

**FOX SWIBEL**  
FOX SWIBEL LEVIN & CARROLL LLP  
200 W. MADISON STREET, SUITE 3000  
CHICAGO, ILLINOIS 60606

N. NEVILLE REID  
DIRECT DIAL: (312) 224-1245

Email: nreid@foxswibel.com

January 28, 2020

***Re: Northridge Holdings, Ltd. – Certain Investor Tax Questions***

Dear Northridge Holdings Entity Investor:

As you know, I am the Court-appointed receiver (the “Receiver”) for Northridge Holdings, Ltd. and its related entities in an SEC civil action pending here in the United States District Court for the Northern District of Illinois, Eastern Division, under Case No. 19-cv-5957 (the “Case” and such receivership the “Receivership” and such entities the “Northridge Entities”). We have provided certain information to investors related to the Case through correspondence, the call center or the Northridge website since inception of the Receivership. Many investors have recently asked questions regarding how the SEC action and the resulting Receivership will affect the 2019 year-end tax documents that investors would normally have received as to the Northridge Entities. While we appreciate those concerns, we cannot provide some of the requested information until we have (i) made further progress in the asset liquidation process now underway, and (ii) completed the evaluation of the books and records of the Northridge Entities and properly calculated the allowed claims of investors as determined by the requirements of the law governing receiverships and the allegations in the SEC complaint. As to specific information requests, and in light of the foregoing considerations, we have taken or will be taking the following actions:

**Investor K-1 Forms for 2019:**

In prior years it has been the practice for the Northridge Entities to provide investors with their annual K-1 forms on or before March 31st of the following tax year.

Currently, the 2019 books and records for the Northridge Entities are under review. Upon completion of the review the appropriate K-1 forms will be issued to the investors. At this time, we do not anticipate the K-1's will be available until later in the year.

Please consult your personal tax advisor regarding the impact this may have on your personal income tax filing obligations.

**Investor 1099-INT forms:**

Effective September 12, 2019 (the inception of the Receivership), all interest payments have been suspended by order of law. Interest accrual has also been suspended pending further developments in the case and calculation of investor claims. The 2019 form 1099-INT will not be issued to investors at this time. If after review of the books and records it is determined that a 1099 is warranted, it will be issued in the 2020 tax year.

**Investor 1099-R forms:**

Effective September 12, 2019, all distributions from retirement accounts have been suspended by order of law. As in prior years, the 1099-R forms will be issued by the custodian for your account. The custodians act independently from the Receivership and while the information provided by them may be appropriate and correct, their representations should not be construed to have been reviewed or approved by me as the Receiver. Our team will make an independent determination at the appropriate time as to the allowed amount of various investor claims, after applying the law related to receiverships and the claims in the SEC complaint, and our analysis may not necessarily agree with an analysis done by an IRA custodian.

**Investor Required Minimum Distribution (RMD):**

In order to calculate your RMD, the value of the investment may need to be determined as of the end of the applicable tax year. Currently, the 2019 books and records are under review and the value is not determinable at this time, especially given that we are in the process of marketing and selling the assets of the Northridge Entities. We strongly suggest that you discuss with your personal tax advisor the tax treatment for any possible insufficient distributions that you may have realized in 2019 due to the Case and the resulting Receivership. (Please refer to Internal Revenue Publication 590 and IRS Form 5329 for further information)

We hope that this information addresses your questions with respect to the 2019 year-end tax forms that may be due for the Northridge Entities during the Receivership period.

Please note that this letter is for information purposes only, and nothing herein shall be construed as providing any tax, accounting or legal advice to any investor, creditor or claimant as to any Northridge Entity.

Sincerely,

A handwritten signature in blue ink, appearing to read "N. Neville Reid". The signature is fluid and cursive, with the first name "N." and last name "Reid" clearly distinguishable.

N. Neville Reid, as Receiver

NNR:rdw