Dkt. No. 173.]

29. Finally, pursuant to the Q2 2020 Fee Application, the Receiver has requested a total of \$745,197.60, including \$182,623.01 in fees and expenses of counsel for the Receiver and \$562,574.59 in fees and expenses of the other professionals engaged by the Receiver as set forth *supra*. This fee application was filed in the Fourth Reporting Period. [See Dkt. No. 194.]

VII. WORK PERFORMED BY PROFESSIONALS

a. Tax Appeal Counsel.

29. During the Fourth Reporting Period, Sarnoff & Baccash continued to pursue appeals of real estate tax assessments for certain Real Property Assets on a contingency-fee basis. All appeals have been timely filed. The appeal with respect to the Bartlett Lake Property was successful (the fee associated with this successful appeal will be paid on a pro-rated basis between the Receivership and the buyer of the Bartlett Lake Property as set forth in the relevant purchase agreement). The remaining tax appeals for 2019 were denied. 2020 tax appeals for any remaining Real Property Assets will be timely filed.

b. Forensic Accountant.

30. During the Fourth Reporting Period, AlixPartners LLP ("AlixPartners"), the Receiver's forensic accountant performed the following work: (a) continued to refine analysis relating to the amount and validity of potential claims of the investors/creditors of the

Receivership Defendants; (b) assisted the Receiver in designing the claims process and provided support for the Claims Procedure Motion (defined below); (c) supported the Receiver's efforts to collect claims of the Receivership Estate against third parties, including receivable claims, "finder" claims, "net winner" claims and insider claims; and (d) assisted with case administration.

31. With respect to investor/creditor claims, AlixPartners focused its efforts on refining its analysis of claims at the investor level. This work was a continuation of the work performed during prior reporting periods. This substantial undertaking involved analyzing the Receivership Entities' books and records on a digital platform so that cash-in/cash-out transactions could be verified. Specifically, AlixPartners identified "red flag" transactions whereby certain investors were purportedly investing additional funds, but no corresponding accounting entries exist. This exercise will likely eliminate any remaining non-cash transactions from the Receiver's investor claims calculations and thus result in a lower total claim amount (i.e. meaning higher percentage recovery).

32. With respect to a claims process, the Receiver filed his MOTION FOR ORDER (1) FIXING CLAIMS BAR DATE (2) APPROVING CLAIMS PROCEDURES AND CLAIMS FORMS; (3) APPROVING NOTICES; AND (4) APPROVING THE POOLING OF RECEIVERSHIP ENTITIES' ASSETS FOR DISTRIBUTION PURPOSES (the "Claims Procedure Motion"). [Dkt. No. 169.] AlixPartners assisted with providing the comingling analysis set forth in the Claims Procedure Motion and with responding to an objection to the Claims Procedure Motion. Moreover, AlixPartners has performed work in anticipation of the Court granting such motion so that claims forms and the Receiver's calculation of each investor's claim can be sent out as soon as possible.

33. With respect to supporting the Receiver's pre-litigation efforts, AlixPartners provided the Receiver and his legal team detailed financial schedules setting forth the potential liability of parties who may owe the Receivership Entities significant funds. Demand letters relating to valid claims were sent in the Fourth Reporting Period, and AlixPartners provided significant support. AlixPartners also assisted the Receiver with identification and quantification of potential claims against insiders (including discussions with the SEC relating to same). The Receiver intends to pursue any valid claims against insiders in the next reporting period by sending demand letters, subpoenas and/or pursuing litigation.

34. Finally, AlixPartners provided significant assistance to the Receiver with respect to general case administration. AlixPartners continued to keep the Receivership Website (www.northridgereceiver.alixpartners.com) up-to-date and monitored and responded to a call-in number where investors leave messages and inquiries. This allows investor questions to be answered quickly and in a cost-effective manner.

c. Tax Accountant and Forensic Tax Accountant.

35. During the Fourth Reporting Period, Kutchins, Robbins & Diamond Ltd. ("KRD") continued to provide accounting, tax, payroll, and related services for the Receivership and the Receivership Defendants. Additionally, KRD prepared 2019 tax filings for the Receivership Defendants, and KRD is continuing to defend an audit and prepare/file tax returns for certain of the Receivership Defendants and related entities for tax year 2018. The Receiver utilized KRD's services to carry out accounting obligations in connection with the Receivership Defendants' business operations and management of the Receivership Estate's property.

36. Additionally, during the Fourth Reporting Period, the Receiver engaged ALAP Limited ("ALAP") to assist KRD with the Receivership Defendants' 2019 tax filings. ALAP

was the Receivership Defendants' prior tax accountant and, therefore, had valuable knowledge as to the Receivership Defendants that was utilized to cost-effectively complete this tax work.²

37. During the Fourth Reporting Period, no services were provided by Plante Moran, PLLC.

D. Condominium Association Counsel.

38. During the Fourth Reporting Period, Dickler, Kahn, Slowikowski, & Zavell, Ltd. ("Dickler Kahn") continued to provide legal services relating to the contractually required turnover of certain condominium associations relating with the sales of the Palatine and Surrey Properties Receivership Defendants.

VIII. COMMUNICATIONS WITH INVESTORS.

39. During the Fourth Reporting Period, the Receiver has primarily communicated with investors through (a) the northridgereceiver.alixpartners.com website; (b) the investor hotline maintained by AlixPartners³; and (c) the Receiver and his legal team's direct communication with investors when AlixPartners deems it necessary to escalate certain hotline questions. Also, the Receiver and his legal team received significant call volume regarding the Claims Procedure Motion. All calls were responded to (and the Receiver and his legal team are not charging for this time in accordance with the SEC's Billing Instructions). With respect to the website, it has been continually updated throughout the Fourth Reporting Period.

IX. LIABILITIES/INVESTOR CLAIMS.

38. As set forth above, in conjunction with the claims process, the Receiver is continuing to investigate the existence and nature of potential liability and investor claims.

² The Receiver anticipates that a motion seeking the Court's approval of the rates to be charged by ALAP will be filed shortly. No amounts will be paid to ALAP unless and until this engagement is approved and an appropriate fee application is granted by the Court.

³ The website and hotline are collectively referred to herein as the "Northridge Receivership Portal."

Based on the analysis performed to date, such investor claims are generally as described in the SEC's *Emergency Motion for a Temporary Restraining Order to Prevent Violations of the Federal Securities Laws, to Appoint a Receiver, and Provide for Other Ancillary Relief* [Dkt. 3].

39. To date, based on work performed during the Fourth Reporting Period, AlixPartners estimates non-insider investor claims to total approximately \$40.8 million (on a cash-in/cash-out basis).

X. LIQUIDATED AND UNLIQUIDATED CLAIMS

40. The Receiver's investigation of liquidated and unliquidated claims is ongoing.

XI. OPEN LITIGATION

41. As of the end of the Fourth Reporting Period, no open litigation exists.

XII. RECEIVERSHIP ASSET DESCRIPTION

42. The assets of the Receivership Estate are described in the attached Third Amended Liquidation Plan which in turn includes descriptions of anticipated and/or proposed dispositions of such assets. At this time, the Receiver anticipates liquidating all of the Receivership Assets and, therefore, no such assets are expected to be retained.

XIII. KNOWN CREDITORS

43. The names and addresses of approximately 476 investors are known to the Receiver (although it is possible not all such investors hold valid claims against the Receivership). Additionally, the Receiver has knowledge of the secured lenders (who are all notice parties to this case) and some small trade creditors. Finally, the Receivership Entities' employees and other potential creditors will get notice of the claims process once initiated.

XIV. STATUS OF CREDITOR CLAIMS PROCEEDINGS

44. On August 13, 2020, the Receiver filed the Claims Procedure Motion. As of this filing, the motion is still pending.

XV. RECOMMENDATION FOR CONTINUATION OF RECEIVERSHIP

45. In order to ensure the orderly liquidation of the Receivership Estate and equitable distribution of the funds obtained from such liquidation, the Receiver recommends that the Receivership continue.

Dated: October 30, 2020

Respectfully submitted,

N. Neville Reid, Receiver

By: /s/ Ryan T. Schultz

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RECEIVER'S THIRD AMENDED LIQUIDATION PLAN

N. Neville Reid, not individually, but solely as the Court-appointed receiver (the “Receiver”) for the Estate of Defendant Northridge Holdings, Ltd. (“Northridge”) and its related entities and affiliates as more particularly set forth in the Receivership Order (as defined herein) (collectively, the “Receivership Defendants,” and their assets as more particularly identified 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. 22], as amended by the Court on February 13, 2020 [Dkt. 108; see also Dkt. 102] (the “Receivership Order”),¹ respectfully submits this *Third Amended Liquidation Plan* (the “Liquidation Plan”).

I. COVID-19 IMPACT

1. As set forth more fully below, the unprecedented COVID-19 crisis has impacted the Receiver's operation and liquidation of the Receivership Assets. The Receiver continues to use his best efforts to maximize the value of the Receivership Assets. The ultimate value

1 Capitalized terms not defined herein shall be given the same meaning ascribed to such terms in the Receivership Order.

EXHIBIT
A

received for the Receivership Assets, however, may be negatively impacted by this crisis. With respect to the Real Estate Assets (defined below), the Receiver has: (a) posted notices and information in an effort to ensure that residents stay as safe as possible; (b) continued to collect rents, including troubleshooting with tenants suffering a negative financial impact resulting from the COVID-19 crisis in order to maximize rent collection from such individuals; (c) to the extent an asset is under contract, used best efforts to close on such contract; and (d) continued the marketing of certain Real Estate Assets and postponed marketing efforts for others based upon the Receiver's brokers' and professionals' advice as to which strategy will maximize value. Importantly, the safety of the residents/tenants of the Real Estate Assets and the Receivership's employees and professionals is the Receiver's highest priority.

II. REAL ESTATE ASSETS

2. The Receivership Assets include the following real estate (collectively, the "Real Estate Assets"): (a) a 96-unit apartment building located in Addison, Illinois (the "Chablis Property"); (b) a 576-unit apartment building located in West Chicago, Illinois (the "Timber Lake Property"); (c) a 192-apartment complex located in Bartlett, Illinois (the "Bartlett Lake Property"); (d) 48 condominiums located at 106 Surrey, Glen Ellyn, Illinois (the "Surrey Property"); (e) an office building located at 5097 N. Elston, Chicago, Illinois (the "Elston Property"); (f) a condominium unit located in Palatine, Illinois (the "Palatine Property"); (g) a condominium located at 3470 E. Coast Avenue, Unit #1003, Miami, Florida 33137; and (h) 36 vacant residential lots located near Palms Springs, California (the "Vacant Lots Property").

3. As part of the marketing and sales process for the Real Estate Assets (subject to sale orders at the appropriate time), the Receiver has sought professional guidance in order to maximize the value of the Real Estate Assets. Generally, the Receiver intends to market and sell

each of the Real Estate Assets. Specifically, with respect to each Real Estate Asset, the Receiver's plan is as follows (or the Receiver has already achieved the indicated results):

a. Chablis Property (Sale Closed).

4. The Receivership Order authorized Defendant Glenn C. Mueller ("Mueller") to consummate a pending sale of the Chablis Property. [Dkt. 22, ¶ 40.] The Chablis Property closing occurred on September 20, 2019. In connection therewith, the Receiver (a) reviewed closing documents to ensure compliance with the Receivership Order; (b) ensured proper payment of the outstanding mortgage loan balance encumbering the Chablis Property; and (c) secured receipt of the remaining proceeds into the Receivership Estate. [*Id.* at ¶¶ 40(h)-(j).] The Receivership Estate was paid **\$3,882,611.02** at closing.²

5. Soon after the closing, the Receiver determined that the mortgage lender had failed to timely turn over a mortgage loan overpayment and tax escrow balance to the Receiver. Accordingly, the Receiver made a demand for turnover of the same and subsequently filed a *Motion to Enforce Receivership Order and For Entry of an Order Compelling J.P. Morgan Chase Bank, N.A. to Account for and Turn Over Receivership Assets to the Receiver* (the "Turnover Motion"). [Dkt. 53.] The Receiver and mortgage lender subsequently resolved the Turnover Motion consensually, resulting in the Receiver's recovery of an additional (approximately) **\$82,000.00** into the Receivership Estate.

b. Bartlett Lake Property (Sale Closed).

6. The Receiver engaged Essex Realty Group, Inc. ("Essex") as real estate broker for the Bartlett Lake Property. [See Dkt. 62.] Additionally, the Receiver sought and obtained Court approval for sale procedures for the Bartlett Lake Property. [See Dkts. 72, 92.] On February 27,

² With respect to all of the Real Estate Assets, the Receiver is still investigating the tax treatment of sales of the same and is working with his accountants to minimize any tax burden. As a result, all amounts realized or estimated at closings are in pre-tax dollars.

2020, the Receiver filed his *Motion to Authorize Sale of Real Estate and Related Relief (Bartlett Property)* (the “Bartlett Sale Motion”). [Dkt. 110.] The Bartlett Sale Motion sought approval of the sale of the Bartlett Lake Property to Monument Capital Management IV, LLC, an affiliate of Monument Capital Management (the “Bartlett Buyer”), for a purchase price of \$19.3 million. Approval of the Bartlett Sale Motion was delayed due to Mueller’s assertion of a potential objection and the COVID-19 crisis. The objection was resolved consensually. On March 31, 2020, the Court entered an order approving the sale (the “Bartlett Sale Order”). [Dkt. 131.] Under the relevant agreement, the sale was required to close on or before May 7, 2020.³

7. In the weeks immediately following entry of the Bartlett Sale Order, the COVID-19 crisis worsened, thereby negatively impacting, among other things, residential real estate values. As a result, the Bartlett Buyer requested certain concessions from the Receiver, including a purchase price reduction. The Receiver determined in his business judgment that preserving the transaction through a reasonable price reduction outweighed – and protected against – the risk and uncertainty of navigating a renewed marketing and sale process amidst the pandemic. Accordingly, the Receiver filed a motion seeking (i) approval of the sale to the Bartlett Buyer at a reduced purchase price (\$17.8 million) and (ii) related relief. [Dkt. 143.] On May 19, 2020, the Court entered an order approving the sale of the Bartlett Lake Property at the reduced purchase price. [Dkt. 147.]

8. On June 24, 2020, the sale of the Bartlett Lake Property closed. At closing, after payment of all encumbrances and closing costs (secured lender, commissions, etc.), the Receivership Estate realized **\$7,810,079.26** in net proceeds from the sale of the Bartlett Lake Property. Shortly after closing, the lender for the Bartlett Lake Property refunded to the

³ Under the executed contract, the buyer retained the option to extend the closing date by posting additional non-refundable earnest money.

Receivership Estate \$230,029.20 in tax, insurance and reserve escrows. Post-closing, the Receiver received approximately \$34,000.00 relating to post-closing rental collections and pro-rations.

c. Surrey Property (Sale Closed).

9. The Receiver engaged 33 Realty as real estate broker for the Surrey Property. On December 10, 2019, the Receiver filed his *Motion for Court Approval of: (A) Rates to be Charged by Receiver's Real Estate Broker (Surrey Property) and (B) Sales Procedures (Surrey Property)*. [See Dkt. 82.] On January 6, 2020, the Court granted this motion. [Dkt. 93.]

10. After completion of the marketing process, the Receiver selected an offer with which to proceed. On April 28, 2020, the Receiver filed his *Motion (1) to Authorize Sale of Real Estate and Related Relief (Surrey Property) and (2) For Partial Relief from the Court's COVID-19 Order* (the "Surrey Sale Motion"). [Dkt. 138.] The Surrey Sale Motion sought approval of the sale of the Surrey Property to Wildwood Property Ventures, LLC (the "Surrey Buyer") for a purchase price of \$5.7 million.⁴ In the interest of efficiently closing the transaction during the COVID-19 crisis and related market uncertainty, the Receiver filed the Surrey Sale Motion while due diligence remained pending and the Surrey Buyer's financing contingency remained outstanding (i.e., the Receiver filed the Surrey Sale Motion so that any objection period and the due diligence/contingency period would run concurrently).

11. During due diligence, the Surrey Buyer identified certain issues with the Surrey Property, and the COVID-19 crisis continued to harm the real estate market. As a result, the Surrey Buyer requested a modest purchase price reduction. After good faith negotiations between the parties, the Receiver agreed to reduce the purchase from \$5.7 million to \$5.425

⁴ In the Receiver's prior Liquidation Plan, the Receiver stated that the Receiver had obtained a broker opinion of value in excess of \$8 million. That valuation, however, was for all sixty (60) units - of which the Receivership Estate owned just forty-eight (48) - and was completed prior to the COVID-19 crisis.

million in exchange for the Surrey Buyer's agreement to solidify the certainty of the transaction by (a) increasing its earnest money deposit from \$100,000 to \$400,000, and (b) waiving any outstanding due diligence and financing contingencies.

12. On May 29, 2020, the Receiver simultaneously filed a motion to withdraw the Surrey Sale Motion [Dkt. 153] and an amended motion for approval of the sale of the Surrey Property (the "Amended Surrey Sale Motion"). [Dkts. 153.] The Amended Surrey Sale Motion sought approval of the sale of the Surrey Property to the Surrey buyer at the reduced purchase price. On June 2, 2020, the Court granted the Receiver's request to withdraw the Surrey Sale Motion. [Dkt. 155.] After the expiration of the relevant objection period, on June 17, 2020, the Court granted the Amended Surrey Sale Motion. [Dkt. 158.]

13. On July 24, 2020, the sale of the Surrey Property closed. At closing, after payment of all encumbrances and closing costs (secured lender, commissions, etc.), the Receivership Estate received \$2,039,766.16 in net proceeds from the sale of the Surrey Property.⁵

d. Timber Lake Property (Sale Pending Court Approval).

14. In order to maximize the value of the Timber Lake Property, the Receiver's professionals recommended completing the then-pending parking lot expansion (to increase occupancy) and securing additional tenants to rent vacant units (to demonstrate demand to potential buyers) in advance of marketing the Timber Lake Property for sale. Both of these recommended steps were completed.

15. In order to select a broker for the Timber Lake Property, the Receiver solicited broker proposals from five reputable local and national brokers, conducted interviews of such brokers and checked their references. After completion of this competitive process, the Receiver

⁵ Here, the secured lender applied all escrow balances to reduce the loan balance to be paid at closing.

selected CBRE, Inc. (“CBRE”) as broker. The Receiver then sought and received the Court’s approval of the commission rate to be paid to the CBRE and the sales procedures for the Timber Lake Property. [See Dkts. 112 and 156.]

16. On September 22, 2020, the Receiver filed a motion seeking authority to sell the Timber Lake Property and related relief (the “Timber Lake Sale Motion”). [See Dkt. No. 183.] In summary, the Timber Lake Sale Motion: (a) seeks authority to sell the Timber Lake Property to TMIF II Timber Lake LLC, an affiliate of Turner Impact Capital for **\$50.25 million**; (b) describes the marketing process for the Timber Lake Property and the Receiver’s selection of the buyer; (c) seeks authority to pay the relevant secured lender; and (d) seeks to add as a receivership entity Timberwood Recreational Center, Inc., a fee owner of certain parcels of the Timber Lake Property. Mueller filed an objection to the Timber Lake Sale Motion asserting that more time should be given to another potential buyer that may be interested in purchasing the Timber Lake Property for a higher price. As this filing, the Timber Lake Sale Motion is pending.

17. In the meantime, the Receiver continues to maintain the Timber Lake Property and collect rents at the Timber Lake Property.

18. Provided that the sale moves forward as expected, the Receiver anticipates closing on the sale of the Timber Lake Property in or about December 2020. Outstanding mortgage debt on the Timber Lake Property as of August 16, 2020 was approximately \$20.91 million (not including any applicable pre-payment premium, which the Receiver estimates at approximately \$200,000). Additionally, as of the same date, collective escrow balances totaled approximately \$939,000.00. Thus, the Receiver ultimately anticipates realizing a significant recovery from the sale of this property.

e. Elston Property (Sale Closed).

19. The Receiver engaged Millennium Properties R/E, Inc. (“MPI”) as real estate broker for the Elston Property. On January 17, 2020, the Receiver filed his *Motion for Court Approval of (A) Rates to be Charged by Receiver’s Real Estate Broker (Elston Property); (B) Sales Procedures (Elston Property); (C) Rates to be Charged by Receiver’s Real Estate Broker (Vacant Lots Property); and (D) Sales Procedures (Vacant Lots Property)*. [See Dkt. 96.] On February 7, 2020, the Court granted this motion. [See Dkt. 106.] Pursuant to the sale procedures, MPI marketed the Elston Property for auction, which auction was to be held on March 19, 2020. Due to the onset of the COVID-19 crisis the week of the auction, the auction was postponed.

20. During the continued marketing of the Elston Property, it became clear that a significant recovery was not likely with respect to this property. As a result, the Receiver sought to sell the Elston Property at the highest price in order to limit the claim the bank would have against the Receivership Estate and minimize potential dilution of recovery for the investors.

21. A buyer was located, and the Receiver sought and obtained court-approval approval of the sale of the Elston Property for \$650,000.00. [See Dkt. Nos. 166, 178.] This sale closed on October 19, 2020. This sale did not result in proceeds for the Receivership Estate, but limited the bank’s deficiency claim to approximately \$50,000.00-\$60,000.00.

f. Miami Property (Sale Approved).

22. The Receiver engaged LG Realty Group, Inc. (“LG”) to broker the Miami Property. LG marketed and solicited offers for the Miami Property for the Receiver’s review and consideration. LG received offers in the \$220,000-\$235,000 range. The Receiver was finalizing an offer to purchase when the COVID-19 crisis started, and the pandemic ultimately prevented consummation of the transaction. As such, the Receiver was forced to continue to market this

property, but the COVID-19 crisis impacted the marketing of the property because access to this condominium building was materially restricted.

23. On or about August 28, 2020, the Receiver received a \$198,000.00 all-cash offer with no financial contingencies. After negotiation and execution of a real estate contract, the Receiver sought and obtained court-approval approval of the sale. [See Dkt. Nos. 180, 201.]

24. The Receiver anticipates closing on the Miami Property in mid to late November 2020. There is no mortgage on the Miami Property. As a result, the Receivership Estate will realize the full purchase price less closing costs (real estate commission, etc.).

g. Palatine Property (Sale Closed).

25. The Receivership owned a condominium unit located at 486 Lake Shore Drive, Palatine, Illinois 60067, Unit 486 (the “Palatine Property”). There have been no renters or operations with respect to the Palatine Property during the Receivership.

26. The Receiver sought and obtained authority to sell the Palatine Property for \$145,000. [See Dkts. 88, 92.] Closing occurred on February 10, 2020. There was no mortgage on this property, and, after payment of closing costs, the Receiver received **\$129,420.28** for the Estate.

h. Vacant Lots Property.

27. The Receiver engaged First Team Real Estate (“First Team”) as real estate broker for the Vacant Lots Property. On January 17, 2020, the Receiver filed his *Motion for Court Approval of (A) Rates to be Charged by Receiver’s Real Estate Broker (Elston Property); (B) Sales Procedures (Elston Property); (C) Rates to be Charged by Receiver’s Real Estate Broker (Vacant Lots Property); (D) Sales Procedures (Vacant Lots Property)*, which was granted by the Court. [See Dkt. Nos. 96, 106.] Pursuant to the proposed sales procedures, First Team has

begun marketing the Vacant Lots Property. To date, there has been no serious interest in any of the Vacant Lots Property.

28. The Receiver has obtained a broker opinion of value of between \$5,000 and \$10,000 per lot.

III. OTHER ASSETS

a. Securities Assets.

29. The Receivership Estate includes shares of stock in The Wellness Center USA, Inc. (“WCUI”). The stock is currently worth less than a penny per share. However, the Receivership Estate may own millions of shares. The Receiver continues to investigate the exact number of shares owned by the Receivership Estate (versus shares that may be owned by individual investors and allegedly owned by Glenn Mueller) and whether or not there is a market for such shares. The Receiver has sought and is currently awaiting information from Mueller and his counsel regarding the source of the funds that were used to purchase (i) shares that Mueller claims are owned by him, and (ii) shares that were placed in the names of other persons. Upon the receipt of that information, the Receiver will proceed to determine the extent, if any, that such shares may be liquidated for the benefit of the investors.

b. Glen Ellyn Property.

30. The Receiver asserted an interest in a house located at 22W371 Emerson Avenue, Glen Ellyn, Illinois 60137 (the “Glen Ellyn Property”). The Glen Ellyn Property was owned by Bruce and Cheryl Swift (together, the “Swifts”), acquaintances of Mueller (the Swifts are also investors in the Receivership Entities). Regarding the pre-Receivership arrangement, in or about June 2008, Northridge paid the Swifts \$70,000 for the right to rent out the Glen Ellyn Property and keep the rental proceeds of the same. Under this agreement, Northridge paid all expenses

associated with the Glen Ellyn Property and kept all of the rents. Upon sale, the proceeds were to be split between the parties. While the deal seems to have been amended at times (both orally and possibly in writing), the essential terms of the deal have remained the same. The Receiver negotiated with the attorney for the Swifts to (a) place the Glen Ellyn Property on the market for sale; (b) share in some of the carrying costs; and (c) come to a settlement with respect to the division of the proceeds of a sale of the property. The Swifts were then paying the carrying costs on the property (Northridge was doing so pre-Receivership). The Receiver sought and received Court approval of this settlement. [See Dkts. 134, 149.]

31. The sale of the Glen Ellyn Property closed on August 17, 2020 for \$269,900.00. The Receivership has received \$18,188.76 pursuant to the settlement with the Swifts.

c. Rocky Ridge L.P.

32. Mueller owns a 50% interest in Rocky Ridge L.P. which, in turn, is the fee owner of a large vacant land property in North Dakota (the “North Dakota Property”). The Receiver continues to investigate the value of the North Dakota Property and seeks to work with Mueller and his legal team to sell the property with proceeds escrowed subject to further order of the Court. (Mueller’s brother Dale also owns a percentage of this property either directly or indirectly through entity ownership.) The Receiver is in the process of discussing the disposition of Mueller’s and his respective relatives’ interests in the Rocky Ridge property, in the context of a potential settlement of claims that the receivership estate asserts against them.

d. Life Insurance.

33. Receivership Defendant Amberwood Holdings Limited Partnership purchased a key man life insurance policy on Mueller in the amount of \$5,000,000.00. The policy is a term policy so it has no current cash value. The monthly premium is approximately \$3,000, which

the Receiver has confirmed is an excellent rate for someone of Mueller's age (72). The Receiver has identified a market for the policy. If the policy is liquidated, the Receiver estimates receiving approximately \$200,000.00 to \$250,000.00. In the Receiver's business judgment, the Receiver is continuing to pay the monthly premium at least for the near term of the Receivership and, if the benefit is not paid prior to the end of the Receivership, the policy could be liquidated or assigned to a trust for the benefit of the applicable creditors of the Receivership.

e. Litigation Claims.

34. The Receiver has identified potential litigation targets that can primarily be summarized as follows: (a) claims to recover receivables of the Receivership Defendants; (b) claims against "finders" to recover fees/commissions paid for sourcing investments in the Receivership Defendants; (c) claims against "net-winners" for amounts paid to investors over and above the cash that such investors put into the Receivership Defendants; and (d) numerous claims against the insiders of the Receivership Defendants. The Receiver also sought and received authority for settlement procedures with respect to settling claims valued at less than \$1 million. [See Dkt. Nos. 175, 191.]

35. With respect to the receivable claims, demand letters have been sent, and the Receiver has settled some claims and continues to pursue settlement of the remaining claims.

36. With respect to the "finder" claims, demand letters have been sent, and the Receiver has settled some claims and continues to pursue settlement of the remaining claims.

37. With respect to the "net winner" claims, most of the demand letters have been sent, and the Receiver has settled some claims and continues to pursue settlement of the remaining claims.

38. As of the date hereof, the Receiver has negotiated settlements for receivable,

“finder” and “net-winner” claims collectively totaling (1) approximately \$160,000.00 in cash and (2) approximately \$68,000.00 in claim reductions — amounting to a total benefit to the Estate of approximately \$228,000.00. The Receiver cannot currently estimate recovery on account of all of the Receivership Estate’s receivable, “finder” and “net-winner” claims.

39. With respect to claims against insiders, the Receiver has worked with the SEC identifying and quantifying these claims. The Receiver is in the process of completing the transmittal of letters to various insiders of the Receivership Defendants, and anticipates engaging in settlement discussions with them to limit legal costs and effect a resolution of the receivership estate’s claims against them.

40. The Receiver is still in the process of identifying additional potential litigation targets (fraudulent transfer, professional negligence, etc.)

f. Tax Refunds.

41. The Receiver’s tax professionals are currently analyzing whether or not the Receivership Entities are entitled to any tax refunds. No such refund claims have been identified to date.

g. Investigation Ongoing.

42. The Receiver is continuing to investigate the existence and nature of other assets and claims that may constitute Receivership Assets.

Dated: October 29, 2020

Respectfully submitted,

N. Neville Reid, Receiver

By: /s/ Ryan T. Schultz

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General Counsel to the Receiver

Profit & Loss

July through September 2020

Jul - Sep 20

Ordinary Income/Expense

Income

Laundry 9,734.56

Rental 1,528,705.62

Total Income 1,538,440.18

Expense

Alarm 53,061.02

Bank Service Charges 346.55

Fines & Penalties 300.00

Insurance Expense

Automobile 387.83

Liability 15,714.99

Property 45,717.99

Total Insurance Expense 61,820.81

Interest Expense

Mortgage 303,043.24

Security Deposit 0.11

Total Interest Expense 303,043.35

Licenses & Fees 95.00

Maintenance

Landscaping 6,900.00

Extermination 10,000.00

Maintenance - Other 114,010.39

Total Maintenance 130,910.39

Management Fee 82,496.38

Manager's Salary 8,344.00

Office Supplies 570.56

Scavenger 24,668.86

Software 1,440.00

Taxes

Property 201,817.17

Total Taxes 201,817.17

Telephone Expense 2,849.25

Utilities

Gas and Electric 26,940.36

Water 117,777.33

Total Utilities 144,717.69

Wages 108,610.54

Total Expense 1,125,091.57

Net Ordinary Income 413,348.61

Net Income 413,348.61

**EXHIBIT
B**

Profit & Loss

July through September 2020

Jul - Sep 20

Ordinary Income/Expense

Income

Fee Income

Laundry 5,932.81

Total Fee Income 5,932.81

Rental 18,024.69

Total Income 23,957.50

Expense

Bank Service Charges 130.58

Credit Check 100.00

Interest Expense

Security Deposit 0.11

Total Interest Expense 0.11

Maintenance

Elevator 2,372.00

Landscaping 3,750.00

Maintenance - Other 6,815.91

Total Maintenance 12,937.91

Management Fees 17,054.04

Manager's Salary 1,643.90

Postage and Delivery 81.90

Software 240.00

Tax Appeal -18,040.50

Telephone -253.75

Utilities

Gas and Electric 4,202.84

Total Utilities 4,202.84

Wages 5,312.50

Total Expense 23,409.53

Net Ordinary Income 547.97

Net Income 547.97

EXHIBIT
C

Profit & Loss

July through September 2020

Jul - Sep 20

Ordinary Income/Expense

Income

Rental 65,320.93

Total Income 65,320.93

Gross Profit 65,320.93

Expense

Software 150.00

Bank Service Charges 30.00

Insurance

Liability Insurance 3,431.09

Total Insurance 3,431.09

Interest Expense

Mortgage 11,273.43

Mortgage - 11 399.16

Total Interest Expense 11,672.59

Maintenance 2,543.82

Management Fees 8,595.91

Supplies

Marketing 40.00

Total Supplies 40.00

Taxes

Property 12,881.75

Total Taxes 12,881.75

Utilities

Gas and Electric 565.63

Water 345.35

Total Utilities 910.98

Wages 7,775.16

Total Expense 48,031.30

Net Ordinary Income 17,289.63

Net Income 17,289.63

**EXHIBIT
D**

Profit & Loss

July through September 2020

Jul - Sep 20

Ordinary Income/Expense

Income

Rental 37,012.00

Total Income 37,012.00

Expense

Bank Service Charge 5.00

Fees 7,792.30

Insurance Expense

Property 2,313.09

Total Insurance Expense 2,313.09

Interest Expense

Mortgage 7,729.42

Total Interest Expense 7,729.42

Maintenance

Elevator 540.00

Maintenance - Other 4,790.00

Total Maintenance 5,330.00

Management Fees 3,654.84

Professional Fees

Legal 5,559.02

Total Professional Fees 5,559.02

Scavenger 709.07

Software 46.00

Taxes

Property 12,726.00

Total Taxes 12,726.00

Telephone Expense 134.82

Utilities

Gas and Electric 4,485.08

Water 106.36

Total Utilities 4,591.44

Total Expense 50,591.00

Net Ordinary Income -13,579.00

Net Income -13,579.00

**EXHIBIT
E**

Cornerstone Limited Partnership

Profit & Loss

July through September 2020

Jul - Sep 20

Ordinary Income/Expense

Income

Rental - H1003 6,000.00

Total Income 6,000.00

Gross Profit 6,000.00

Expense

Software 2.00

Insurance

Property H1003 704.95

Total Insurance 704.95

Management Fees 160.00

Midtown Two #H1003

Association Fee - Special Asses 104.22

Association Fee 1,909.26

Total Midtown Two #H1003 2,013.48

Total Expense 2,880.43

Net Ordinary Income 3,119.57

Net Income 3,119.57

**EXHIBIT
F**

STANDARDIZED FUND ACCOUNTING REPORT for SEC v. Northridge Holdings, Ltd. et al - Cash Basis

Receivership; Civil Court Case No. 1:2019cv05957

REPORTING PERIOD 07/01/2020 TO 09/30/2020

FUND ACCOUNTING (See Instructions):		Current Reporting Period 07/01/20 to 09/30/20			09/12/19 to 09/30/20
		Detail	Subtotal	Grand Total	Case to Date
Line 1	Beginning Balance (as of 7/1/2020)			\$11,646,880.39	
	<i>Increases in Fund Balance:</i>				
Line 2	Business Income	\$793.31-	-		\$117,317.98
Line 3	Cash and Securities	-	-		
Line 4	Interest/Dividend Income	\$15,825.10-	-		\$15,825.10
Line 5	Business Asset Liquidation	\$2,039,766.16-	-		\$14,190,396.13
Line 6	Personal Asset Liquidation	-	-		-
Line 7	Third-Party Litigation	\$103,724.14-	-		\$103,724.14
Line 8	Miscellaneous – Other	-	-		-
	Total Funds Available (Lines 1-8):		-	\$2,160,108.71	\$14,427,263.35
	<i>Decreases in Fund Balance:</i>				
Line 9	Disbursements to Senior Secured Lenders/Investors	-	-	-	-
Line 10	Disbursements for Receivership Operations	-	-	-	-
Line 10a	Disbursements to Receiver or Other Professionals	\$752,647.39-			\$973,078.21
Line 10b	Business Asset Expenses	\$399,535.20-			\$799,378.63
Line 10c	Personal Asset Expenses	-			
Line 10d	Hospital Settlements & Investment Expenses	-			
Line 10e	Third-Party Litigation Expenses	-			
	1. Attorney Fees	\$35,657.67-			\$35,657.67
	2. Litigation Expenses	-			
	<i>Total Third-party Litigation Expenses</i>		-		
Line 10f	Tax Administrator Fees and Bonds	-			
Line 10g	Federal and State Tax Payments	\$106,641.00-			\$106,641.00
	Total Disbursements for Receivership Operations		-	\$1,294,481.26	\$1,914,755.51
Line 11	Disbursements for Distribution Expenses Paid by the Fund:				
Line 11a	<i>Distribution Plan Development Expenses:</i>				
	1. Fees:				
	Fund Administrator	-			
	Independent Distribution Consultant (IDC)	-			
	Distribution Agent	-			
	Consultants	-			
	Legal Advisers	-			
	Tax Advisers	-			
	2. Administrative Expenses	-			
	3. Miscellaneous	-			
	<i>Total Plan Development Expenses</i>		-		
Line 11b	<i>Distribution Plan Implementation Expenses:</i>				
	1. Fees:				
	Fund Administrator	-			
	IDC	-			
	Distribution Agent	-			
	Consultants	-			
	Legal Advisers	-			
	Tax Advisers	-			
	2. Administrative Expenses	-			
	3. Investor Identification:				
	Notice/Publishing Approved Plan	-			
	Claimant Identification	-			
	Claims Processing	-			
	Web Site Maintenance/Call Center	-			
	4. Fund Administrator Bond	-			
	5. Miscellaneous	-			

EXHIBIT G

Line 12	6. Federal Account for Investor Restitution (FAIR) Reporting Expenses	-	-	-	-
	Total Plan Implementation Expenses	-	-	-	-
	Total Disbursements for Distribution Expenses Paid by the Fund	-	-	-	-
	Disbursements to Court/Other:	-	-	-	-
	Investment Expenses/Court Registry Investment System (CRIS) Fees	-	-	-	-
Line 12a	Federal Tax Payments	-	-	-	-
Line 12b	Total Disbursements to Court/Other:	-	-	-	-
	Total Funds Disbursed (Lines 9-12):			\$1,290,713.76	\$1,910,988.01
Line 13	Ending Balance (As of 09/30/20):			\$12,512,507.84	\$12,512,507.84
Line 14	Ending Balance of Fund - Net Assets:				
Line 14a	Cash & Cash Equivalents			\$337,313.80	\$337,313.80
Line 14b	Investments			Undetermined-	Undetermined-
Line 14c	Other Assets or Uncleared Funds			Investigating-	Investigating-
	Total Ending Balance of Fund - Net Assets			\$12,849,821.64	\$12,849,821.64

OTHER SUPPLEMENTAL INFORMATION:		07/01/20 to 09/30/20			09/12/19 to 09/30/20
		Detail	Subtotal	Grand Total	Case to Date
Line 15	Report of Items NOT To Be Paid by the Fund:				
	Disbursements for Plan Administration Expenses Not Paid by the Fund:	-	-	-	-
Line 15	Disbursements for Plan Administration Expenses	-	-	-	-
Line 15a	Plan Development Expenses Not Paid by the Fund:	-	-	-	-
	1. Fees:	-	-	-	-
	Fund Administrator	-	-	-	-
	IDC	-	-	-	-
	Distribution Agent	-	-	-	-
	Consultants	-	-	-	-
	Legal Advisers	-	-	-	-
	Tax Advisers	-	-	-	-
	2. Administrative Expenses	-	-	-	-
	3. Miscellaneous	-	-	-	-
	Total Plan Development Expenses Not Paid by the Fund	-	-	-	-
Line 15b	Plan Implementation Expenses Not Paid by the Fund:	-	-	-	-
	1. Fees:	-	-	-	-
	Fund Administrator	-	-	-	-
	IDC	-	-	-	-
	Distribution Agent	-	-	-	-
	Consultants	-	-	-	-
	Legal Advisers	-	-	-	-
	Tax Advisers	-	-	-	-
	2. Administrative Expenses	-	-	-	-
	3. Investor Identification:	-	-	-	-
	Notice/Publishing Approved Plan	-	-	-	-
	Claimant Identification	-	-	-	-
	Claims Processing	-	-	-	-
	Web Site Maintenance/Call Center	-	-	-	-
	4. Fund Administrator Bond	-	-	-	-
	5. Miscellaneous	-	-	-	-
	6. FAIR Reporting Expenses	-	-	-	-
	Total Plan Implementation Expenses Not Paid by the Fund	-	-	-	-
Line 15c	Tax Administrator Fees & Bonds Not Paid by the Fund	-	-	-	-
	Total Disbursements for Plan Administrative Expenses Not Paid by the fund	-	-	-	-
Line 16	Disbursements to Court/Other Not Paid by the Fund:	-	-	-	-
Line 16a	Investment Expenses/CRIS Fees	-	-	-	-
Line 16b	Federal Tax Payments	-	-	-	-
	Total Disbursements to Court/Other Not Paid by the Fund:	-	-	-	-

Line 17	DC & State Tax Payments	-	-	-
Line 18	No. of Claims:			
Line 18a	# of Claims Received This Reporting Period			0-
Line 18b	# of Claims Received Since Inception of Fund			0-
Line 19	No. of Claimants / Investors:			
Line 19a	# of Claimants / Investors Paid This Reporting Period			0-
Line 19b	# of Claimants / Investors Paid Since Inception of Fund			0-

Receiver:

By:

(signature)

N. Neville Reid

(printed name)

Receiver

(title)

Date:

October 20, 2020

Schedule 1.1 - DETAIL OF LINE 1, BEGINNING BALANCE

STANDARDIZED FUND ACCOUNTING REPORT for SEC v. Northridge Holdings, Ltd. et al - Cash Basis
 Receivership; Civil Court Case No. 1:2019cv05957
 REPORTING PERIOD 07/01/2020 TO 09/30/2020

Entity	Bank Name	Account Number	As of Date	Balance
Amberwood	Axos Bank	***0153	7/1/2020	\$ -
Azlan Group, LLC	Axos Bank	***0161	7/1/2020	\$ -
Brookstone Investment Group, Ltd	Axos Bank	***0179	7/1/2020	\$ -
Cornerstone Limited Partnership	Axos Bank	***0187	7/1/2020	\$ -
Eastridge Holdings, Ltd.	Axos Bank	***0195	7/1/2020	\$ -
Guardian Investment Group, Ltd.	Axos Bank	***0203	7/1/2020	\$ -
Northridge Holdings, Ltd.	Axos Bank	***0211	7/1/2020	\$ 2,151.54
Paragon Group Limited	Axos Bank	***0229	7/1/2020	\$ -
Ridgeview Group I	Axos Bank	***0237	7/1/2020	\$ -
Southridge Holdings, Ltd.	Axos Bank	***0245	7/1/2020	\$ -
Unity Investment Group, Ltd.	Axos Bank	***0252	7/1/2020	\$ -
106 Surrey	Axos Bank	***0260	7/1/2020	\$ -
561 Deere Park	Axos Bank	***0278	7/1/2020	\$ 8,040,108.46
610 Lincoln	Axos Bank	***0286	7/1/2020	\$ 3,474,287.31
Timber Lake Apartments, LLC	Axos Bank	***0294	7/1/2020	\$ -
5097 Elston Limited Partnership	Axos Bank	***0302	7/1/2020	\$ -
5528 Hyde Park Limited Partnership	Axos Bank	***0310	7/1/2020	\$ 129,420.28
106 Surrey Limited Partnership	Axos Bank	***0328	7/1/2020	\$ -
610 Lincoln Limited Partnership	Axos Bank	***0336	7/1/2020	\$ -
G&C Mueller Family Limited Partnership	Axos Bank	***0344	7/1/2020	\$ -
149 Mason Limited Partnership	Axos Bank	***0351	7/1/2020	\$ -
Beacon Foundation	Axos Bank	***0369	7/1/2020	\$ -
Willow Creek Landscaping LP	Axos Bank	***0377	7/1/2020	\$ -
139 Austin LP	Axos Bank	***0385	7/1/2020	\$ -
149 Mason/Trust #12655	Axos Bank	***0393	7/1/2020	\$ -
Mueller Painting & Decorating	Axos Bank	***0401	7/1/2020	\$ -
Ameritrade	Axos Bank	***0419	7/1/2020	\$ 912.80
				\$ 11,646,880.39

STANDARDIZED FUND ACCOUNTING REPORT for SEC v. Northridge Holdings, Ltd. et al - Cash Basis
Receivership; Civil Court Case No. 1:2019cv05957
REPORTING PERIOD 07/01/2020 TO 09/30/2020

Date	Bank Name	Account Name	Account No.	Payor	Description	Amount
8/12/2020	Axos	Northridge Holdings, Ltd.	*0211	Thompson Coburn LLP	Tax Refund	\$793.31
						<u>\$ 793.31</u>

Date	Bank Name	Account Name	Account No.	Payor	Description	Amount
Q3 2020	Axos	Unity Investment Group	*0252	Axos	Interest	\$52.59
Q3 2020	Axos	Northridge Holdings, Ltd.	*0211	Axos	Interest	\$7.21
Q3 2020	Axos	561 Deer Park	*0278	Axos	Interest	\$10,093.30
Q3 2020	Axos	610 Lincoln	*0286	Axos	Interest	\$3,584.50
Q3 2020	Axos	5528 Hyde Park LP	*0310	Axos	Interest	\$162.75
Q3 2020	Axos	106 Surrey LP	*0328	Axos	Interest	\$1,923.61
Q3 2020	Axos	Ameritrade	*0211	Axos	Interest	\$1.14
						\$15,825.10

Date	Bank Name	Account Name	Payor	Description	Amount
7/24/2020	Axos	106 Surrey LP	*0328 CT&T	Sale of real property	\$2,039,766.16
					<u>\$2,039,766.16</u>

Schedule 2.1 to 8.1- LINES 2-8 INCREASES IN FUND BALANCE

STANDARDIZED FUND ACCOUNTING REPORT for SEC v. Northridge Holdings, Ltd. et al - Cash Basis
 Receivership; Civil Court Case No. 1:2019cv05957
 REPORTING PERIOD 07/01/2020 TO 09/30/2020

Line 7 - THIRD PARTY LITIGATION

Date	Bank Name	Account Name	Account No.	Payor	Description	Amount
8/17/2020	Axos	Unity Investment Group	*0252	Tradewinds, LP	Settlement	\$85,535.38
9/14/2020	Axos	Northridge Holdings, Ltd.	*0211	William S. Allen	Settlement	\$18,188.76
						<u>\$103,724.14</u>

LINES 9-12- DECREASES IN FUND BALANCE

STANDARDIZED FUND ACCOUNTING REPORT for SEC v. Northridge Holdings, Ltd. et al - Cash Basis
 Receivership; Civil Court Case No. 1:2019cv05957
 REPORTING PERIOD 07/01/2020 TO 09/30/2020

Line 10a - Disbursements to Receiver or Other Professionals

Date	Bank Name	Account Name	Account No.	Payee	Description	Amount
8/17/2020	Axos	610 Lincoln	*0286	Kutchins Robbins & Diamond Ltd	Accountant's Fees/Exp	\$ 3,978.71
8/17/2020	Axos	610 Lincoln	*0286	Plante Moran PLLC	Consultants' Fees/Exp	\$ 3,326.00
8/17/2020	Axos	610 Lincoln	*0286	Fox Swibel Levin & Carroll LLP	Attorneys' Fees/Exp	\$ 146,712.71
8/17/2020	Axos	610 Lincoln	*0286	AlixPartners	Consultants' Fees/Exp	\$ 598,630.51
						<u>\$ 752,647.93</u>

Line 10b - Disbursements for Receivership Operations

Date	Bank Name	Account Name	Account No.	Payee	Description	Amount
7/13/2020	Axos	610 Lincoln	*0286	Northridge Holdings	Insurance	\$121,535.20
8/13/2020	Axos	610 Lincoln	*0286	Northridge Holdings	Insurance	\$278,000.00
						<u>\$399,535.20</u>

Line 10e(1) - Disbursements for Third Party Litigation Expenses (Attorney Fees)

Date	Bank Name	Account Name	Account No.	Payee	Description	Amount
8/11/2020	Axos	561 Deere Park	*0278	Sarnoff & Baccash	Legal services -tax assessment	\$35,657.67
						<u>\$35,657.67</u>

Line 10g - Disbursements for Federal and State Tax Payments

Date	Bank Name	Account Name	Account No.	Payee	Description	Amount
9/17/2020	Axos	610 Lincoln	*0286	Franchise Tax Board	2020 Tax Return Filing	\$800.00
9/17/2020	Axos	610 Lincoln	*0286	Illinois Dept. of Revenue	2019 Partnership Replacement	\$7,330.00
9/24/2020	Axos	610 Lincoln	*0286	Illinois Dept. of Revenue	2019 Partnership Form 1065	\$98,511.00
						<u>\$106,641.00</u>

Schedule 13.1 - DETAIL OF LINE 13, ENDING BALANCE

STANDARDIZED FUND ACCOUNTING REPORT for SEC v. Northridge Holdings, Ltd. et al - Cash Basis
Receivership; Civil Court Case No. 1:2019cv05957
REPORTING PERIOD 07/01/2020 TO 09/30/2020

Entity	Bank Name	Account Number	As of Date	Balance
Amberwood	Axos Bank	***0153	6/30/2020	\$ -
Azlan Group, LLC	Axos Bank	***0161	6/30/2020	\$ -
Brookstone Investment Group, Ltd	Axos Bank	***0179	6/30/2020	\$ -
Cornerstone Limited Partnership	Axos Bank	***0187	6/30/2020	\$ -
Eastridge Holdings, Ltd.	Axos Bank	***0195	6/30/2020	\$ -
Guardian Investment Group, Ltd.	Axos Bank	***0203	6/30/2020	\$ -
Northridge Holdings, Ltd.	Axos Bank	***0211	6/30/2020	\$ 21,140.82
Paragon Group Limited	Axos Bank	***0229	6/30/2020	\$ -
Ridgeview Group I	Axos Bank	***0237	6/30/2020	\$ -
Southridge Holdings, Ltd.	Axos Bank	***0245	6/30/2020	\$ -
Unity Investment Group, Ltd.	Axos Bank	***0252	6/30/2020	\$ 85,587.97
106 Surrey	Axos Bank	***0260	6/30/2020	\$ 2,041,689.77
561 Deere Park	Axos Bank	***0278	6/30/2020	\$ 8,014,544.09
610 Lincoln	Axos Bank	***0286	6/30/2020	\$ 2,219,048.22
Timber Lake Apartments, LLC	Axos Bank	***0294	6/30/2020	\$ -
5097 Elston Limited Partnership	Axos Bank	***0302	6/30/2020	\$ -
5528 Hyde Park Limited Partnership	Axos Bank	***0310	6/30/2020	\$ 129,583.03
106 Surrey Limited Partnership	Axos Bank	***0328	6/30/2020	\$ -
610 Lincoln Limited Partnership	Axos Bank	***0336	6/30/2020	\$ -
G&C Mueller Family Limited Partnership	Axos Bank	***0344	6/30/2020	\$ -
149 Mason Limited Partnership	Axos Bank	***0351	6/30/2020	\$ -
Beacon Foundation	Axos Bank	***0369	6/30/2020	\$ -
Willow Creek Landscaping LP	Axos Bank	***0377	6/30/2020	\$ -
139 Austin LP	Axos Bank	***0385	6/30/2020	\$ -
149 Mason/Trust #12655	Axos Bank	***0393	6/30/2020	\$ -
Mueller Painting & Decorating	Axos Bank	***0401	6/30/2020	\$ -
Ameritrade	Axos Bank	***0419	6/30/2020	\$ 913.94
				<u>\$ 12,512,507.84</u>

Schedule 14.1-DETAIL LINE 13, 14a,b,c END BALANCE OF FUND-NET ASSETS

STANDARDIZED FUND ACCOUNTING REPORT for SEC v. Northridge Holdings, Ltd et al - Cash Basis
 Receivership; Civil Court Case No 1:2019cv05957
 Reporting Period 07/01/2020 to 09/30/2020

Line 13, 14a - Cash & Cash Equivalents

	Bank	Balance all accounts as of 09/30/2020
Line 13	Axos Bank	\$ 12,512,507.84
	Parkway Bank; First American Bank	
Line 14a	(operating accounts)	\$ 337,313.80
	Total (including Parkway/FAB operating)	<u>\$ 12,849,821.64</u>

Line 14b - Investments

Real Property Assets of Receivership - value still being determined

Line 14c - Other Assets or Uncleared Funds

Other Assets of Receivership - Receiver is investigating

Account Name	Parkway Account/ (First American Bank)	Parkway Account/ (First American Bank)	Axos Account	Axos Balance
Amberwood Holdings	*1756		*0153	\$ -
Timberwood Recreational Center Inc	*1845		N/A	\$ -
5528 Hyde Park LP	*2221		*0310	\$ 129,583.03
106 Surrey LP N	*2329		*0328	\$ 2,041,689.77
149 Mason LP N	*2337		*0351	\$ -
610 Lincoln LP N	*2345		*0336	\$ -
9620 Ivanhoe LP N	*2353		N/A	\$ -
Azlan Group N	*2396	\$ 725.20	*0161	\$ -
Beechwood Group I LP N	*2418		N/A	\$ -
Brookstone Inv. Group N	*2426		*0179	\$ -
Cornerstone LP N	*2434	\$ 13,467.21	*0187	\$ -
Eastridge Holdings Ltd N	*2442		*0195	\$ -
Guardian Inv. Group N	*2450		*0203	\$ -
Paragon Group N	*2469		*0229	\$ -
Ridgeview Group I N	*2477		*0237	\$ -
Town Square Mgmt. N	*2485		N/A	\$ -
Unity Inv. Group Ltd. N	*2493		*0252	\$ 85,587.97
Glen Ellyn Court Condo Assoc N	*2507		N/A	\$ -
106 Surrey/Trust #14029 N	*2515	\$ 13,001.17	*0260	\$ -
441-447 N LSD Dr Townhome Assoc N	*2523		N/A	\$ -
480-486 N LSD Dr Townhome Assoc N	*2331		N/A	\$ -
5097 Elston LP	*2558	\$ 15,148.24	*0302	\$ -
Timberlake Apartments N	*2604	\$ 239,742.21	*0294	\$ -
610 Lincoln/Trust #13741 N	*2612		*0286	\$ 2,219,048.22
561 Deere Park/Trust #14106 N	*2620	\$ 55,229.77	*0278	\$ 8,014,544.09
Southridge Holdings LTD I	*2639		*0245	\$ -
Northridge Holdings LTD N	*2647		*0211	\$ 21,140.82
G&C Mueller Family LP	N/A		*0344	\$ -
Beacon Foundation	*9622		*0369	\$ -
Willow Creek Landscaping LP	N/A		*0377	\$ -
139 Austin LP	*2701(FAB)		*0385	\$ -
149 Mason/Trust #12655	*7801(FAB)		*0393	\$ -
Mueller Painting & Decorating	*7302(FAB)		*0401	\$ -
Ameritrade	N/A	\$ -	*0419	\$ 913.94
Total Parkway Bank/ (First American Bank)				
	\$	337,313.80	Total Axos Bank	\$ 12,512,507.84