

**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 FOR EXTENSION OF TIME TO FILE LIQUIDATION PLAN

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 their assets as more particularly identified therein, the “Receivership Assets”, and such estate, the “Receivership Estate”, and such administration, the “Receivership”), and pursuant to the powers vested in him by the *Order Appointing Receiver* entered by the Court on September 12, 2019 [Dkt. No. 22] (the “Receivership Order”)¹, respectfully moves the Court for an order extending the time to file a Liquidation Plan. In support of the Motion, the Receiver states as follows:

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

I. INTRODUCTION AND BACKGROUND

1. The Receivership Order states:

The Receiver is authorized, empowered, and directed to develop a plan for the fair, reasonable, and efficient recovery and liquidation of all remaining, recovered, and recoverable Receivership Assets (the “Liquidation Plan”).

Receivership Order, ¶58. The Receivership Order directs the Receiver to file and serve a Liquidation Plan within ninety (90) days of entry of the Receivership Order. Currently, the deadline to file a Liquidation Plan is December 11, 2019. For the reasons set forth below, the Receiver requests a modest extension of time to file the Liquidation Plan to January 30, 2020.²

II. Case Status

2. As more fully set forth in prior motions, the Receiver determined that, as of the date hereof, the Receivership Estate includes the following real estate (collectively, the “Real Estate”): (a) two (2) multi-family residential apartment complexes located in West Chicago, IL and Bartlett, IL – comprising 768 units, (b) 48 condo units located at Surrey, Glenn Ellyn, IL, (c) one (1) office building located in Chicago, IL, (d) single condo units located in each of Palatine, IL and Miami, FL, (e) a potential interest in a house located in Glenn Ellyn, IL, and (f) vacant lots located in Palm Springs, CA. The Receiver engaged 33 Realty Management, LLC (“33 Realty”) to manage the Real Estate. Additionally, the Receiver has engaged brokers to market certain of the Real Estate. Furthermore, 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”). *Id.* at ¶ 40. The Chablis Property closing

² The Receiver’s first Receiver Report is also due January 30, 2020.

occurred on September 20, 2019. The Receiver is presently investigating whether Northridge owns interests in any other real estate.

3. With respect to non-real property assets of the Receivership, the Receiver has identified approximately six million shares of stock in Wellness Center USA, Inc. This stock trades (if it trades) at less than a penny a share and seems to be somewhat illiquid. The Receiver is investigating how best to liquidate this asset. The Receivership Entities may own interests in other entities that own real estate or other assets.

4. The Receiver has recently engaged other professionals to assist the Receiver with identifying Receivership Assets (e.g., AlixPartners, and Plante Moran) including, but not limited to, additional assets contained in the books and records of the Receivership Entities, litigation claims (e.g., claw back, professional liability, etc.) and potential tax refunds.

III. Requested Relief

5. While the Receiver generally intends to liquidate the Receivership Assets in an orderly fashion and in a manner designed to maximize value to the Receivership Estate, the Receiver is still in the process of identifying assets and potential litigation claims. The Receiver and his professionals are also still analyzing the best and most efficient way to liquidate the Receivership Estate. Put simply, the Receiver will be in a better position to advise the Court as to a recommended liquidation plan at the end of January 2020.

IV. NO OBJECTION BY THE SEC

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

WHEREFORE, for the foregoing reasons, the Receiver respectfully requests that the Court approve the Application and enter an Order (a proposed form of which is attached hereto as **Exhibit A**) as follows: (a) extending the date to file the Liquidation Plan to January 30, 2020; (b) authorizing the Receiver to file such Liquidation Plan as an exhibit to Receiver's First Quarterly Status Report due on the same day; and (c) granting all other or further relief that is just or proper.

Dated: December 10, 2019

N. Neville Reid, Receiver

By: /s/ Ryan T. Schultz_____

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