

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 MOTION FOR  
COURT APPROVAL OF THE RATES TO BE  
CHARGED BY RECEIVER’S PRORPERTY TAX APPEAL COUNSEL**

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”), has retained Sarnoff & Baccash (“S&B”) to perform property tax appeals regarding the 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”). The Receiver now respectfully moves the Court for an order approving the rates to be charged by S&B. In support of the Motion, the Receiver states as follows:

## **INTRODUCTION**

1. The Receiver is preparing a real estate marketing and sale process that is robust, efficient and intended to maximize the value of the Receivership Estate for the benefit of all stakeholders. The Receiver understands and appreciates that objective. To that end, the Receiver seeks authority herein to engage the services of a property tax appeal attorney regarding certain real estate property of the Receivership Estate.

2. The Receivership Assets include the following real estate located in Illinois (collectively, the “Illinois Real Estate Assets”): (a) a 576-unit apartment building located in West Chicago, Illinois; (b) a 192-unit apartment complex located in Bartlett, Illinois; (c) 48 condos located at 106 Surrey, Glen Ellyn, Illinois; (d) an office building located in Chicago, Illinois; and (d) a condo unit located in Palatine, Illinois. As more fully set forth below, in order to maximize the value of the Illinois Real Estate Assets in connection with the administration, marketing and sale thereof, the Receiver has engaged S&B on a contingency-fee basis to appeal the tax assessments in respect of the Illinois Real Estate Assets.

## **AUTHORITY**

3. 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 retain attorneys. *Receivership Order*, ¶¶ 8K, 50. Although the Receivership Order may authorize the Receiver to engage S&B without further order of the Court, the Receiver seeks such approval out of abundance of caution

and in the interest of full disclosure to the Court and interested parties.

### **RELEVANT BACKGROUND**

4. As the Receiver positions the Illinois Real Estate Assets for sale, the Receiver's professionals (including 33 Realty) have advised that the Receiver should appeal the current property tax assessments in respect of such assets in order to maximize value for the benefit of the Receivership. Such appeals, if successful, would result in property tax savings for tax years 2019 to 2022. If the tax appeals are successful prior to the sale of the Illinois Real Estate Assets, such tax appeals would lower the immediate tax burden on the Receivership Estate and would have the effect of increasing the value of such properties on a going forward basis, possibly meaningfully. If any appeal remains pending as of the time of a real estate closing, it still improves the value of the property (and the buyer will assume the responsibility to pay any fees to S&B with respect to such property). And if a tax appeal is not successful, since S&B is being retained on a contingency-fee basis, there will be no cost to the Receivership Estate.

5. S&B was referred to the Receiver by his court-approved property manager, 33 Realty. The Receiver investigated the qualifications of S&B and whether the rates to be charged are market rates. Upon the satisfactory conclusion of the foregoing inquiry, the Receiver decided to engage S&B. True and correct copies of the engagement letters between the Receiver and S&B are attached hereto as **Group Exhibit A** and incorporated herein by reference.

### **RATES TO BE CHARGED BY S&B**

6. The following are proposed rates to be charged by S&B<sup>1</sup>:
  - a. Thirty-percent (30%) of the annual tax savings for each year of the 2019 quadrennial (i.e., tax years 2019 thru 2022) for which a reduction is

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<sup>1</sup> The rates charged by S&B represent an approximate 10% discount off of their standard rates. The Receiver confirmed with his professionals that the rate proposed by S&B is a market rate.

obtained.

b. In the event that court or Illinois Property Tax Appeal Board and/or Certificate of Error action is required to secure a reduction in the assessment for any tax year prior to and including tax years 2019 through 2022, the fee will be thirty-percent (30%) of the total refund secured.

Any fee would be payable at the closing of the relevant property. Additionally, S&B agrees that the Receiver may assign the relevant engagement agreement to the buyer of any relevant property. If any property tax appeal is denied, no fee will be owed.

2. Further, S&B does not hold or represent an interest materially adverse to the interests of the receivership.

**NO OBJECTION BY THE SEC**

3. Counsel for the SEC has indicated that the SEC does not object to the relief requested herein.

**[signature page follows]**

WHEREFORE, the Receiver respectfully requests that the Court (a) grant this Motion and enter the *Order Approving the Rates to be Charged by S&B* (a proposed form of which is attached hereto as **Exhibit B**) as of September 16, 2019 and (b) grant all other or further relief that is just and proper.

Dated: October 30, 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

**GROUP EXHIBIT A**

[Engagement letters between the Receiver and S&B]

(see attached)

**SARNOFF ♦ BACCASH**  
P R O P E R T Y T A X L A W

CONTINGENT FEE AGREEMENT

This agreement is made October 24, 2019 between Sarnoff & Baccash and N. NEVILLE REID, NOT INDIVIDUALLY BUT SOLELY AS THE COURT-APPOINTED RECEIVER FOR THE PROPERTY DESCRIBED BELOW, hereinafter called "Client."

It is agreed that Sarnoff & Baccash will represent Client during the 2019 quadrennial assessment period (tax years 2019 to and including 2022) with respect to the following property (collectively, the "Property"):

Address  
Timber Lakes Apartments  
1208-1248 Kings Circle  
West Chicago, IL 60185  
DuPage County

Perm. No.  
SEE ATTACHED SCHEDULE

Wayne Township

1. For this Service, Client agrees to pay Sarnoff & Baccash for their services a fee in the amount of thirty percent (30%) of the annual tax savings for each year of the 2019 quadrennial (tax years 2019 thru 2022) for which a reduction is obtained.
2. In the event Court or Illinois Property Tax Appeal Board and/or Certificate of Error action is required to secure a reduction in the assessment for any tax year prior to and including tax years 2019 through 2022, the fee will be thirty percent (30%) of the total refund secured.
3. Client agrees to reimburse Sarnoff & Baccash for all necessary costs and expenses. In the event it is necessary that an appraisal be made to contest the assessment, Client agrees to pay the cost of said appraisal. Sarnoff & Baccash will not engage appraisers without Client's express written consent and will seek written approval for costs or expenses in excess of \$100.00, other than any filing fees.
4. The sale, foreclosure or any other transfer or disposition of the Property will not relieve Client from the obligation to pay any fees and/or costs incurred, but not yet billed, as set forth by this Contingent Fee Agreement. Client will be held responsible for such fees and/or costs unless written notice is provided to Sarnoff & Baccash prior to the filing of an appeal. To the extent that the Property is sold (in whole or in part) before any fee is due, Client may assign this agreement, as written, to the buyer. Upon such assignment, Client shall no longer have any obligation to Sarnoff & Baccash under this agreement.
5. This agreement may be terminated by either party with 30 days written notice. Any fees owed to Sarnoff & Baccash must be remitted within such time, upon receipt of the final invoice or at the closing of the Property.
6. Fees shall be due and payable within 30 days of the issuance of the invoice for professional services. Notwithstanding the foregoing, Client may pay any fees and costs to Sarnoff & Baccash at closing of the Property as long as such closing takes place within six (6) months of the issuance of the invoice. Notwithstanding the foregoing, if this agreement has been assigned to a buyer pursuant to section 4 herein, fees shall be due and payable upon issuance of the invoice to such buyer.
7. In the event either party undertakes legal action of any sort to enforce the terms of this agreement, the prevailing party shall be entitled to their reasonable fees and costs.
8. Unless requested and agreed to under a separate fee agreement provided by Sarnoff & Baccash, this agreement does not include the following services:
  - a. Preparation and filing of Tax Division/Consolidation Petitions/Incentives
  - b. Rendering of property tax advice on State, County or local real estate transaction tax issues and/or defense of any governmental claim of underpayment of said tax;
  - c. Defense of an underassessment complaint brought by a third party before the Board and/or State Board.

9. This Agreement constitutes the sole and entire Agreement of the parties. Client acknowledges no other Agreements or understandings exist beyond the scope of this Agreement, either oral or written, relating to real estate tax reduction services for the Property. Client acknowledges that no advance guarantee of success can or has been made.

SARNOFF & BACCASH

James B. Sarnoff 10-24-19  
Attorney at Law Date

N. NEVILLE REID, NOT INDIVIDUALLY  
BUT SOLELY AS THE COURT-APPOINTED RECEIVER

N. Neville Reid 10/25/19  
Client Date  
N. Neville Reid  
Print Name Title  
10/25/19

**TIMBER LAKE APARTMENTS – SCHEDULE OF PROPERTIES**

<b><u>PIN</u></b>	<b><u>Address</u></b>
01-33-402-002	1248 Kings Cross, West Chicago, IL 60185
01-33-402-005	1236 Kings Cross, West Chicago, IL 60185
01-33-402-006	1220 Kings Circle, West Chicago, IL 60185
01-33-402-008	1224 Kings Circle, West Chicago, IL 60185
01-33-402-009	1228 Kings Circle, West Chicago, IL 60185
01-33-402-010	1232 Kings Circle, West Chicago, IL 60185
01-33-402-011	1227 Kings Court, West Chicago, IL 60185
01-33-402-012	1223 Kings Court, West Chicago, IL 60185
01-33-402-017	1240 Kings Circle, West Chicago, IL 60185
01-33-402-018	1244 Kings Circle, West Chicago, IL 60185
01-33-403-001	1218 Kings Court, West Chicago, IL 60185
01-33-403-002	1214 Kings Court, West Chicago, IL 60185
01-33-403-004	1210 Kings Court, West Chicago, IL 60185
01-33-403-006	1221 Kings Court, West Chicago, IL 60185
01-33-403-007	1206 Kings Circle, West Chicago, IL 60185
01-33-403-010	1225 Kings Court, West Chicago, IL 60185
01-33-403-011	1219 Kings Court, West Chicago, IL 60185
01-33-403-012	1215 Kings Court, West Chicago, IL 60185
01-33-404-001	1217 Kings Court, West Chicago, IL 60185
01-33-404-003	1200 Kings Circle, West Chicago, IL 60185
01-33-404-004	1204 Kings Circle, West Chicago, IL 60185
01-33-404-005	1208 Kings Circle, West Chicago, IL 60185
01-33-404-006	1212 Kings Circle, West Chicago, IL 60185
01-33-404-007	1213 Kings Circle, West Chicago, IL 60185

**SARNOFF • BACCASH**  
PROPERTY TAX LAW

CONTINGENT FEE AGREEMENT

This agreement is made October 24, 2019 between Sarnoff & Baccash and N. NEVILLE REID, NOT INDIVIDUALLY BUT SOLELY AS THE COURT-APPOINTED RECEIVER FOR THE PROPERTY DESCRIBED BELOW, hereinafter called "Client."

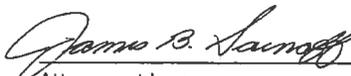
It is agreed that Sarnoff & Baccash will represent Client during the 2019 triennial assessment period (tax years 2019, 2020 and 2021) with respect to the following property (collectively, the "Property"):

Address  
561-564 Deere Park Circle  
Bartlett, Illinois 60103  
Hanover Township

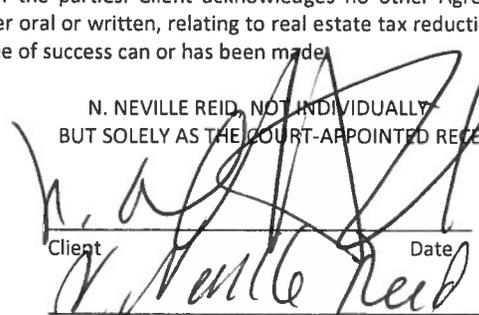
Perm. No.  
06-27-403-014-0000

1. For this Service, Client agrees to pay Sarnoff & Baccash for their services a fee in the amount of thirty percent (30%) of the annual tax savings for each year of the 2019 triennial (tax years 2019 thru 2021) for which a reduction is obtained.
2. In the event Court or Illinois Property Tax Appeal Board and/or Certificate of Error action is required to secure a reduction in the assessment for any tax year prior to and including tax years 2019 through 2021, the fee will be thirty percent (30%) of the total refund secured.
3. Client agrees to reimburse Sarnoff & Baccash for all necessary costs and expenses. In the event it is necessary that an appraisal be made to contest the assessment, Client agrees to pay the cost of said appraisal. Sarnoff & Baccash will not engage appraisers without Client's express written consent and will seek written approval for costs or expenses in excess of \$100.00, other than any filing fees.
4. The sale, foreclosure or any other transfer or disposition of the Property will not relieve Client from the obligation to pay any fees and/or costs incurred, but not yet billed, as set forth by this Contingent Fee Agreement. Client will be held responsible for such fees and/or costs unless written notice is provided to Sarnoff & Baccash prior to the filing of an appeal. To the extent that the Property is sold (in whole or in part) before any fee is due, Client may assign this agreement, as written, to the buyer. Upon such assignment, Client shall no longer have any obligation to Sarnoff & Baccash under this agreement.
5. This agreement may be terminated by either party with 30 days written notice. Any fees owed to Sarnoff & Baccash must be remitted within such time, upon receipt of the final invoice or at the closing of the Property.
6. Fees shall be due and payable within 30 days of the issuance of the invoice for professional services. Notwithstanding the foregoing, Client may pay any fees and costs to Sarnoff & Baccash at closing of the Property as long as such closing takes place within six (6) months of the issuance of the invoice. Notwithstanding the foregoing, if this agreement has been assigned to a buyer pursuant to section 4 herein, fees shall be due and payable upon issuance of the invoice to such buyer.
7. In the event either party undertakes legal action of any sort to enforce the terms of this agreement, the prevailing party shall be entitled to their reasonable fees and costs.
8. Unless requested and agreed to under a separate fee agreement provided by Sarnoff & Baccash, this agreement does not include the following services:
  - a. Preparation and filing of Tax Division/Consolidation Petitions/Incentives
  - b. Rendering of property tax advice on State, County or local real estate transaction tax issues and/or defense of any governmental claim of underpayment of said tax;
  - c. Defense of an underassessment complaint brought by a third party before the Board and/or State Board.
9. This Agreement constitutes the sole and entire Agreement of the parties. Client acknowledges no other Agreements or understandings exist beyond the scope of this Agreement, either oral or written, relating to real estate tax reduction services for the Property. Client acknowledges that no advance guarantee of success can or has been made.

SARNOFF & BACCASH

  
Attorney at Law      10-24-19  
Date

N. NEVILLE REID, NOT INDIVIDUALLY  
BUT SOLELY AS THE COURT-APPOINTED RECEIVER

  
Client      10/25/19  
Date  
Print Name      Title  
N. Neville Reid  
10/25/19

**SARNOFF ♦ BACCASH**  
P R O P E R T Y T A X L A W

CONTINGENT FEE AGREEMENT

This agreement is made October 24, 2019 between Sarnoff & Baccash and N. NEVILLE REID, NOT INDIVIDUALLY BUT SOLELY AS THE COURT-APPOINTED RECEIVER FOR THE PROPERTY DESCRIBED BELOW, hereinafter called "Client."

It is agreed that Sarnoff & Baccash will represent Client during the 2019 quadrennial assessment period (tax years 2019 to and including 2022) with respect to the following property (collectively, the "Property"):

Address  
Surrey Apartments  
108-224 Surrey Drive  
Glen Ellyn, IL 60137  
DuPage County

Perm. No.  
SEE ATTACHED SCHEDULE

Milton Township

1. For this Service, Client agrees to pay Sarnoff & Baccash for their services a fee in the amount of thirty percent (30%) of the annual tax savings for each year of the 2019 quadrennial (tax years 2019 thru 2022) for which a reduction is obtained.
2. In the event Court or Illinois Property Tax Appeal Board and/or Certificate of Error action is required to secure a reduction in the assessment for any tax year prior to and including tax years 2019 through 2022, the fee will be thirty percent (30%) of the total refund secured.
3. Client agrees to reimburse Sarnoff & Baccash for all necessary costs and expenses. In the event it is necessary that an appraisal be made to contest the assessment, Client agrees to pay the cost of said appraisal. Sarnoff & Baccash will not engage appraisers without Client's express written consent and will seek written approval for costs or expenses in excess of \$100.00, other than any filing fees.
4. The sale, foreclosure or any other transfer or disposition of the Property will not relieve Client from the obligation to pay any fees and/or costs incurred, but not yet billed, as set forth by this Contingent Fee Agreement. Client will be held responsible for such fees and/or costs unless written notice is provided to Sarnoff & Baccash prior to the filing of an appeal. To the extent that the Property is sold (in whole or in part) before any fee is due, Client may assign this agreement, as written, to the buyer. Upon such assignment, Client shall no longer have any obligation to Sarnoff & Baccash under this agreement.
5. This agreement may be terminated by either party with 30 days written notice. Any fees owed to Sarnoff & Baccash must be remitted within such time, upon receipt of the final invoice or at the closing of the Property.
6. Fees shall be due and payable within 30 days of the issuance of the invoice for professional services. Notwithstanding the foregoing, Client may pay any fees and costs to Sarnoff & Baccash at closing of the Property as long as such closing takes place within six (6) months of the issuance of the invoice. Notwithstanding the foregoing, if this agreement has been assigned to a buyer pursuant to section 4 herein, fees shall be due and payable upon issuance of the invoice to such buyer.
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  - a. Preparation and filing of Tax Division/Consolidation Petitions/Incentives
  - b. Rendering of property tax advice on State, County or local real estate transaction tax issues and/or defense of any governmental claim of underpayment of said tax;
  - c. Defense of an underassessment complaint brought by a third party before the Board and/or State Board.

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SARNOFF & BACCASH

James B. Sarnoff 10-24-19  
Attorney at Law Date

N. NEVILLE REID, NOT INDIVIDUALLY  
BUT SOLELY AS THE COURT-APPOINTED RECEIVER  
N. Neville Reid 10/25/19  
Client Date  
N. Neville Reid  
Print Name Title  
10/25/19

**SURREY APARTMENTS – SCHEDULE OF PROPERTIES**

<b><u>PIN</u></b>	<b><u>ADDRESS</u></b>
05-13-420-002	108 Surrey Dr, Glen Ellyn, IL 60137
05-13-420-003	110 Surrey Dr, Glen Ellyn, IL 60137
05-13-420-004	112 Surrey Dr, Glen Ellyn, IL 60137
05-13-420-005	114 Surrey Dr, Glen Ellyn, IL 60137
05-13-420-006	116 Surrey Dr, Glen Ellyn, IL 60137
05-13-420-007	118 Surrey Dr, Glen Ellyn, IL 60137
05-13-420-008	120 Surrey Dr, Glen Ellyn, IL 60137
05-13-420-010	124 Surrey Dr, Glen Ellyn, IL 60137
05-13-420-011	126 Surrey Dr, Glen Ellyn, IL 60137
05-13-420-012	128 Surrey Dr, Glen Ellyn, IL 60137
05-13-420-013	130 Surrey Dr, Glen Ellyn, IL 60137
05-13-420-014	132 Surrey Dr, Glen Ellyn, IL 60137
05-13-420-015	134 Surrey Dr, Glen Ellyn, IL 60137
05-13-420-016	136 Surrey Dr, Glen Ellyn, IL 60137
05-13-420-017	138 Surrey Dr, Glen Ellyn, IL 60137
05-13-420-018	140 Surrey Dr, Glen Ellyn, IL 60137
05-13-420-020	144 Surrey Dr, Glen Ellyn, IL 60137
05-13-420-021	146 Surrey Dr, Glen Ellyn, IL 60137
05-13-420-022	148 Surrey Dr, Glen Ellyn, IL 60137
05-13-420-023	150 Surrey Dr, Glen Ellyn, IL 60137
05-13-420-024	152 Surrey Dr, Glen Ellyn, IL 60137
05-13-420-025	154 Surrey Dr, Glen Ellyn, IL 60137
05-13-420-026	156 Surrey Dr, Glen Ellyn, IL 60137
05-13-420-028	160 Surrey Dr, Glen Ellyn, IL 60137
05-13-420-030	164 Surrey Dr, Glen Ellyn, IL 60137
05-13-420-031	166 Surrey Dr, Glen Ellyn, IL 60137
05-13-420-033	170 Surrey Dr, Glen Ellyn, IL 60137
05-13-420-035	174 Surrey Dr, Glen Ellyn, IL 60137
05-13-420-037	178 Surrey Dr, Glen Ellyn, IL 60137
05-13-420-038	180 Surrey Dr, Glen Ellyn, IL 60137
05-13-420-039	182 Surrey Dr, Glen Ellyn, IL 60137
05-13-420-040	184 Surrey Dr, Glen Ellyn, IL 60137
05-13-420-041	186 Surrey Dr, Glen Ellyn, IL 60137
05-13-420-043	190 Surrey Dr, Glen Ellyn, IL 60137
05-13-420-045	194 Surrey Dr, Glen Ellyn, IL 60137
05-13-420-047	198 Surrey Dr, Glen Ellyn, IL 60137
05-13-420-048	200 Surrey Dr, Glen Ellyn, IL 60137
05-13-420-049	202 Surrey Dr, Glen Ellyn, IL 60137
05-13-420-051	206 Surrey Dr, Glen Ellyn, IL 60137
05-13-420-053	210 Surrey Dr, Glen Ellyn, IL 60137
05-13-420-054	212 Surrey Dr, Glen Ellyn, IL 60137
05-13-420-055	214 Surrey Dr, Glen Ellyn, IL 60137
05-13-420-056	216 Surrey Dr, Glen Ellyn, IL 60137
05-13-420-057	218 Surrey Dr, Glen Ellyn, IL 60137
05-13-420-058	220 Surrey Dr, Glen Ellyn, IL 60137
05-13-420-059	222 Surrey Dr, Glen Ellyn, IL 60137
05-13-420-060	224 Surrey Dr, Glen Ellyn, IL 60137

**SARNOFF ♦ BACCASH**  
P R O P E R T Y T A X L A W

CONTINGENT FEE AGREEMENT

This agreement is made October 18, 2019 between Sarnoff & Baccash and N. NEVILLE REID, NOT INDIVIDUALLY BUT SOLELY AS THE COURT-APPOINTED RECEIVER FOR THE PROPERTY DESCRIBED BELOW, hereinafter called "Client."

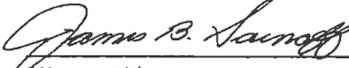
It is agreed that Sarnoff & Baccash will represent Client during the remainder of the 2018 triennial assessment period (tax years 2019 and 2020) with respect to the following property (collectively, the "Property"):

<u>Address</u>	<u>Perm. No.</u>
5091 N. Elston Avenue	13-09-404-041-0000
Chicago, Illinois 60630	13-09-404-015-0000
Jefferson Township	

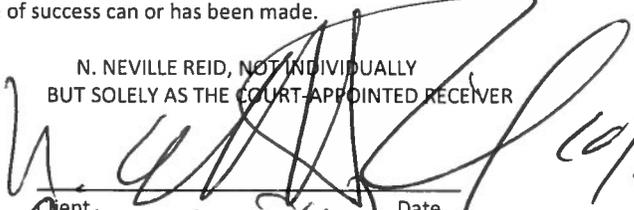
1. For this Service, Client agrees to pay Sarnoff & Baccash for their services a fee in the amount of thirty percent (30%) of the annual tax savings for each year of the remaining years of the 2018 triennial (tax years 2019 and 2020) for which a reduction is obtained.
2. In the event Court or Illinois Property Tax Appeal Board and/or Certificate of Error action is required to secure a reduction in the assessment for any tax year prior to and including tax years 2019 and 2020, the fee will be thirty percent (30%) of the total refund secured.
3. Client agrees to reimburse Sarnoff & Baccash for all necessary costs and expenses. In the event it is necessary that an appraisal be made to contest the assessment, Client agrees to pay the cost of said appraisal. Sarnoff & Baccash will not engage appraisers without Client's express written consent and will seek written approval for costs or expenses in excess of \$100.00, other than any filing fees.
4. The sale, foreclosure or any other transfer or disposition of the Property will not relieve Client from the obligation to pay any fees and/or costs incurred, but not yet billed, as set forth by this Contingent Fee Agreement. Client will be held responsible for such fees and/or costs unless written notice is provided to Sarnoff & Baccash prior to the filing of an appeal. To the extent that the Property is sold (in whole or in part) before any fee is due, Client may assign this agreement, as written, to the buyer. Upon such assignment, Client shall no longer have any obligation to Sarnoff & Baccash under this agreement.
5. This agreement may be terminated by either party with 30 days written notice. Any fees owed to Sarnoff & Baccash must be remitted within such time, upon receipt of the final invoice or at the closing of the Property.
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  - b. Rendering of property tax advice on State, County or local real estate transaction tax issues and/or defense of any governmental claim of underpayment of said tax;
  - c. Defense of an underassessment complaint brought by a third party before the Board and/or State Board.

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SARNOFF & BACCASH

 10-24-19  
\_\_\_\_\_  
Attorney at Law Date

N. NEVILLE REID, NOT INDIVIDUALLY  
BUT SOLELY AS THE COURT-APPOINTED RECEIVER

 10/25/19  
\_\_\_\_\_  
Client Date

 10/25/19  
\_\_\_\_\_  
Print Name Title

**SARNOFF ♦ BACCASH**  
P R O P E R T Y T A X L A W

CONTINGENT FEE AGREEMENT

This agreement is made October 25, 2019 between Sarnoff & Baccash and N. NEVILLE REID, NOT INDIVIDUALLY BUT SOLELY AS THE COURT-APPOINTED RECEIVER FOR THE PROPERTY DESCRIBED BELOW, hereinafter called "Client."

It is agreed that Sarnoff & Baccash will represent Client during the 2019 triennial assessment period (tax years 2019, 2020 and 2021) with respect to the following property (collectively, the "Property"):

<u>Address</u>	<u>Perm. No.</u>
468 N. Lake Shore Drive	02-16-215-021-0000
Palatine, Illinois 60067	02-16-215-028-0001
Palatine Township	

1. For this Service, Client agrees to pay Sarnoff & Baccash for their services a fee in the amount of thirty percent (30%) of the annual tax savings for each year of the 2019 quadrennial (tax years 2019 thru 2021) for which a reduction is obtained.
2. In the event Court or Illinois Property Tax Appeal Board and/or Certificate of Error action is required to secure a reduction in the assessment for any tax year prior to and including tax years 2019 through 2022, the fee will be thirty percent (30%) of the total refund secured.
3. Client agrees to reimburse Sarnoff & Baccash for all necessary costs and expenses. In the event it is necessary that an appraisal be made to contest the assessment, Client agrees to pay the cost of said appraisal. Sarnoff & Baccash will not engage appraisers without Client's express written consent and will seek written approval for costs or expenses in excess of \$100.00, other than any filing fees.
4. The sale, foreclosure or any other transfer or disposition of the Property will not relieve Client from the obligation to pay any fees and/or costs incurred, but not yet billed, as set forth by this Contingent Fee Agreement. Client will be held responsible for such fees and/or costs unless written notice is provided to Sarnoff & Baccash prior to the filing of an appeal. To the extent that the Property is sold (in whole or in part) before any fee is due, Client may assign this agreement, as written, to the buyer. Upon such assignment, Client shall no longer have any obligation to Sarnoff & Baccash under this agreement.
5. This agreement may be terminated by either party with 30 days written notice. Any fees owed to Sarnoff & Baccash must be remitted within such time, upon receipt of the final invoice or at the closing of the Property.
6. Fees shall be due and payable within 30 days of the issuance of the invoice for professional services. Notwithstanding the foregoing, Client may pay any fees and costs to Sarnoff & Baccash at closing of the Property as long as such closing takes place within six (6) months of the issuance of the invoice. Notwithstanding the foregoing, if this agreement has been assigned to a buyer pursuant to section 4 herein, fees shall be due and payable upon issuance of the invoice to such buyer.
7. In the event either party undertakes legal action of any sort to enforce the terms of this agreement, the prevailing party shall be entitled to their reasonable fees and costs.
8. Unless requested and agreed to under a separate fee agreement provided by Sarnoff & Baccash, this agreement does not include the following services:
  - a. Preparation and filing of Tax Division/Consolidation Petitions/Incentives
  - b. Rendering of property tax advice on State, County or local real estate transaction tax issues and/or defense of any governmental claim of underpayment of said tax;
  - c. Defense of an underassessment complaint brought by a third party before the Board and/or State Board.

9. This Agreement constitutes the sole and entire Agreement of the parties. Client acknowledges no other Agreements or understandings exist beyond the scope of this Agreement, either oral or written, relating to real estate tax reduction services for the Property. Client acknowledges that no advance guarantee of success can or has been made.

SARNOFF & BACCASH

*James B. Sarnoff* 10-25-19  
Attorney at Law Date

N. NEVILLE REID, NOT INDIVIDUALLY  
BUT SOLELY AS THE COURT-APPOINTED RECEIVER

*N. Neville Reid*  
Client Date  
N. Neville Reid  
Print Name Title

*10/25/19*

**EXHIBIT B**

[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 APPROVING THE RATES  
TO BE CHARGED BY RECEIVER’S PROPERTY TAX APPEAL COUNSEL**

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 for Court Approval of the Rates to be Charged by Receiver’s Property Tax Appeal Counsel*, 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. The Court approves the rates to be charged by S&B and the Receiver is authorized, but is not directed, to pay S&B any earned fees at the closing of the relevant real property.

\_\_\_\_\_  
Hon. John Z. Lee  
UNITED STATES DISTRICT JUDGE

Entered: