

**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 MOTION TO ENFORCE RECEIVERSHIP ORDER AND
FOR ENTRY OF AN ORDER COMPELLING J.P. MORGAN CHASE BANK, N.A.
TO ACCOUNT FOR AND TURNOVER RECEIVERSHIP ASSETS TO RECEIVER**

N. Neville Reid, not individually, but solely as the court-appointed receiver (the “Receiver”) for the Estate of Defendant Northridge Holdings, Ltd. and its related entities and affiliates as more particularly set forth in the Receivership Order (as defined herein) (collectively, the “Receivership Defendants”), and pursuant to the powers vested in him by the *Order Appointing Receiver* entered by the Court on September 12, 2019 [Dkt. No. 22] (the “Receivership Order”), hereby moves (the “Motion”) to enforce the Receivership Order and for entry of an order by the Court compelling J.P. Morgan Chase Bank, N.A. (together with its affiliates, collectively, “Chase Bank”) to account for and turnover funds that are assets of the Receivership Defendants (as more particularly set forth in the Receivership Order, the “Receivership Assets”, and such estate, the “Receivership Estate”, and such administration, the “Receivership”). In support of his Motion, the Receiver states as follows:

INTRODUCTION

1. The Receiver seeks an order compelling payment and turnover to the Receivership Estate of certain funds that are property of the Receivership Estate and that are currently being held by Chase Bank.

AUTHORITY

2. Pursuant to the Securities Act of 1933 and the Securities Exchange Act of 1934, the Securities and Exchange Commission (the “SEC”) sought and obtained the appointment of a Receiver pursuant to the Receivership Order. Under the Receivership Order, the Receiver has authority in equity, as well as under 28 U.S.C. §§ 754, 959, and 1692, and Fed. R. Civ. P. 66, and was given broad powers to investigate and safeguard the assets of the Receivership Defendants. Among other powers, the Receiver is authorized to take possession of Receivership Assets (and to seek turnover or recovery of the same), including the funds at-issue in the instant Motion. *Receivership Order*, ¶¶ 8(C), 8(L), 8(N), 8(P), 43–44. Further, third parties that are provided notice of the Receivership Order are thereby restrained and enjoined from directly or indirectly interfering with the Receiver’s efforts to take control, possession or management or any Receivership Assets. *Id.* at 29(A).

RELEVANT BACKGROUND

3. Pursuant to the Receivership Order, Defendant Glenn C. Mueller was authorized to consummate a pending sale of real estate commonly known as the Chablis Apartments (the “Chablis Property”). *Receivership Order*, ¶ 40. Chase Bank was the pre-Receivership lender for the Chablis Property and had a mortgage on the same. In accordance with the Receivership Order, the sale of the Chablis Property closed on September 20, 2019 (the “Closing”) at which time all outstanding amounts were paid to Chase Bank on account of its pre-Receivership

mortgage loan. A copy of the Closing Statement is attached hereto as **Exhibit A** and incorporated herein by reference.

4. Prior to the Closing, Receivership Defendant 610 Lincoln Limited Partnership timely made a mortgage payment of \$45,405.15. Email correspondence from Chase Bank acknowledging receipt of this payment is attached hereto as **Group Exhibit B**. This mortgage loan payment, however, was not applied to the outstanding mortgage loan balance in advance of the Closing. As a result, Chase Bank was overpaid at Closing (the amount of such overpayment, the “Overpayment”). The Receiver believes the amount of the Overpayment is at least \$29,626.21, but the foregoing amount has not been confirmed because Chase Bank has refused to provide the Receiver with a reconciliation of such amount.

5. Additionally, pursuant to its mortgage loan, Chase Bank held a tax escrow. The current balance of the escrow is unknown but believed to be in excess of \$100,000 (the “Escrow Amount” and together with the Overpayment, collectively, the “Outstanding Amounts”).

6. Because full payoff of the mortgage loan was made to Chase Bank at Closing – and because the Outstanding Amounts constitute property of the Receivership Estate (*see infra*) – the Overpayment and Escrow Amount are currently due and owing to the Receivership Estate.

7. Since the Closing, counsel for the Receiver made multiple demands to Chase Bank that it immediately reconcile, account for, turnover and pay to the Receiver the Outstanding Amounts for the benefit of the Receivership Estate. Further, counsel for the Receiver has provided Chase Bank with a copy of the Receivership Order. Copies of correspondence between counsel for the Receiver and Chase Bank are attached hereto as **Group Exhibit C**. To date, Chase Bank has refused to comply with the Receiver’s requests. *See, Group Exhibit C*.

ARGUMENT

8. Pursuant to the Receivership Order, “[a]ll net proceeds of the sale of the Chablis Property (as set forth in the approved closing statement) shall be wired at closing to a receivership account designated by the Receiver.” *Receivership Order*, ¶ 40(H). Further, “all proceeds of the sale of the Chablis Property shall be deemed a Receivership Asset under the exclusive authority and control of the Receiver.” *Id.* at 40(J).

9. Chase Bank’s continuing refusal to reconcile, account for, turnover and pay to the Receiver the Outstanding Amounts constitutes a willful violation of the Receivership Order, of which Chase Bank has received written notice in accordance with the Receivership Order. *Receivership Order*, ¶ 29; see **Group Exhibit C**. As result, the Receiver seeks an order enforcing the Receivership Order and compelling Chase Bank to reconcile, account for, turnover and pay to the Receiver the Outstanding Amounts. Due to the willful nature of Chase Bank’s violation of the Receivership Order, the Receiver requests that the Court order Chase Bank to pay the Receiver for his attorneys’ fees and costs incurred in the drafting and prosecution of this Motion.

[signature page follows]

WHEREFORE, the Receiver respectfully requests that the Court (a) grant this Motion and enter the *Order Compelling J.P. Morgan Chase Bank, N.A. to Account for and Turnover Receivership Assets to the Receiver* (a proposed form of which is attached hereto as **Exhibit D**) and (b) grant all other or further relief that is just and proper.

Dated: October 16, 2019

N. Neville Reid, Receiver

By: /s/ Suj M. Pandya

N. Neville Reid, Esq.
Ryan T. Schultz, Esq.
Suj M. Pandya, Esq.
Fox Swibel Levin & Carroll LLP
200 West Madison, Suite 3000
Chicago, IL 60606
Tel: 312.224.1200
Fax: 312.224.1201
nreid@foxswibel.com
rschultz@foxswibel.com
spandya@foxswibel.com

EXHIBIT A

[Closing Statement]

(see attached)

Chicago Title and Trust Company

10 South LaSalle Street, Suite 2850, Chicago, IL 60603
 Phone: (312)223-2800 | Fax: (312)223-2815

MASTER STATEMENT

Settlement Date: September 20, 2019
Disbursement Date: September 20, 2019

Escrow Number: 19GSA453033LP
Escrow Officer: Cheryl Nutley
Email: Cheryl.Nutley@CTT.com

Borrower: 610 Lincoln, LLC, an Illinois Limited Liability Company

Seller: Parkway Bank and Trust Company, as Trustee under Trust Agreement dated 4/6/04 and known as Trust #13741
 610,620,622,630 N. Lincoln Ave.
 Addison, IL 60101

Property: 610,620,622,630 N. Lincoln Ave.
 Addison, IL 60101
 Parcel ID(s): 03-21-303-037-0000, 03-21-303-038-0000, 03-21-303-039-0000

Lender: Marquette Bank
 15959 108th Ave.
 Orland Park, IL 60467

SELLER		BORROWER	
\$	DEBITS	\$	CREDITS
FINANCIAL CONSIDERATION			
	10,300,000.00	Sale Price of Property	10,300,000.00
		Deposit or earnest money	100,000.00
		Retained by Chicago title 19gsa453033lpj	
		Loan Amount	7,725,000.00
PRORATIONS/ADJUSTMENTS			
5,712.60		Pet Fee	5,712.60
101,074.00		Security Deposits	101,074.00
75.00		Parking Rent	75.00
305.00		Prepaid Rent	305.00
147,136.78		County Taxes 1/1/19 to 9/20/19	147,136.78
230.55		Storage Rent	230.55
30,105.67		Rent Credit 9/21/19 to 9/30/19	30,105.67
NEW LOAN CHARGES - Marquette Bank			
Total Loan Charges: \$87,983.60			
		Tax Escrow to Marquette Bank	16,206.40
		03-21-303-037	
		Tax Escrow to Marquette Bank	32,413.04
		03-21-303-038	
		Tax Escrow to Marquette Bank	16,206.40
		03-21-303-039	
		EPA Fee to Marquette Bank	350.00
		Appraisal Fee to Marquette Bank	
		\$2,500.00 paid outside closing by Borrower	
		Attorney Review Fee to Marquette Bank	150.00
		Administration Fee to Marquette Bank	995.00
		Prepaid Interest to Marquette Bank	20,331.76

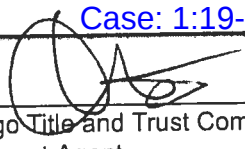
(19GSA453033LP/66) September 20, 2019 10:48 AM

SELLER			BORROWER	
\$	DEBITS	\$	CREDITS	
				Policies to be issued:
				Owners Policy
				Coverage: \$10,300,000.00 Premium: \$15,450.00
				Version: ALTA Owner's Policy 2006
				Loan Policy
				Coverage: \$7,725,000.00 Premium: \$500.00
				Version: ALTA Loan Policy 2006
				GOVERNMENT CHARGES
				Recording Fees to
			162.00	
5,150.00				County Transfer Tax to Chicago Title Company, LLC
10,300.00				State Transfer Tax to Chicago Title Company, LLC
				PAYOFFS
				Payoff of First Mortgage Loan to JP Morgan Chase (\$5,689,046.38)
5,689,046.38				Total Payoff
				MISCELLANEOUS CHARGES
				Buyer Attorney Fee to George La Corte
			3,750.00	
400,000.00				Commission - Listing to American Realty Services
				LLC Prep to George La Corte
			1,200.00	
3,882,611.02				Proceeds per court order to N. Neville Reid Fiduciary
5,945.00				Seller Attorney Fee to Roger A. Serpe
3,600.00				Survey to krisch Land Surveying
10,300,000.00	10,300,000.00			Subtotals
			10,400,524.85	8,109,639.60
				Balance Due FROM Borrower
				2,290,885.25
10,300,000.00	10,300,000.00			TOTALS
			10,400,524.85	10,400,524.85

I have carefully reviewed the Settlement Statement and to the best of my knowledge and belief, it is a true and accurate statement of all receipts and disbursements made on my account or by me in this transaction. I further certify that I have received a copy of the Settlement Statement.

BY: [Signature]

To the best of my knowledge, the Settlement Statement which I have prepared is a true and accurate account of the funds which were received and have been or will be disbursed by the undersigned as part of the settlement of this transaction.



Chicago Title and Trust Company
Settlement Agent

GROUP EXHIBIT B

[Email Correspondence from Chase Bank
Acknowledging Possession by Chase Bank of the Outstanding Amounts]

(see attached)

Pandya, Suj

From: Roger Serpe <roger.serpelaw@comcast.net>
Sent: Tuesday, October 01, 2019 11:00 AM
To: De La Garza, Jose R
Cc: Schonfeld, Scott A.
Subject: Re: FW: Payoff Statement - [REDACTED] 5422

Jose,

Thank you.

Roger A. Serpe

Law Office of Roger A. Serpe
730 E. Suffield Drive
Arlington Heights, IL 60004

Phone: 219-730-2800
email: roger.serpelaw@comcast.net

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On October 1, 2019 at 10:19 AM "De La Garza, Jose R" <jose.r.delagarza@chase.com> wrote:

[See below....](#)

[I'll check on this again in a couple days](#)

From: GM NOC Wire Cash Ops
Sent: Tuesday, October 01, 2019 10:18 AM
To: De La Garza, Jose R (CB, USA) <jose.r.delagarza@chase.com>
Subject: RE: Payoff Statement - [REDACTED] 5422

Hello,

The refunds will be processed after all processes have been completed. Typically 14 Business days after the payoff.

The suspense balance at the moment is \$29,626.21. There are also tax escrow funds currently on the loan. After tax dept has done their part, any remaining funds will be added for the refund.

Kurt Long | Cash Mgmt. | Wholesale Lending Services | Commercial Term Lending | Chase | 14800 Frye Road, Fort Worth, Texas 76155 | P: [817-399-4564](tel:817-399-4564) | F: (866) 493-6640 kurt.long@chase.com

From: De La Garza, Jose R (CB, USA)
Sent: Tuesday, October 01, 2019 9:39 AM
To: GM NOC Wire Cash Ops <gm.noc.wire.cash.ops@jpmchase.com>; GM RROC PAYOFF <gm.rroc.payoff@jpmchase.com>
Subject: RE: Payoff Statement - [REDACTED] 5422

Please confirm the amount that has been refunded to the client for the overpayment.

Thanks

Ramiro de la Garza | Client Specialist | Commercial Term Lending | Commercial Banking | **Chase**

| 5813 North Milwaukee Avenue, 2nd Floor, Chicago, IL 60646 T: 773.594.7521 | F: 773.830.1872 |
jose.r.delagarza@chase.com | chase.com/commercialbanking

Alternate contact: John Wilson | T: 773.594.7522 | F: 773.594.7568 | john.wilson@chase.com

From: GM NOC Wire Cash Ops
Sent: Monday, September 23, 2019 10:12 AM
To: GM RROC PAYOFF <gm.rroc.payoff@jpmchase.com>
Cc: De La Garza, Jose R (CB, USA) <jose.r.delagarza@chase.com>
Subject: RE: Payoff Statement - [REDACTED] 5422

Hello,

Yes. Any excess funds will be refunded after full payoff process is completed. We do that automatically for all payoffs with funds remaining in 14 business days after all departments have reviewed their parts are complete.

Kurt Long | Cash Mgmt. | Wholesale Lending Services | Commercial Term Lending | Chase | 14800 Frye Road, Fort Worth, Texas 76155 | P: [817-399-4564](tel:817-399-4564) | F: (866) 493-6640 kurt.long@chase.com

From: GM RROC PAYOFF
Sent: Monday, September 23, 2019 10:01 AM
To: GM NOC Wire Cash Ops <gm.noc.wire.cash.ops@jpmchase.com>
Cc: De La Garza, Jose R (CB, USA) <jose.r.delagarza@chase.com>
Subject: FW: Payoff Statement - [REDACTED] 5422




Good Morning,

Please see highlighted email below and respond accordingly.

Thanks,

Nicole Miller | Payoff Processor II | Wholesale Loan Operations | Commercial Term Lending | Chase

14800 Frye Rd | Mail Code TX1-0010/476258 | Forth Worth, TX 76155-2732

 T: (817) 399-4509 |  F: (866) 409-1753 |  Interoffice Mail: TX1-1709 | e-mail: nicole.m.miller@chase.com

Upcoming Out of Office Dates:

From: De La Garza, Jose R (CB, USA)
Sent: Monday, September 23, 2019 9:53 AM
To: GM RROC PAYOFF <gm.rroc.payoff@jpmchase.com>
Subject: RE: Payoff Statement - #####5422

Does the -29,6269.21 represent the overpayment which will be refunded?

Much appreciated.

Ramiro de la Garza | Client Specialist | Commercial Term Lending | Commercial Banking | **Chase**

| 5813 North Milwaukee Avenue, 2nd Floor, Chicago, IL 60646 T: 773.594.7521 | F: 773.830.1872 |
jose.r.delagarza@chase.com | chase.com/commercialbanking

Alternate contact: John Wilson | T: 773.594.7522 | F: 773.594.7568 | john.wilson@chase.com




From: GM RROC PAYOFF
Sent: Monday, September 23, 2019 9:51 AM
To: De La Garza, Jose R (CB, USA) <jose.r.delagarza@chase.com>
Subject: RE: Payoff Statement - #####5422

I see funds received iao 5,689,046.38 on 09/20 but it doesn't show as paid off as of yet.

Thanks,

Nicole Miller | Payoff Processor II | Wholesale Loan Operations | Commercial Term Lending | **Chase**

14800 Frye Rd | Mail Code TX1-0010/476258 | Forth Worth, TX 76155-2732

 T: (817) 399-4509 |  F: (866) 409-1753 |  Interoffice Mail: TX1-1709 | e-mail:
nicole.m.miller@chase.com

Upcoming Out of Office Dates:

From: De La Garza, Jose R (CB, USA)
Sent: Monday, September 23, 2019 9:38 AM
To: GM RROC PAYOFF <gm.rroc.payoff@jpmchase.com>
Subject: RE: Payoff Statement - #####5422

Here you go:  5422

Thanks!

Ramiro de la Garza | Client Specialist | Commercial Term Lending | Commercial Banking | **Chase**

| 5813 North Milwaukee Avenue, 2nd Floor, Chicago, IL 60646 T: 773.594.7521 | F: 773.830.1872 |
jose.r.delagarza@chase.com | chase.com/commercialbanking

Alternate contact: John Wilson | T: 773.594.7522 | F: 773.594.7568 | john.wilson@chase.com

From: GM RROC PAYOFF

Sent: Monday, September 23, 2019 9:37 AM

To: De La Garza, Jose R (CB, USA) <jose.r.delagarza@chase.com>

Cc: 'Roger Serpe' <roger.serpelaw@comcast.net>

Subject: RE: Payoff Statement - #####5422

Hello Jose,

This question should go to our cash dept. since they apply funds received, however, I can review it for you if you can supply the loan number in full.

Thanks,

Nicole Miller | Payoff Processor II | Wholesale Loan Operations | Commercial Term Lending | Chase

14800 Frye Rd | Mail Code TX1-0010/476258 | Forth Worth, TX 76155-2732



T: (817) 399-4509 |



F: (866) 409-1753 |



Interoffice Mail: TX1-1709 | e-mail:

nicole.m.miller@chase.com

Upcoming Out of Office Dates:

From: De La Garza, Jose R (CB, USA)

Sent: Monday, September 23, 2019 9:30 AM

To: GM RROC PAYOFF <gm.rroc.payoff@jpmchase.com>

Cc: Roger Serpe <roger.serpelaw@comcast.net>; De La Garza, Jose R (CB, USA) <jose.r.delagarza@chase.com>

Subject: RE: Payoff Statement - #####5422

Importance: High

Please confirm the loan has been paid in full.

The loan was overpaid due to a payment that posted prior to the payoff.

Please confirm when the refund will be processed and mailed to the client.

Thanks!!

Ramiro de la Garza | Client Specialist | Commercial Term Lending | Commercial Banking | **Chase**

| 5813 North Milwaukee Avenue, 2nd Floor, Chicago, IL 60646 T: 773.594.7521 | F: 773.830.1872 |
jose.r.delagarza@chase.com | chase.com/commercialbanking

Alternate contact: John Wilson | T: 773.594.7522 | F: 773.594.7568 | john.wilson@chase.com

From: GM RROC PAYOFF

Sent: Friday, September 20, 2019 3:22 PM

To: '16304260083/TO=Carol_Higgins/FR=CTL_PAYOFFS@JPMCHASEFAX.COM'
<16304260083/TO=Carol_Higgins/FR=CTL_PAYOFFS@JPMCHASEFAX.COM>

Cc: De La Garza, Jose R (CB, USA) <jose.r.delagarza@chase.com>

Subject: Payoff Statement - #####5422

Thank you!

Andrew Agassi

CTL Payoff

Chase Commercial Term Lending

Phone: 877-344-3080 - Monday-Friday 8am-7pm Central Time

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GROUP EXHIBIT C

[Email Correspondence between Receiver's Counsel and Chase
Bank Regarding Ongoing Failure to Turnover to Receiver the Outstanding Amounts]

(see attached)

Pandya, Suj

From: Schultz, Ryan T.
Sent: Tuesday, October 15, 2019 1:47 PM
To: Wilson, John Y
Cc: Schonfeld, Scott A.; Reid, Neville
Subject: RE: Northridge / Chablis - 610-630 N. Lincoln Avenue [IWOV-iManage.FID293061]

John,

Any update here?

Sincerely,

Ryan Schultz

Ryan T. Schultz
rschultz@foxswibel.com | 312-224-1231 (direct)

FOX SWIBEL

FOX SWIBEL LEVIN & CARROLL LLP

200 W. Madison Street, Suite 3000 | Chicago, Illinois 60606
www.foxswibel.com | 312-224-1200 (main) | 312-224-1201 (fax)

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From: Wilson, John Y [mailto:John.Wilson@chase.com]
Sent: Tuesday, October 08, 2019 4:13 PM
To: Schultz, Ryan T.
Subject: RE: Northridge / Chablis - 610-630 N. Lincoln Avenue [IWOV-iManage.FID293061]

Ryan,

We have policies to address potential issues that can arise after a closing. These policies apply to all borrowers.

I will request a rush on the disbursement of funds, but at this time I am unable to guarantee the funds will be disbursed this week.

John

John M. Wilson | Executive Director | Multifamily Lending | Commercial Banking | **CHASE** |
5813 N. Milwaukee 2nd Floor Chicago, IL 60646 |
Office: (773) 594-7522 | Cellular: (630) 404-8935 | Fax: (773) 830-1872 |
John.Wilson@Chase.com | chase.com/CTL

Alternate contact: **Ramiro de la Garza** | Office: 773 594 7521 | jose.r.delagarza@chase.com

From: Schultz, Ryan T. [mailto:rschultz@foxswibel.com]
Sent: Tuesday, October 08, 2019 4:06 PM
To: Wilson, John Y (CB, USA) <John.Wilson@chase.com>
Cc: Reid, Neville <nreid@foxswibel.com>; Schonfeld, Scott A. <sschonfeld@foxswibel.com>
Subject: RE: Northridge / Chablis - 610-630 N. Lincoln Avenue [IWOV-iManage.FID293061]

John,

You Chase has had ample time to clear this issue. We need confirmation that Chase has sent the overpayment and tax escrow funds to the Receiver by the end of the week or we file a motion to enforce the receivership order, compel payment of these amounts and seek our attorneys' fees. If you need us to communicate with your attorney, please put us in contact.

Sincerely,

Ryan Schultz

Ryan T. Schultz
rschultz@foxswibel.com | 312-224-1231 (direct)



FOX SWIBEL LEVIN & CARROLL LLP

200 W. Madison Street, Suite 3000 | Chicago, Illinois 60606
www.foxswibel.com | 312-224-1200 (main) | 312-224-1201 (fax)

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From: Wilson, John Y [mailto:John.Wilson@chase.com]
Sent: Tuesday, October 08, 2019 3:58 PM
To: Schonfeld, Scott A.
Cc: Schultz, Ryan T.; Reid, Neville
Subject: RE: Northridge / Chablis - 610-630 N. Lincoln Avenue

Scott,

I will contact our attorney to determine if he has completed his review of the Court Order. As I previously mentioned, the process of returning the excess funds from closing normally takes 3 weeks and this transaction is more complex than normal.

John

John M. Wilson | Executive Director | Multifamily Lending | Commercial Banking | **CHASE** |
5813 N. Milwaukee 2nd Floor Chicago, IL 60646 |
Office: (773) 594-7522 | Cellular: (630) 404-8935 | Fax: (773) 830-1872 |
John.Wilson@Chase.com | chase.com/CTL

Alternate contact: **Ramiro de la Garza** | Office: 773 594 7521 | jose.r.delagarza@chase.com

From: Schonfeld, Scott A. [mailto:sschonfeld@foxswibel.com]
Sent: Tuesday, October 08, 2019 3:54 PM
To: Wilson, John Y (CB, USA) <John.Wilson@chase.com>
Cc: Schultz, Ryan T. <rschultz@foxswibel.com>; Reid, Neville <nreid@foxswibel.com>
Subject: RE: Northridge / Chablis - 610-630 N. Lincoln Avenue

John:

I am following-up on this email. Can you please provide us an update?

Thanks very much,

Scott A. Schonfeld
sschonfeld@foxswibel.com | 312-224-1233 (direct)



FOX SWIBEL LEVIN & CARROLL LLP

200 W. Madison Street, Suite 3000 | Chicago, Illinois 60606
www.foxswibel.com | 312-224-1200 (main) | 312-224-1201 (fax)

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From: Schonfeld, Scott A.
Sent: Monday, October 07, 2019 3:22 PM
To: 'Wilson, John Y'
Cc: Schultz, Ryan T.; Reid, Neville
Subject: RE: Northridge / Chablis - 610-630 N. Lincoln Avenue

John:

I've been emailing about this for over two weeks. When can we anticipate being remitted any residual funds?

Neville's address is the same as mine (Fox Swibel Levin & Carroll LLP, 200 W. Madison Street, Suite 3000, Chicago IL 60606).

Might you be able to connect us with your attorney so as to expedite?

Thanks very much,

Scott A. Schonfeld
sschonfeld@foxswibel.com | 312-224-1233 (direct)



FOX SWIBEL LEVIN & CARROLL LLP

200 W. Madison Street, Suite 3000 | Chicago, Illinois 60606
www.foxswibel.com | 312-224-1200 (main) | 312-224-1201 (fax)

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From: Wilson, John Y [mailto:John.Wilson@chase.com]
Sent: Monday, October 07, 2019 2:28 PM
To: Schonfeld, Scott A.
Cc: Schultz, Ryan T.; Reid, Neville
Subject: RE: Northridge / Chablis - 610-630 N. Lincoln Avenue

The payoff department is holding the money until our in-house attorney confirms that the money should be sent to your firm via the Court Order. Sorry about the delay.

Could you provided me with the exact mailing address for N. Neville Reid as the refund will be mailed to you.

John

John M. Wilson | Executive Director | Multifamily Lending | Commercial Banking | **CHASE** |
5813 N. Milwaukee 2nd Floor Chicago, IL 60646 |
Office: (773) 594-7522 | Cellular: (630) 404-8935 | Fax: (773) 830-1872 |
John.Wilson@Chase.com | chase.com/CTL

Alternate contact: **Ramiro de la Garza** | Office: 773 594 7521 | jose.r.delagarza@chase.com

From: Schonfeld, Scott A. [mailto:sschonfeld@foxswibel.com]
Sent: Monday, October 07, 2019 2:20 PM
To: Wilson, John Y (CB, USA) <John.Wilson@chase.com>
Cc: Schultz, Ryan T. <rschultz@foxswibel.com>; Reid, Neville <nreid@foxswibel.com>
Subject: Re: Northridge / Chablis - 610-630 N. Lincoln Avenue

John:

I wanted to follow-up on this matter.

Thanks very much,

Scott

Scott A. Schonfeld
sschonfeld@foxswibel.com | [312-224-1233](tel:312-224-1233) (direct)

Fox Swibel Levin & Carroll llp
[200 W. Madison Street, Suite 3000](http://200.W.MadisonStreet,Suite3000) | [Chicago, Illinois 60606](http://Chicago,Illinois60606)
www.foxswibel.com | [312-224-1200](tel:312-224-1200) (main) | [312-224-1201](tel:312-224-1201) (fax)

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On Sep 30, 2019, at 11:35 AM, Schonfeld, Scott A. <sschonfeld@foxswibel.com> wrote:

John:

I am following-up on this email. Can you please provide a status update?

Thanks very much,

Scott A. Schonfeld

sschonfeld@foxswibel.com | 312-224-1233 (direct)



FOX SWIBEL LEVIN & CARROLL LLP

200 W. Madison Street, Suite 3000 | Chicago, Illinois 60606

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From: Schonfeld, Scott A.

Sent: Friday, September 27, 2019 6:00 PM

To: 'john.wilson@chase.com'

Cc: Schultz, Ryan T.; Reid, Neville

Subject: RE: Northridge / Chablis - 610-630 N. Lincoln Avenue

John:

As you can see from Paragraph 40(h) of the enclosed "Order Appointing Receiver", "[a]ll net proceeds of the sale of the Chablis Property (as set forth in the approved closing statement) shall be wired at closing to a receivership account designated by the Receiver." As you know, the balance of the proceeds in connection with the sale of the Chablis property were sent to an account designated by the Receiver.

Likewise, pursuant to paragraph 41 of the enclosed order: "The Receiver is authorized to **take all actions to manage**, maintain, and/or wind-down business operations of the Receivership Estate, including **making legally required payments to creditors**, employees, and agents of the Receivership Estate and communicating with vendors, investors, governmental and regulatory authorities, and others, as appropriate." (**Emphasis added**)

N. Neville Reid, the court-appointed Receiver (defined in Paragraph 2 of the Order) made a mortgage payment in respect of the Chablis Property in the amount of **\$45,405.15**. This payment was made from a Northridge account at Parkway Bank. Please also see attached a letter from Ramiro de la Garza indicating receipt of the wire.

We funded a payoff in the amount of **\$5,698,046.38** in order to effectuate a closing. To the extent there is an overage on this account, it should be remitted to an account care of N. Neville Reid. To the extent there is a tax escrow account, it should also be remitted to an account care of N. Neville Reid.

We are happy to provide wire information, but do please confirm that you have the substantiation you need to wire the excess back to us.

Thanks very much,

Scott

Scott A. Schonfeld

sschonfeld@foxswibel.com | 312-224-1233 (direct)



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EXHIBIT D

[Proposed Order]

(see attached)

**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.)	
)	

**ORDER COMPELLING J.P. MORGAN CHASE BANK, N.A.
TO ACCOUNT FOR AND TURNOVER RECEIVERSHIP ASSETS TO RECEIVER**

N. Neville Reid, as the receiver ("Receiver") for the Estate of Defendant Northridge Holdings, Ltd. and its related entities and affiliates as more particularly set forth in the Receivership Order, having 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 Turnover Receivership Assets to the Receiver*, and the Court, having conducted a hearing on the Motion and for good cause shown, IT IS HEREBY ORDERED THAT:

The Receiver's Motion is granted.

JP Morgan Chase Bank, N.A. shall within five (5) business days of the entry of this Order: (a) provide to the Receiver a complete reconciliation and accounting of the Overpayment; (b) provide to the Receiver a complete reconciliation and accounting of the Escrow Amount; (c) turnover and pay to the Receiver all Outstanding Amounts pursuant to payment instructions to be provided by the Receiver.

The Receiver is authorized, but is not directed, to apply to the Court for an order requiring JP Morgan Chase Bank, N.A. to pay the Receivers' attorneys' fees and costs incurred

in connection with the drafting and prosecution of this Motion.

Hon. John Z. Lee
UNITED STATES DISTRICT JUDGE

Entered: