

UNITED STATES DISTRICT COURT
NORTHERN DISTRICT OF ILLINOIS
EASTERN DIVISION

_____)	
UNITED STATES SECURITIES)	
AND EXCHANGE COMMISSION,)	Civil Action No. 19-cv-05957
)	
Plaintiff,)	
v.)	Hon. John Z. Lee
)	
NORTHRIDGE HOLDINGS, LTD., ET AL.,)	
)	Magistrate Judge Susan E. Cox
Defendants.)	
_____)	

RECEIVER’S REPORT FOR THE PERIOD OF
APRIL 1, 2022 THROUGH JUNE 30, 2022

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 Eleventh Report* (the “Report”) for the *Period of April 1, 2022 through June 30, 2022* (the “Eleventh 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 Eleventh Reporting Period.

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

I. TENTH AMENDED LIQUIDATION PLAN.

1. Pursuant to the Receivership Order, the Receiver attaches his Tenth Amended Liquidation Plan as **Exhibit A** hereto (the “Tenth Amended Liquidation Plan”). [Receivership Order at ¶ 59.] The Tenth Amended Liquidation Plan provides a summary of real property sales and an update on the Receiver’s efforts to identify, pursue and settle 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. EXECUTIVE SUMMARY.

2. The following chart states the primary remaining tasks for completing the administration of the Receivership Estate:

<u>Task Description</u>	<u>Task Status</u>
Obtaining greater tax finality from the IRS	The Receiver and his professionals have met virtually with the Chief Counsel’s office multiple times during the Eleventh Reporting Period and most recently on July 28, 2022. Chief Counsel’s office is still attempting to get support for expedited review of the Receivership’s “key” tax returns. Additionally, the Receiver is pursuing a closing agreement with Chief Counsel’s office which would allow the Receiver to make distributions free and clear of any IRS interest or claim.
Resolving insider claims	The Receiver is working to finalize an agreement which he will bring to the Court for approval with respect to claims against Mr. Mueller’s brother, Dale Mueller. As part of the anticipated settlement, a portion of certain property in North Dakota will be sold and net proceeds of the sale paid to the Estate. Additionally, the Receiver is working in good faith with opposing counsel to settle claims against and asserted by Mr. and/or Mrs. Mueller (subject to SEC and Court-approval). The Receiver seeks to take Mrs. Mueller’s

	deposition before finalizing any agreement (Mrs. Mueller has agreed to sit for deposition, which will likely occur in late-August or early-September 2022).
Resolving remaining non-insider claims	There is one somewhat substantial non-insider claim remaining and the Receiver is working to settle that dispute.
General wind-up of operations and the Receivership	The Receiver continues efforts. During the Eleventh Reporting period, the last remaining salaried employee was moved to hourly which will reduce administrative costs. A case closing check list is being drafted for SEC review and comment.

III. REAL PROPERTY ASSETS

a. Management of Real Property Assets Generally.

2. In prior reporting periods, as set forth in prior Receiver Reports, all the Receivership Estate's substantial Real Property Assets were sold and now, all of the Receivership Estate's Real Property Assets have been sold.

3. Matters specific to each of the Real Property Assets are as follows:

b. Sales Closed

4. As set forth in the Tenth Amended Liquidation Plan, the following real properties were sold and closed in prior reporting periods:

- 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 prorations;
- The **Surrey Property** sale closed on July 24, 2020, and the Estate received

\$2,039,766.16 in net proceeds from that sale.

- The **Elston Property** sale closed on October 19, 2020, but 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. The lender’s asserted deficiency claim is \$13,821.97;
- The **Miami Property** sale closed on November 17, 2020, and the Estate received \$178,847.12 in net proceeds from that sale;
- The **Timber Lake Property** sale closed on December 9, 2020, and the Estate received (a) \$27,299,163.97 in net proceeds from that sale; and (b) \$928,064.51 in escrow return post-closing; and
- The Vacant Lots Property sale closed on January 11, 2022, and the Estate received \$22,782.13 in net proceeds from that sale.

c. Real Property Asset Operations During the Eleventh Reporting Period.

5. For certain of the Real Property Assets that closed in prior reporting periods, some post-closing activity was required. Additionally, some expenses and operations are run through the main Northridge Holdings, Ltd. entity and through the Amberwood entity. An accounting of that activity is attached hereto as group **Exhibit B**.

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

IV. OTHER ASSETS.

7. As more fully set forth in the Tenth Amended Liquidation Plan, the Receivership Estate has identified potential 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.

8. In summary, during the Eleventh Reporting Period, the Receiver continued to

pursue 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). From the inception of the receivership to the date of this report, the Receiver has negotiated settlements totaling approximately \$530,000.00 in cash and approximately \$515,000.00 in claim reductions — amounting to a total benefit to the Estate of approximately \$1,045,000.00. Additionally, during the Eleventh Reporting Period, the Receiver collected an additional settlement with an alleged “net-winner” that will realize \$80,000.00 for the Estate. *See* Dkt. No. 337.

9. During the Eleventh Reporting Period, the Receiver also worked with the SEC in connection with the assertion of insider claims and potential settlement of the same. The Receiver and counsel for Mr. Mueller and certain related persons and parties have been negotiating in good faith and are near a final settlement agreement. Negotiations have included a potential sale of certain property in North Dakota (the “North Dakota Property”) and the Receiver anticipates filing a motion seeking approval of this settlement in the very near future.

V. BUSINESS OPERATION AND PRESERVATION OF BOOKS AND RECORDS.

10. Business operations during the Eleventh 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 Mr. Mueller and others is ongoing.

VI. BANK AND INVESTMENT ACCOUNTS.

11. The Receiver continues to use a combination of pre-Receivership and post-Receivership accounts. Now that most of the operating assets have been sold and the Court has approved the “pooling” of assets to pay all claimants, the Receiver has closed and consolidated

accounts. The Receiver has consolidated many of the Receivership accounts into one primary account at Axos Bank. The Receiver continues to use Receivership accounts to collect liquid assets of the Receivership Estate and to pay the administrative and other ordinary course expenses of the Receivership Estate.

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

18. The Receiver’s Standardized Fund Accounting Report (“SFAR”) for the Eleventh Reporting Period is attached hereto as **Exhibit C**. The SFAR sets forth certain funds received by and disbursed from the Receivership Estate during the Eleventh Reporting Period. As reported in the SFAR, the amount of cash on hand in the Receivership Accounts (in the Receivership Estate) as of June 30, 2022 was \$23,730,222.80. The information set forth in the SFAR is based upon information and records available to the Receiver as of the date of this Report.

19. The Operating Accounts had a collective balance of \$12,511.90 as of June 30, 2022.

20. Collectively, the Receivership Estate had approximately **\$23,742,734.70** of cash on hand as of June 30, 2022.

21. The approximate amount of administrative expenses incurred during the Eleventh Reporting Period is summarized as follows²:

Professional	Month/Year	Fees & Costs Incurred
Fox Swibel	April – June 2022	\$47,481.50
AlixPartners	April – June	\$9,090.70 ³

² The Receiver is in the process of reviewing all professionals’ invoices, and thus the fees and costs stated herein are subject to modification/reduction. All finalized fees and costs of professionals approved by the Receiver will be set forth in the forthcoming fee application covering the Eleventh Reporting Period.

³ This is the gross amount invoiced and includes the agreed upon 25% holdback.

	2022	
Dickler Kahn	April – June 2022	\$990.00
KRD	April – June 2022	\$8,145.00
ALAP	April – June 2022	\$4,980.00
Plante Moran	April – June 2022	\$0.00
Miller Kaplan	April – June 2022	\$41,872.00 ⁴
Chapman & Chapman	April – June 2022	\$5,210.70 ⁵
<u>Total</u>		<u>\$117,769.90</u>

VIII. WORK PERFORMED BY PROFESSIONALS

a. Fox Swibel.

22. Fox Swibel's work during the Eleventh Reporting Period related primarily to the following:

- a. Assisting the Receiver with all tasks related to complying with the Court's previous order relating to distributions and resolving all investor issues relating to the prior approved investor distributions;
- b. Resolving potential litigation claims and monetize the Receivership Estate's remaining assets as set forth in the Tenth Amended Liquidation Plan.
- c. Continuing work relating to seeking to obtain certainty/finality as to the federal and state taxes owed/paid by the Receivership Entities. During the Tenth Reporting Period, the Receiver and his team engaged with the IRS to put the Receivership Estate on a path to resolve any remaining issues as soon as possible; and

⁴ Due to a miscommunication, Miller Kaplan invoices for October and November of 2021 were not included with the Receiver's fee application covering the Ninth Reporting Period (Q4 2021). The Receiver is reviewing those invoices and will be submitting approved amounts with the next application. The face amount of those invoices is approximately \$32,000.00.

⁵ The Receiver has not previously reported on Chapman & Chapman's invoices, so this number includes fees incurred in the Tenth Reporting Period (Q1 2022). The amount of fees accrued in the Tenth Reporting Period is \$1,808.60.

d. Monitoring the Investor hotline to more cost efficiently respond to Investor questions and issues. Fox Swibel, pursuant to SEC billing guidelines, does not bill for routine Investor inquiries.

b. Forensic Accountant.

29. During the Eleventh Reporting Period, AlixPartners LLP (“AlixPartners”), the Receiver’s forensic accountant performed the following work: (a) supported the Receiver’s efforts related to making Court-approved distributions; and (b) assisted with case administration.

30. Finally, AlixPartners assisted the Receiver with respect to general case administration. AlixPartners continues to keep the Receivership Website (www.northridgereceiver.alixpartners.com) up to date. These efforts facilitated efficient, cost-effective responses to Investors’ questions.

c. Tax Accountant, Forensic Tax Accountant and Tax Consultant.

31. During the Eleventh Reporting Period, Kutchins, Robbins & Diamond Ltd. (“KRD”) continued to provide accounting, tax, payroll, and related services for the Receivership and the Receivership Defendants, including work related to the Receivership Defendants’ 2021 tax filings, all yet-to-be filed tax returns and tax issues related to the Court-approved investor distributions.

32. During the Eleventh Reporting Period, ALAP Limited (“ALAP”) assisted KRD in providing accounting, tax, and related services for the Receivership and the Receivership Defendants, including work related to the Receivership Defendants’ 2021 tax filings, all yet-to-be filed tax returns and tax issues related to the Court-approved investor distributions.

33. During the Eleventh Reporting Period, Miller Kaplan Arase LLP (“Miller Kaplan”) advised the Receiver on issues relating to obtaining finality on outstanding and potential tax issues and all filed tax returns.

34. During the Eleventh Reporting Period, no services were provided by Plante Moran, PLLC.

D. Condominium Association Counsel.

35. During the Eleventh Reporting Period, Dickler, Kahn, Slowikowski, & Zavell, Ltd. (“Dickler Kahn”) provided work relating to the turnover of associations where the Receivership Entities previous owned real property.

E. North Dakota Counsel.

36. During the Eleventh Reporting Period, Chapman & Chapman provided work relating to the Receiver’s proposed settlement with Dale Mueller *et al.* and the related real property sale that is to occur pursuant to such settlement.

IX. COMMUNICATIONS WITH INVESTORS.

37. During the Eleventh Reporting Period, the Receiver has primarily communicated with Investors through: (a) the northridgereceiver.alixpartners.com website; (b) the Investor hotline now monitored by Fox Swibel; and (c) the Receiver and his legal team’s direct communication with Investors, much of which was related to the Court-ordered distributions, case status generally and completion of Investor K-1s. 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, unless the call is with respect to substantive claims resolution and/or Distribution Plan and/or First Interim Distribution related issues). With respect to the website, it has been continually updated throughout the Eleventh Reporting Period.

X. LIABILITIES/INVESTOR CLAIMS.

40. 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.

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].

41. To date, based on work performed prior reporting periods and the passing of the relevant Bar Date, the amount of claims against the receivership which the Receiver presently does not have objection to is approximately \$41,835,000.00. Additionally, claims in the amount of approximately \$370,000.00 are presently in dispute, some percentage of which are likely to be allowed. As a result, the Receiver presently estimates the non-administrative claims against the Receivership Estate to be between \$41,835,000.00 and \$42,205,000.00 (including Investor claims between \$41,662,000.00 and \$42,032,000.00). *See also* Distribution Plan Motion.

XI. LIQUIDATED AND UNLIQUIDATED CLAIMS

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

XII. OPEN LITIGATION

43. As of the end of the Eleventh Reporting Period, no open litigation exists.

XIII. RECEIVERSHIP ASSET DESCRIPTION

44. The assets of the Receivership Estate are described in the attached Tenth Amended Liquidation Plan which in turn includes descriptions of anticipated and/or proposed dispositions of such assets. At this time, the Receiver anticipates liquidating substantially all of the Receivership Assets. With respect to any assets that have no net benefit to the Estate, the Receiver intends to seek Court-approval to abandon. Therefore, no assets are expected to be retained.

XIV. KNOWN CREDITORS

45. Now that the Bar Date has passed, the creditor body is fully known and is described above and in the previously filed Distribution Plan Motion.

XV. STATUS OF CREDITOR CLAIMS PROCEEDINGS

46. The Bar Date has passed, and the creditor body is known as set forth above.

47. During the Eleventh Reporting Period, the Receiver resolved two additional claims. As of this filing, there are two unresolved claim disputes.

XVI. RECOMMENDATION FOR CONTINUATION OF RECEIVERSHIP

48. 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: August 3, 2022

Respectfully submitted,

N. Neville Reid, Receiver

By: /s/ Ryan T. Schultz

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General Counsel to the Receiver

EXHIBIT A

(Tenth Amended Liquidation Plan)

totaling nearly \$40 million.

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 (the “Miami Property”); 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, or has sold, 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, 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.]

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.

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 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*

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

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 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. 152, 153.] The Amended Surrey Sale Motion sought approval of the sale of the Surrey Property to the Surrey buyer at the reduced

⁴ In a prior version of the Receiver's Liquidation Plan, the Receiver stated that he 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.

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 Closed).

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 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) sought authority to sell the Timber Lake Property to TMIF II Timber Lake LLC, an affiliate of Turner Impact Capital for **\$50.25 million**;

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

(b) described the marketing process for the Timber Lake Property and the Receiver's selection of the buyer; (c) sought authority to pay the relevant secured lender; and (d) sought 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 expressed interest in purchasing the Timber Lake Property for a higher price. After a hearing on the matter, the Court denied Mueller's objection, approved the sale of the Timber Lake Property and entered orders relating to the same. [See Dkt. Nos. 209, 214, 215.]

17. This sale closed on December 9, 2020, and the Estate received (a) \$27,299,163.97 in net proceeds from that sale; and (b) \$928,064.51⁶ in escrow return post-closing. The Receiver has also collected funds for post-closing rent prorations and real estate tax re-prorations as set forth in the relevant purchase agreement.

e. Elston Property (Sale Closed).

18. 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.

⁶ Total escrow funds on hand as of closing were \$929,064.51. However, the lender identified a \$1,000.00 charge that was mistakenly omitted from the lender's payoff letter and the Receiver agreed to allow the lender to offset this amount from the escrow funds.

19. 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.

20. A buyer was located, and the Receiver sought and obtained court 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 \$13,821.97.

f. Miami Property (Sale Closed).

21. 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.

22. 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 of the sale. [See Dkt. Nos. 180, 201.] This sale closed on November 17, 2020, and the Estate received **\$178,847.12** in net proceeds from that sale.

g. Palatine Property (Sale Closed).

23. 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.

24. 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 (Sale Closed).

25. 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 was marketing the Vacant Lots Property and procured an offer for \$36,000.00. On August 6, 2021, the Receiver filed his *Motion to Authorize Sale of Real Estate (California Vacant Lots) and For Related Relief* (the “Vacant Lots Sale Motion”). [Dkt. No. 276] On August 27, 2021, the Vacant Lots Sale Motion was granted an order approving same entered. [Dkt. No. 284]

26. Closing occurred on January 11, 2022. There was no mortgage on this property, and, after payment of closing costs, the Receiver received \$22,782.13 for the Estate.

III. OTHER ASSETS

a. Securities Assets.

27. The Receivership Estate includes approximately 412,190 shares of stock in The Wellness Center USA, Inc. (“WCU” and such shares the “Shares”), through the Charles Schwab

brokerage firm. The price per share as of December 31, 2021 was approximately \$0.02. While various creditors and insiders of the Northridge Entities claim ownership of the Shares, based on the advice of counsel and his financial consultants the Receiver has concluded that the WCUI shares should be treated and liquidated like any other asset of the receivership estate, with the proceeds distributed to investors in accordance with a court-approved distribution plan. The Receiver filed a motion seeking authority to sell the Shares, which was granted by the Court. [See Dkt Nos. 267, 270.]

28. As of this filing, the Shares have sold for a collective sale price of \$9,554.96. The Receiver, with the assistance of the Charles Schwab brokerage firm, continued to seek to liquidate the remaining Shares. Approximately 412,190 Shares remain unsold.

b. Glen Ellyn Property.

29. 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 all related rental proceeds. 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 Swifts' attorney 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 Dkt. Nos. 134, 149.]

30. 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.

31. Mueller owns a 50% interest in Rocky Ridge L.P. which, in turn, is the fee owner of a large piece of vacant real estate in North Dakota (the "North Dakota Property"). The Receiver continues to investigate the value of the North Dakota Property and is working 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 has reached an agreement in principle with Dale Mueller and Glenn Mueller pursuant to which the non-homestead part of the North Dakota Property (approximately 105 acres) would be sold to a buyer approved by the Receiver, and all of the proceeds of such sale (less commission and other closing costs and certain pre-closing costs to maintain the property) would be remitted to the estate and applied to future distributions. As part of the same settlement, the Receiver would waive claims against Dale Mueller and certain entities owned or controlled by Dale Mueller.

d. Life Insurance.

32. Receivership Defendant Amberwood Holdings Limited Partnership purchased a key man term life insurance policy on Mueller in the amount of \$5,000,000.00 (as the death benefit). 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). Based on the Receiver's further consultation with insurance market experts

and brokers, it does not appear at this time that the policy has any material market value in part because of how the policy is structured. While the Receiver is continuing to evaluate all options related to the policy, including whether it can or should be assigned to a trust for the benefit of the applicable creditors of the Receivership, the Receiver currently anticipates abandoning the policy to Mueller at the end of the case, who would then be responsible for making further premium payments.

e. Litigation Claims.

33. 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.]

34. 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.

35. With respect to the “finder” claims, demand letters have been sent, and the Receiver has settled most claims and continues to pursue settlement of the remaining claims.

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

37. As of the date hereof, the Receiver has negotiated settlements for receivable, “finder” and “net-winner” claims collectively totaling (1) approximately \$530,000.00 in cash and

(2) approximately \$515,000.00 in claim reductions — amounting to a total benefit to the Estate of approximately \$1,045,000.00. The Receiver believes he has collected substantially all of the remaining receivable, “finder” and “net-winner” claims.

38. With respect to claims against insiders, the Receiver has sent demand letters and worked with the SEC to identify and quantify these claims. Settlement discussions are ongoing.

39. The Receiver has sought and received Court authority to pursue litigation against the insiders and certain, receivable claimants, “finders” and “net winners.” [See Dkt. Nos. 229, 234.]

f. Tax Refunds.

40. The Receiver’s tax professionals have completed all outstanding tax returns. All are filed or will soon be filed. Presently, the Receiver estimates that the Receivership Entities are entitled to approximately \$430,000.00 in tax refunds, which the Estate has already received. These refunds relate to amounts paid the Illinois Department of Revenue on behalf of out-of-state investors as required by Illinois law. While the Receiver originally believed such payments were necessary, the Receiver’s filed returns and amended returns that assert no taxable gain.

45. As set forth in the Receiver’s Distribution Plan Motion (See Dkt. No. 272) and the Order Granting Receiver’s Motion for an Order Approving Distribution Plan and Certain Other Related Relief (the “Distribution Plan Order” or “DPO”) (Dkt. No. 288), the Receiver was authorized and in fact did deduct the amount of taxes paid on behalf of each relevant Investors from such Investor’s first interim distribution. These refunds are a subject to a Motion filed by the Receiver to reserve these refunds for the benefit of out-of-state investors as their distributions have been reduced to account for these payments. See Dkt. Nos. 306, 313.

g. Investigation Ongoing.

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

Dated: August 3, 2022

Respectfully submitted,

N. Neville Reid, Receiver

By: /s/ Ryan T. Schultz

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General Counsel to the Receiver

EXHIBIT B

(Group Exhibit – Operating Entity Financials)

Northridge Holdings, LTD.

Profit & Loss

April through June 2022

Apr - Jun 22

Ordinary Income/Expense

Expense

Bank Service Charges 198.35

Computer Software 1,082.49

Insurance

Health Insurance - Northridge

Northridge 15,563.56

Total Health Insurance - Northridge 15,563.56

Workmen's Comp -12,061.00

Total Insurance 3,502.56

Internet 603.56

Payroll Expenses 92,714.40

Payroll Taxes

FICA 2,758.26

FUTA 22.19

Medicare 1,344.35

SUTA -127.42

Total Payroll Taxes 3,997.38

Postage and Delivery 98.90

Rent 6,468.00

Repairs

Computer Repairs 1,244.00

Total Repairs 1,244.00

Supplies

Office 426.80

Total Supplies 426.80

Telephone 819.68

Utilities

Gas and Electric 2,264.97

Total Utilities 2,264.97

Total Expense 113,421.09

Net Ordinary Income -113,421.09

Net Income -113,421.09

Amberwood Holdings

Profit & Loss

April through June 2022

Apr - Jun 22

Ordinary Income/Expense	
Expense	
Bank Service Charges	25.16
Insurance	
Life - Glenn	9,054.45
Total Insurance	<u>9,054.45</u>
Total Expense	<u>9,079.61</u>
Net Ordinary Income	<u>-9,079.61</u>
Net Income	<u><u>-9,079.61</u></u>

EXHIBIT C

(SFAR and Schedules)

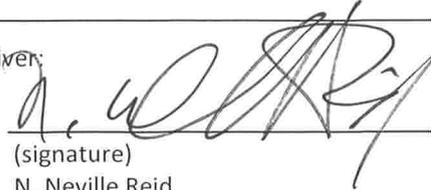
STANDARDIZED FUND ACCOUNTING REPORT for SEC v. Northridge Holdings, Ltd. et al - Cash Basis
Receivership: Civil Court Case No. 1:2019cv05957
REPORTING PERIOD 04/01/2022 TO 06/30/2022

FUND ACCOUNTING (See Instructions):		Current Reporting Period 04/01/22 to 06/30/22			07/12/19 to 06/30/22
		Detail	Subtotal	Grand Total	Case to Date
Line 1	Beginning Balance (as of 7/1/2021)			\$23,899,370.22	
	<i>Increases in Fund Balance:</i>				
Line 2	Business Income				\$117,317.98
Line 3	Cash and Securities				
Line 4	Interest/Dividend Income	\$5,919.46		\$5,919.46	\$160,572.42
Line 5	Business Asset Liquidation	\$31,961.54		\$31,961.54	\$43,333,659.33
Line 6	Personal Asset Liquidation				
Line 7	Third-Party Litigation	\$80,000.00		\$80,000.00	\$562,919.80
Line 8	Miscellaneous – Other				\$438.25
	Total Funds Available (Lines 1-8):			\$24,017,251.22	\$43,611,987.98
	<i>Decreases in Fund Balance:</i>				
Line 9	Disbursements to Senior Secured Lenders/Investors				\$14,861,183.02
Line 10	Disbursements for Receivership Operations				
Line 10a	Disbursements to Receiver or Other Professionals	\$154,917.13		\$154,917.13	\$3,091,566.94
Line 10b	Business Asset Expenses	\$127,658.41		\$127,658.41	\$1,831,934.69
Line 10c	Personal Asset Expenses				
Line 10d	Hospital Settlements & Investment Expenses				
Line 10e	Third-Party Litigation Expenses				
	1. Attorney Fees				\$35,657.67
	2. Litigation Expenses				
	Total Third-party Litigation Expenses				
Line 10f	Tax Administrator Fees and Bonds	-			
Line 10g	Federal and State Tax Payments	\$4,452.88		\$4,452.88	\$624,342.70
	Total Disbursements for Receivership Operations			\$287,028.42	\$20,462,685.02
Line 11	Disbursements for Distribution Expenses Paid by the Fund:				
Line 11a	Distribution Plan Development Expenses:				
	1. Fees:				
	Fund Administrator				
	Independent Distribution Consultant (IDC)				
	Distribution Agent				
	Consultants				
	Legal Advisers				
	Tax Advisers				
	2. Administrative Expenses				
	3. Miscellaneous				
	Total Plan Development Expenses				
Line 11b	Distribution Plan Implementation Expenses:				
	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. Federal Account for Investor Restitution (FAIR) Reporting Expenses	-		
	<i>Total Plan Implementation Expenses</i>	-		
Line 12	Total Disbursements for Distribution Expenses Paid by the Fund	-	-	
	Disbursements to Court/Other:	-		
Line 12a	Investment Expenses/Court Registry Investment System (CRIS) Fees	-		
Line 12b	Federal Tax Payments	-		
	Total Disbursements to Court/Other:	-	-	
	Total Funds Disbursed (Lines 9-12):		\$287,028.42	\$20,462,685.02
Line 13	Ending Balance (As of 06/30/22):		\$23,720,222.80	\$23,720,222.80
Line 14	Ending Balance of Fund - Net Assets:			
Line 14a	Cash & Cash Equivalents		\$12,511.90	\$12,511.90
Line 14b	Investments		Undetermined-	Undetermined-
Line 14c	Other Assets or Uncleared Funds		Investigating-	Investigating-
	Total Ending Balance of Fund - Net Assets		\$23,742,734.70	\$23,742,734.70

OTHER SUPPLEMENTAL INFORMATION:		04/01/22 to 06/30/21			07/12/19 to 06/30/22
		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	<i>Disbursements for Plan Administration Expenses</i>	-			
Line 15a	<i>Plan Development Expenses Not Paid by the Fund:</i>	-			
	1. Fees:	-			
	Fund Administrator	-			
	IDC	-			
	Distribution Agent	-			
	Consultants	-			
	Legal Advisers	-			
	Tax Advisers	-			
	2. Administrative Expenses	-			
	3. Miscellaneous	-			
	<i>Total Plan Development Expenses Not Paid by the Fund</i>	-			
Line 15b	<i>Plan Implementation Expenses Not Paid by the Fund:</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	-			
	6. FAIR Reporting Expenses	-			
	<i>Total Plan Implementation Expenses Not Paid by the Fund</i>	-			
Line 15c	<i>Tax Administrator Fees & Bonds Not Paid by the Fund</i>	-			
	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		47-
Line 19b	# of Claimants / Investors Paid Since Inception of Fund				565-

Receiver:
 By: 
 (signature)
 N. Neville Reid
 (printed name)

Receiver
 (title)

Date: 8/2/22

STANDARDIZED FUND ACCOUNTING REPORT for SEC v. Northridge Holdings, Ltd. et al - Cash Basis
 Receivership; Civil Court Case No. 1:2019cv05957
 REPORTING PERIOD 04/01/22 - 06/30/22

Entity	Bank Name	Account Number	As of Date	Balance
Amberwood	Axos Bank	***0153	4/1/2022	\$ -
Azlan Group, LLC	Axos Bank	***0161	4/1/2022	\$ -
Brookstone Investment Group, Ltd	Axos Bank	***0179	4/1/2022	\$ -
Cornerstone Limited Partnership	Axos Bank	***0187	4/1/2022	\$ -
Eastridge Holdings, Ltd.	Axos Bank	***0195	4/1/2022	\$ -
Guardian Investment Group, Ltd.	Axos Bank	***0203	4/1/2022	\$ -
Northridge Holdings, Ltd.	Axos Bank	***0211	4/1/2022	\$ -
Paragon Group Limited	Axos Bank	***0229	4/1/2022	\$ -
Ridgeview Group I	Axos Bank	***0237	4/1/2022	\$ -
Southridge Holdings, Ltd.	Axos Bank	***0245	4/1/2022	\$ -
Unity Investment Group, Ltd.	Axos Bank	***0252	4/1/2022	\$ -
106 Surrey	Axos Bank	***0260	4/1/2022	\$ -
561 Deere Park	Axos Bank	***0278	4/1/2022	\$ -
610 Lincoln	Axos Bank	***0286	4/1/2022	\$ -
Timber Lake Apartments, LLC	Axos Bank	***0294	4/1/2022	\$ -
5097 Elston Limited Partnership	Axos Bank	***0302	4/1/2022	\$ -
5528 Hyde Park Limited Partnership	Axos Bank	***0310	4/1/2022	\$ -
106 Surrey Limited Partnership	Axos Bank	***0328	4/1/2022	\$ -
610 Lincoln Limited Partnership	Axos Bank	***0336	4/1/2022	\$ -
G&C Mueller Family Limited Partnership	Axos Bank	***0344	4/1/2022	\$ -
149 Mason Limited Partnership	Axos Bank	***0351	4/1/2022	\$ -
Beacon Foundation	Axos Bank	***0369	4/1/2022	\$ -
Willow Creek Landscaping LP	Axos Bank	***0377	4/1/2022	\$ -
139 Austin LP	Axos Bank	***0385	4/1/2022	\$ -
149 Mason/Trust #12655	Axos Bank	***0393	4/1/2022	\$ -
Mueller Painting & Decorating	Axos Bank	***0401	4/1/2022	\$ -
Ameritrade	Axos Bank	***0419	4/1/2022	\$ -
Northridge Holdings Recievership Settlement Fund	Axos Bank	***0591	4/1/2022	\$ 23,899,370.22
				<u>\$ 23,899,370.22</u>

STANDARDIZED FUND ACCOUNTING REPORT for SEC v. Northridge Holdings, Ltd. et al - Cash Basis
 Receivership; Civil Court Case No. 1:2019cv05957
 REPORTING PERIOD 04/01/2022 -06/30/2022

Line 4 - INTEREST/DIVIDEND INCOME

Date	Bank Name	Account Name	Account No.	Payor	Description	Amount
5/1/2022	Axos	Northridge Holdings Receivership Settlement Fund (NHRSF)	***0591	Axos Bank	Interest	\$ 2,025.81
5/31/2022	Axos	NHRSF	***0591	Axos Bank	Interest	\$ 1,947.88
6/30/2022	Axos	NHRSF	***0591	Axos Bank	Interest	\$ 1,945.77
						\$ 5,919.46

Line 5-BUSINESS ASSET LIQUIDATION

Date	Bank Name	Account Name	Account No.	Payor	Description	Amount
4/18/2022	Axos	NHRSF	***0591	United States Treasury	Tax Refund	\$ 7,999.00
5/20/2022	Axos	NHRSF	***0591	EQUITY TRUST COMPANY	RETURN/REJECT OF GLOBAL/REF REF F0113651605601 DATED 12/31/21 RETURN	\$ 16,762.54
5/24/2022	Axos	NHRSF	***0591	Motor Works of Barrington, Inc	INCOMING WIRE Timber Lake; JEEP GRAND CHEROKEE	\$ 7,200.00
						\$ 31,961.54

Line 7 - THIRD PARTY LITIGATION

Date	Bank Name	Account Name	Account No.	Payor	Description	Amount
6/27/2022	Axos	NHRSF	***0591	Robert J Stefan	Legal Settlement	\$ 80,000.00
						\$ 80,000.00

Increases in Funds Balance Lines 1-8 \$ 117,881.00

LINE 9- 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 04/01/2022 -06/30/2022

Line 9 Disbursements to Senior Secured Lenders/Investors

Date	Bank Name	Account Name	Account No.	Description	Amount
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STANDARDIZED FUND ACCOUNTING REPORT for SEC v. Northridge Holdings, Ltd. et al - Cash Basis
 Receivership; Civil Court Case No. 1:2019cv05957
 REPORTING PERIOD 04/01/2022 -06/30/2022

Line 10a - Disbursements to Receiver or Other Professionals

Date	Bank Name	Account Name	Account No.	Payee	Description	Amount
5/3/2022	Axos	Northridge Holdings Receivership Settlement Fund (NHRSF)				
			***0591	ALAP Limited	Accountant Fees	10,220.00
5/4/2022	Axos	NHRSF	***0591	KUTCHINS, ROBBINS & DIAMOND, LTD.	Accountant Fees	22,220.00
5/4/2022	Axos	NHRSF	***0591	Alixpartners, LLP	Professional Fees	26,008.65
5/4/2022	Axos	NHRSF	***0591	MILLER KAPLAN ARASE LLP	Accountant Fees	10,659.20
5/4/2022	Axos	NHRSF	***0591	FOX SWIBEL LEVIN & CARROLL LLP	Attorney Fees	84,999.28
5/4/2022	Axos	NHRSF	***0591	DICKLER KAHN SLOWIKOWSKI & ZAVELL	Accountant Fees	810.00
						<u>154,917.13</u>

Line 10b - Disbursements for Receivership Operations

Date	Bank Name	Account Name	Account No.	Payee	Description	Amount
4/7/2022	Axos	NHRSF	***0591	Northridge Holdings, LTD	Property related expenses Apr- May	\$ 77,259.00
6/6/2022	Axos	NHRSF	***0591	Northridge Holdings, LTD	Severance Check	\$ 50,399.41
						<u>\$ 127,658.41</u>

Line 10g - Disbursements for Federal and State Tax Payments

Date	Bank Name	Account Name	Account No.	Payee	Description	Amount
4/20/2022	Axos	NHRSF	***0591	Illinois Secretary of State	TIMBER LAKE IL SHARED APPRECIATION LP; S029171	\$ 100.00
4/20/2022	Axos	NHRSF	***0591	Illinois Secretary of State	TIMBER LAKE IL SHARED APPRECIATION LP; S029171	\$ 100.00
5/2/2022	Axos	NHRSF	***0591	United States Treasury	42-1736167; December 31, 2020; Form 941	\$ 882.52
5/23/2022	Axos	NHRSF	***0591	FRANCHISE TAX BOARD	56-2576651; AZLAN GROUP LLC; 2021 FTB 3522	\$ 800.00
5/23/2022	Axos	NHRSF	***0591	FRANCHISE TAX BOARD	56-2576651; AZLAN GROUP LLC; 2021 FTB 3522	\$ 800.00
5/23/2022	Axos	NHRSF	***0591	Illinois Department of Revenue	83-0446256; 2021; IL-1065-V	270.36
5/23/2022	Axos	NHRSF	***0591	Illinois Secretary of State	Amberwood Holdings Limited Partnership (\$200 for the reinstatement and \$100 for the annual report fee)	300.00
5/23/2022	Axos	NHRSF	***0591	Illinois Secretary of State	G & C Mueller Family Limited Partnership (\$200 for the reinstatement and \$100 for the annual report fee)	300.00
5/23/2022	Axos	NHRSF	***0591	Illinois Secretary of State	Mueller Painting & Decorating Limited Partnership (\$200 for the reinstatement and \$100 for the annual report fee)	300.00

STANDARDIZED FUND ACCOUNTING REPORT for SEC v. Northridge Holdings, Ltd. et al - Cash Basis
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 REPORTING PERIOD 04/01/2022 -06/30/2022

5/23/2022 Axos	NHRSF		Hawthorne Limited Partnership (\$200 for the reinstatement and \$100 for the annual report fee)	300.00
5/23/2022 Axos	NHRSF	***0591 Illinois Secretary of State	561 Deere Park Circle Limited Partnership	300.00
				\$ 4,452.88
			Decreases in Funds Balance Lines 9-12	\$ 287,028.42

STANDARDIZED FUND ACCOUNTING REPORT for SEC v. Northridge Holdings, Ltd. et al - Cash Basis
 Receivership; Civil Court Case No. 1:2019cv05957
 REPORTING PERIOD 04/01/2022 -06/30/2022

Entity	Bank Name	Account Number	As of Date	Balance
Amberwood	Axos Bank	***0153	6/30/2022	\$ -
Azlan Group, LLC	Axos Bank	***0161	6/30/2022	\$ -
Brookstone Investment Group, Ltd	Axos Bank	***0179	6/30/2022	\$ -
Cornerstone Limited Partnership	Axos Bank	***0187	6/30/2022	\$ -
Eastridge Holdings, Ltd.	Axos Bank	***0195	6/30/2022	\$ -
Guardian Investment Group, Ltd.	Axos Bank	***0203	6/30/2022	\$ -
Northridge Holdings, Ltd.	Axos Bank	***0211	6/30/2022	\$ -
Paragon Group Limited	Axos Bank	***0229	6/30/2022	\$ -
Ridgeview Group I	Axos Bank	***0237	6/30/2022	\$ -
Southridge Holdings, Ltd.	Axos Bank	***0245	6/30/2022	\$ -
Unity Investment Group, Ltd.	Axos Bank	***0252	6/30/2022	\$ -
106 Surrey	Axos Bank	***0260	6/30/2022	\$ -
561 Deere Park	Axos Bank	***0278	6/30/2022	\$ -
610 Lincoln	Axos Bank	***0286	6/30/2022	\$ -
Timber Lake Apartments, LLC	Axos Bank	***0294	6/30/2022	\$ -
5097 Elston Limited Partnership	Axos Bank	***0302	6/30/2022	\$ -
5528 Hyde Park Limited Partnership	Axos Bank	***0310	6/30/2022	\$ -
106 Surrey Limited Partnership	Axos Bank	***0328	6/30/2022	\$ -
610 Lincoln Limited Partnership	Axos Bank	***0336	6/30/2022	\$ -
G&C Mueller Family Limited Partnership	Axos Bank	***0344	6/30/2022	\$ -
149 Mason Limited Partnership	Axos Bank	***0351	6/30/2022	\$ -
Beacon Foundation	Axos Bank	***0369	6/30/2022	\$ -
Willow Creek Landscaping LP	Axos Bank	***0377	6/30/2022	\$ -
139 Austin LP	Axos Bank	***0385	6/30/2022	\$ -
149 Mason/Trust #12655	Axos Bank	***0393	6/30/2022	\$ -
Mueller Painting & Decorating	Axos Bank	***0401	6/30/2022	\$ -
Ameritrade	Axos Bank	***0419	6/30/2022	\$ -
Northridge Holdings Receivership Settlement Fund	Axos Bank	**0591	6/30/2022	\$ 23,730,222.80
				<u>\$ 23,730,222.80</u>

STANDARDIZED FUND ACCOUNTING REPORT for SEC v. Northridge Holdings, Ltd. et al - Cash Basis
Receivership; Civil Court Case No. 1:2019cv05957
REPORTING PERIOD 04/01/2022 -06/30/2022

Line 13, 14a - Cash & Cash Equivalents

Bank	Balance all accounts as of 06/30/2022
Line 13 Axos Bank	\$ 23,730,222.80
Parkway Bank; First American Bank	
Line 14a (operating accounts)	\$ 12,511.90
Total (including Parkway/FAB operating)	<u><u>\$ 23,742,734.70</u></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	\$ 380.26	*0153	\$ -
Timberwood Recreational Center Inc	*1845	\$ -	N/A	\$ -
5528 Hyde Park LP	*2221	\$ -	*0310	\$ -
106 Surrey LP N	*2329	\$ -	*0328	\$ -
149 Mason LP N	*2337	\$ -	*0351	\$ -
610 Lincoln LP N	*2345	\$ -	*0336	\$ -
9620 Ivanhoe LP N	*2353	\$ -	N/A	\$ -
Azlan Group N	*2396	\$ -	*0161	\$ -
Beechwood Group I LP N	*2418	\$ -	N/A	\$ -
Brookstone Inv. Group N	*2426	\$ -	*0179	\$ -
Cornerstone LP N	*2434	\$ -	*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	\$ -
Glen Ellyn Court Condo Assoc N	*2507	\$ -	N/A	\$ -
106 Surrey/Trust #14029 N	*2515	\$ -	*0260	\$ -
441-447 N LSD Dr Townhome Assoc N	*2523	\$ -	N/A	\$ -
480-486 N LSD Dr Townhome Assoc N	*2531	\$ -	N/A	\$ -
5097 Elston LP	*2558	\$ -	*0302	\$ -
Timberlake Apartments N	*2604	\$ -	*0294	\$ -
610 Lincoln/Trust #13741 N	*2612	\$ -	*0286	\$ -
561 Deere Park/Trust #14106 N	*2620	\$ -	*0278	\$ -
Southridge Holdings LTD I	*2639	\$ -	*0245	\$ -
Northridge Holdings LTD N	*2647	\$ 12,131.64	*0211	\$ -
G&C Mueller Family LP	*2353	\$ -	*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	\$ -
Northridge Holdings Receivership Settlement Fund			*0591	\$ 23,730,222.80
	Total Parkway Bank/ (First American Bank)	\$ 12,511.90	Total Axos Bank	\$ 23,730,222.80