

# **EXHIBIT B**

**IN SUPPORT OF  
PLAINTIFF'S MEMORANDUM IN SUPPORT OF ITS EMERGENCY MOTION FOR A  
TEMPORARY RESTRAINING ORDER TO PREVENT VIOLATIONS OF THE FEDERAL  
SECURITIESD LAWS, TO APPOINT A RECEIVER, AND PROVIDE FOR OTHER  
ANCILLARY RELIEF**

**DECLARATION OF THOMAS R. WILDER**

1. My name is Thomas R. Wilder. I am 57 years old and live in Westminister, Massachusetts. I have personal knowledge of the facts described in this declaration.

2. I received a B.S. degree in electrical engineering from Central New England College. I currently work at a computer software company, where I have worked for approximately eight years. I previously held a similar position at another computer software company, where I worked for approximately 20 years.

3. In 2017, I contacted my financial advisor to discuss possible alternative investments that involve real estate. My financial advisor recommended Northridge Holdings, Ltd. ("Northridge") and advised me to talk to Glenn Mueller at Northridge and to conduct my own research.

4. When I called Northridge, Glenn Mueller was unavailable, but I spoke to Tony DeLeo, whom I understood was involved with investor relations at Northridge. During my telephone conversation with Mr. DeLeo, Mr. DeLeo told me about Northridge offering two different investments – promissory notes and real estate limited partnership interests. Mr. DeLeo said that the promissory notes had different durations and higher interest rates based upon the length of the note. Mr. DeLeo also said that after investing, I can withdraw my funds and that Northridge has previously allowed clients to withdraw funds when they need money. I told Mr. DeLeo that I was interested in a promissory note and he told me that Northridge would use my note proceeds to improve properties owned by Northridge.

5. After my telephone conversation with Mr. DeLeo, I received a Northridge brochure in the mail, which contained information about Northridge's historic rates of return,

nearly 40 years' experience in the business, and community involvement. A copy of the brochure I received is attached hereto as Exhibit A.

6. Prior to investing, I received a letter dated June 12, 2017 from Glenn Mueller, which is attached hereto as Exhibit B. In this letter, Mr. Mueller made several representations which influenced my decision to invest with Northridge, including the following:

a. "I have personally invested in real estate for over 45 years. Over that length of time, I have organized Limited Partnerships that have purchased, sold or currently manage 74 properties without a single loss to the investors. Our annual returns have varied, generally from 5%-25%, up to 110%. At this time, we have 1005 units under management valued at approximately \$80,000,000."

b. "We also take in funds that are used to upgrade the apartments. This allows for higher rents and increases the property value. The CD alternative is for a 1-5 year term and yields 3%-6% interest paid monthly, quarterly, annually or the interest can compound annually and be taken out at any time with no penalty."

c. "The loan is backed by the equity and cash flow of the properties. Both the owners and the lenders benefit from this arrangement. I've enclosed a list of our current rates."

7. Included in Exhibit B is a list of Northridge interest rates effective January 1, 2014, showing "Real Estate Promissory Note" and "CD Loan Promissory Note" options, with various maturities and interest rates. I thereafter circled the three-year CD Loan Promissory Note because this was the note in which I was interested.

8. Mr. Mueller's statements, including those regarding the absence of investor losses and the loan being "backed by the equity and cash flow of the properties," led me to believe that Northridge had the financial means to pay for the principal and interest on the promissory notes they offer.

9. Prior to investing, I also read Northridge's website, which included its periodic newsletters discussing specific properties, high occupancy rates, higher rents, and success year after year. The newsletters revealed that Mr. Mueller was religious and involved in the community. This information led me to believe that Mr. Mueller was trustworthy. I also looked at the tenants' page on the Northridge website to view the condition of properties.

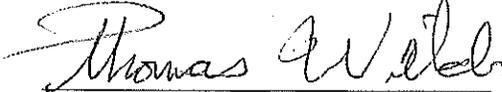
10. Based upon my conversation with Mr. DeLeo, Mr. Mueller's letter, the Northridge brochure, website, and newsletters, I decided to invest \$100,000 in a three-year promissory note that earned an interest rate of 5% per annum. Attached as Exhibit C hereto is a copy of my promissory note dated August 10, 2017. My promissory note is with Eastridge Holdings, Ltd., which I understood to be a holding company that Mr. Mueller created. Since I invested, I have received quarterly interest payments.

11. Based upon my conversation with Mr. DeLeo and Mr. Mueller's letter, I understood that Northridge would use my investment funds to upgrade the apartments managed by Northridge. I would not have invested with Northridge if I knew that noteholder investment funds would be used to pay principal or interest owed to other Northridge investors, given to Mr. Mueller's family members, or used to pay significant fees or commissions to individuals who solicited other investors in Northridge.

12. In April or May 2019, my financial advisor called me, told me about investigations concerning Northridge, and advised me to read the documents on Northridge's

website. Consequently, I read the state complaints posted on Northridge's website. After reading the complaints, I learned that Northridge sold approximately \$47 million in promissory notes to investors. I thought that \$47 million was a high figure. If I knew that Northridge had \$47 million in promissory note liabilities before I invested, then this would have impacted my decision to invest. I would have asked more questions about Northridge's financial condition and conducted more research before investing.

I declare under penalty of perjury that the foregoing is true and correct. Executed on August 16, 2019 in Westminister, Massachusetts.

  
Thomas R. Wilder

# EXHIBIT A

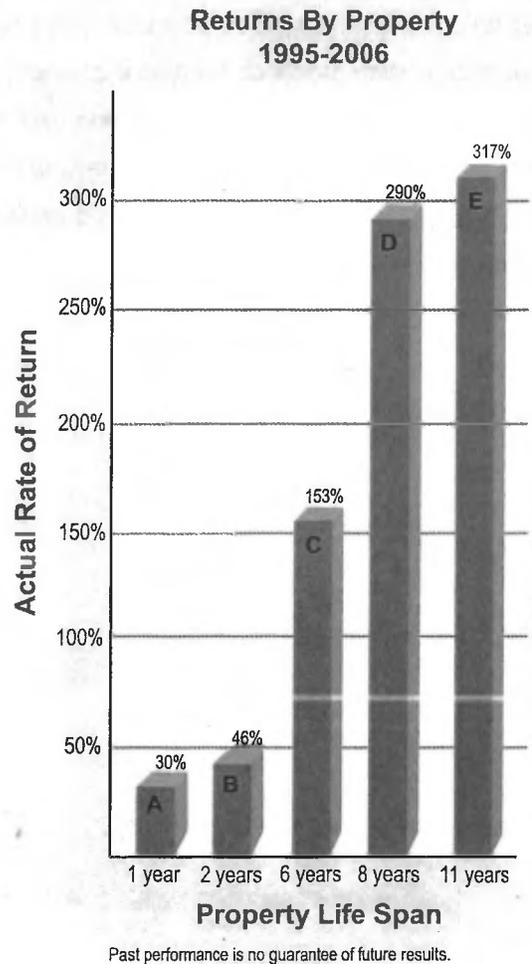
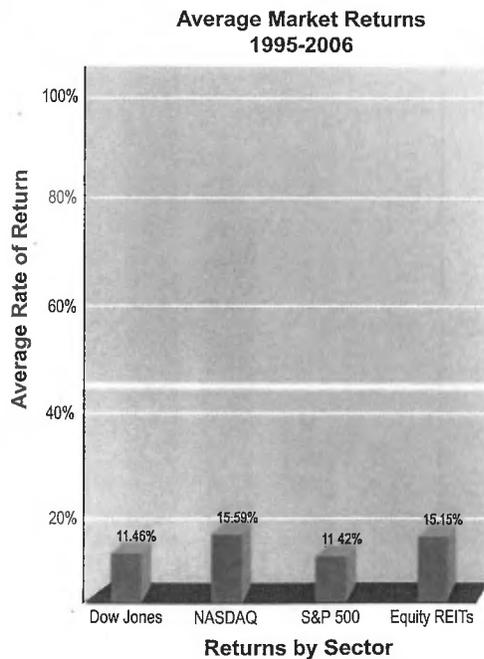


# How Northridge Works:

## Turning Opportunity into Profit

We start by locating the right rental property, one whose value is poised for significant increase. After making the purchase and forming a limited partnership of investors, we either convert the complex to condominiums and sell off the units individually or continue operation as a rental property, making key improvements to lower expenses and raise monthly income. When the property value reaches an optimal level, we sell it for cash or complete a 1031 exchange. With proceeds from an exchange, we can invest in additional properties while deferring capital gains tax. We can also refinance the property, allowing investors to retain property ownership while freeing up capital for reinvestment.

### Northridge Holdings Historic Property Returns





# Why Northridge Works:

## The Northridge Difference

**Not every real estate transaction is profitable. Ask any financial advisor. So how has Northridge been able to deliver high returns with such consistency? We boil our success down to a mix of these components:**

### **Deep Experience**

With nearly 40 years in the business, we have the critical ability to determine which properties have the highest potential for success. We've also made a science out of managing properties efficiently. We know how to increase rental income, lower expenses, and which improvements provide the greatest ROI.

### **Discipline**

We have the patience to follow our guidelines when others rush ahead. Discipline means saying no to the wrong properties and refusing to short-cut our process.

### **Strategic Relationships**

The relationships we have with banks, brokers, and subcontractors are unmatched. They give us leverage at the negotiating table and reliable efficiencies when it comes to managing properties.

### **Flexibility**

Where other investment firms throw up roadblocks, Northridge finds solutions from liquidity of funds to the custom structuring of investments.

### **Integrity**

This is the linch-pin to all we do. With a track record of credible money management that spans three decades, our investor retention rate speaks louder than anything we could say. As an investor, you should also know that we never sacrifice service to our tenants for the sake of squeezing out a few more bucks. We've found that long-term success comes from doing things the right way.



# What We Work For:

## Investing in People and Communities

At Northridge, we invest in more than real estate. We invest in people. Sharing success is at the core of who we are. We start with our employees, empowering them to thrive in their respective roles. Then as a team, we work tirelessly to ensure our investors' financial success. Because we are always adding to property value, tenants benefit as a matter of course. We also take a proactive role in improving community safety, working closely with municipal fire and police departments.

What continues to give us great satisfaction is the way so many of our investors have carried on this commitment, reinvesting in the lives of others — from supporting orphanages in Romania to funding Christian schools and youth camps in the U.S. We are proud to be associated with these selfless individuals. We are proud to serve them. We know that investing in their success pays dividends far beyond what an accountant could measure.

### Forging Stronger Communities

Our Westwood property helps kids everyday through an on-site resource center. Run in cooperation with the city of West Chicago, the center provides free bilingual tutoring and after school activities for all tenants. We also work jointly with Wheaton Bible Church to meet the needs of our tenant families, from education to employment assistance to spiritual well-being.





Northridge Holdings, Ltd. interest rates effective January 1, 2014.

**Real Estate Promissory Note**

Funds placed in a real estate promissory note will receive 3% per annum for 3 years or until such time as they are invested in a real estate limited partnership. We cannot guarantee a timeframe in which funds will be placed into a real estate limited partnership. Funds will be placed into a real estate limited partnership upon your review of the offering of a potential property and your written consent.

**CD Loan Promissory Note**

1 year-3%

2 year-4%

3 year-5%

4 year-5%

5 year-6%

8 year-6%

These rates are subject to change at any time without notice.



## Real Estate Investments

Glenn Mueller has been personally investing in real estate in the Chicago area for over 44 years. Along with the Northridge Holdings team, Glenn has bought, sold and managed 74 properties without incurring any losses to the investors. We have been taking in investors and forming limited partnerships for the purchase and sale of real estate nearly 28 years. At present we have 10 properties totaling 993 units under management.

Our objective is to purchase undervalued or mismanaged, income producing apartment buildings through leveraged financing; then increase their value by improving their appearance, increasing income and reducing expenses.

Depending upon economic conditions, once we have accomplished our objectives we would then determine which period of time would maximize our income and equity potential:

**Due to current market conditions, we are currently operating under this scenario:**

1. Long Term - (three or more years)

Our options at that time would be to:

- A. Determine if it would be wise to hold the property, then because of its increased value our goal would be to refinance, lower interest rates (if possible) and return the capital plus equity back to the investors tax free.
- B. Sell the property
- C. Sell the property using a 1031 tax deferred exchange (no capital gains taxes would be due at the time of sale).
- D. Convert the apartments into condominiums.

We carefully evaluate the profit potential to the investors with every step of the process:

1. Formation of the Limited Partnership –
  - A. Organizing the investors
  - B. Receipt of funds (money deposited for real estate investment earns interest until the property is located and purchased).
  - C. Establish the Limited Partnership (each property held in a separate L.P.).
2. Locate undervalued or mismanaged properties.
3. Negotiate the purchase price.
4. Secure financing with either non-recourse or recourse loans personally guaranteed by us due to the limited liability to the investors.
5. Since management of the property is the key to our success, all management remains in-house.
6. Market the sale of the property including the negotiation of the sale price.
7. Distribution of profits is on a 60% / 40% basis. The investors receive 60% of the profits and are distributed according to their percentage of their capital investment.
8. If a 1031 Exchange is used, profits are held in escrow until these funds are transferred into a new property giving the investors a greater capital base using tax-deferred monies.

Each property is held in a separate limited partnership registered with the state of Illinois. This type of partnership provides a high degree of asset protection. It also can be used in estate planning to reduce inheritance taxes up to 40%.

One very important source of funds is in your IRA. We are able to use IRA funds in real estate. This allows your investment to accumulate profits tax free or tax deferred to you and your heirs.

The following are several examples of purchases, sales and trades into other properties:

1. We purchased a 76-unit complex Dec. 23, 1996 for \$1,985,000 and sold it for \$2,740,000 for a net return to the investors of 69% in 22 months. The proceeds were traded (tax-deferred) into 2 properties:
  - A. We purchased 92 units on Dec. 28, 1998 for \$2,670,000. We rehabbed it for approximately \$1,100,000 and sold it on Oct. 1, 2001 for \$ 4,700,000. Then traded the proceeds into an 88-unit complex for \$ 5,375,000 on Oct. 4, 2001. This was sold on September 18, 2002 for \$6,675,000.

Example #1A - 92 Units



- B. We purchased a 10 unit building that we purchased for \$480,000, converted into condos, and sold them in 1 year for \$878,000, a return to the investors of over 60%.

The investors received a 293% return during the six-year term.

2. An 18-unit condo conversion that we completed in 16 months for a return of 68% to the investors.
3. The purchase of a 22 unit building in June 1995 for \$1,280,000 with \$244,000 in capital. It was sold in Jan. 1999 for \$1,710,400. The proceeds were traded into 2 properties:

Example #3 – 22 Units



A. 47 units for \$1,370,000. Sold in March, 2006 for \$2,005,600.

Example #3A – 47 Units



- B. 19 units for \$715,000 - sold 1 year later for \$910,000. Proceeds were traded again into a 32 unit for \$1,500,000, (\$60,000 was used for fix-up). It sold July, 2005 for \$2,675,000. The initial investor's capital of \$244,000 for the \$1,280,000 property controlled \$4,875,000 worth of real estate. The original capital of \$246,465 returned a profit of about \$775,390 to the investors. Approx. 315% return in 10 years.

Example #3B – 32 Units



4. We purchased a 27 unit for \$ 1,025,000 and within 1 1/2 years sold it for \$1,737,500, the investors received a 133% return. (\$214,000 investor's capital invested now worth \$498,360). This was traded into a 39-unit property, which sold March, 2007 for \$2,560,000. Another of our L.P. bought the 27 unit for the \$1,737,500 and sold them as condos for \$2,726,000 within 2 years.
5. A 31 unit purchased in 1996, for \$850,000 now valued at \$2,000,000. A return of approx. 810% to the investors on the original investment. However, more than twice the original investment was returned to the investors when it was refinanced in the 6<sup>th</sup> year. It was refinanced again in 2011. At that time, the investors received additional funds that totalled about 3 times the capital they contributed. No income tax is due on those funds because they were a loan to the property. The investors still own the property with none of their capital in it. The return on the investment is now infinite.

Example #5-31 Units



6. A 38-unit property purchased Nov. 1999 for \$ 895,000 with improvements of \$200,000 increased the rents by \$200 a month per apartment. We sold it in April, 2002 for \$ 1,637,500. A return of 145% to the investors in 2 ½ years.
7. A 76 unit, 12 story building in Hyde Park was purchased July, 2002 for \$3,900,000, it was sold September 2004 for \$5,000,000. The investors received an approximate return of 50% for the 2 years of ownership. A \$189,000 2<sup>nd</sup> mortgage was held on the sale, which produced another \$311,000 profit over a 9 year period. (See Example #7)

Example #7 – 76 Units



The following is an example of a property currently owned by our investors and is under Northridge Management. This property was purchased at the peak of the economy. It is an example of how our abilities, even when the economy declines. Home values declined by a third in our area.

8. A 576 unit, property purchased July 2007 for \$30,000,000. We have added \$5,000,000 in improvements since 2007. We have greatly increased income and lowered expenses. The property was appraised 2 years ago, during our refinancing, for \$38,800,000. Currently, the value is approximately \$45,000,000. Not only was this profit made during the worst economy since the Great Depression, but we are now also saving an additional \$370,000 in interest per year on a fixed rate assumable loan for 10 years. (See Example 8)

During the past few years, home values and sales of homes have been improving, with the largest gains in seven years. This will begin to add additional value due to the "condominium premium". Developers pay more for apartments when they are able to do a condominium conversion. This addition has added significant value in the past.

In the past, with the "condominium premium" our annual returns have ranged from 15% - 30% per year, plus the tax benefits. In some cases we've seen returns in the 50%-100% range. Due to an ever-changing economy, past performance is not a guarantee of future results.

As noted in Example #8, we have experienced positive rates of return during the worst economy since the Great Depression. Our primary objective is to provide our investors with safe investments. Compared to our stability, we see volatility in other investment markets. Even though the Stock Market has been strong recently, it has dropped 45% twice in the last 12 years and bank interest rates are at historic lows.

At Northridge, our properties are positioned to withstand current market conditions, and to immediately respond to an upward turn in the economy without major investments needed above normal operating expenses.

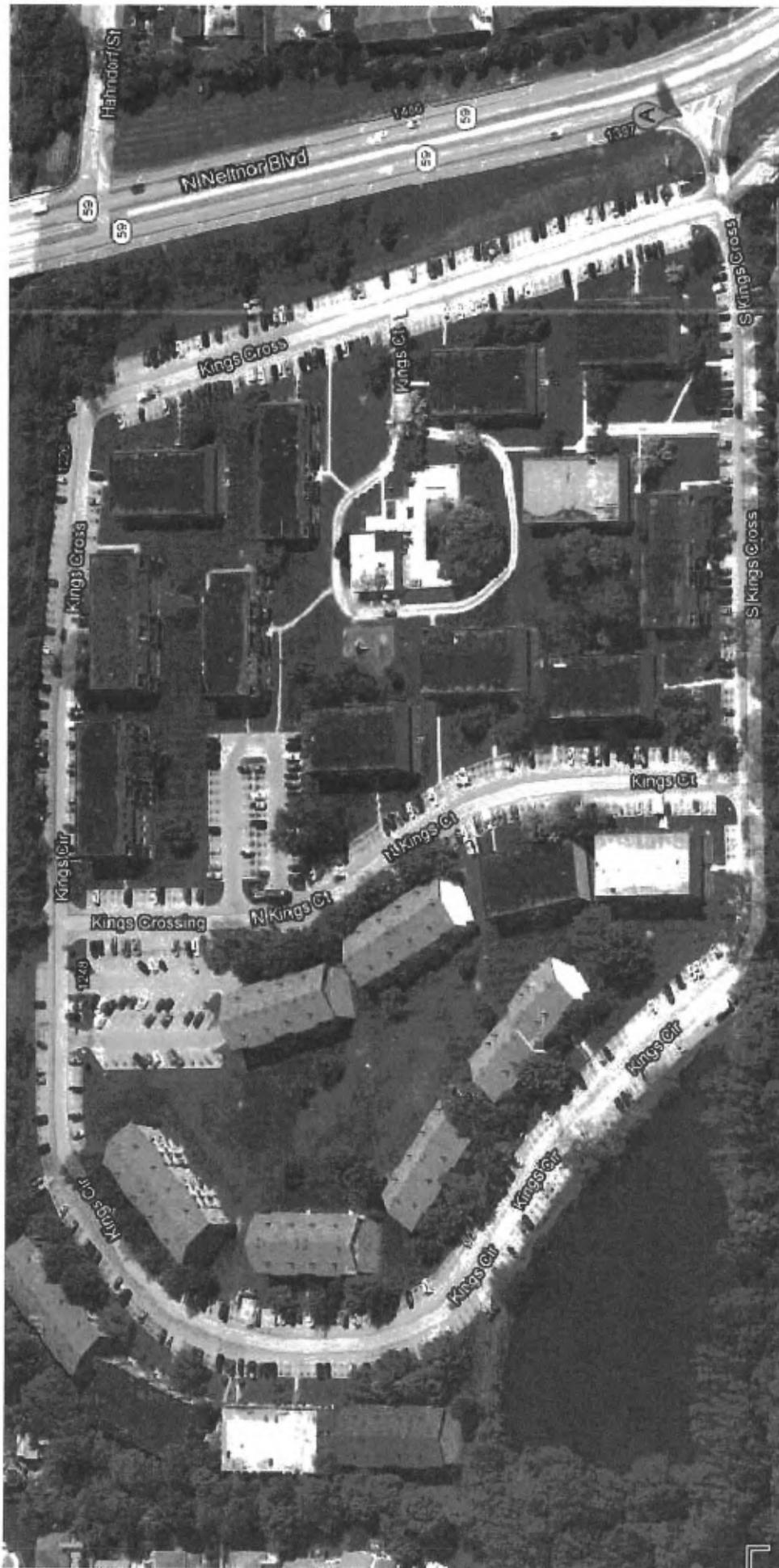
We realize that every investor comes to Northridge with different personal needs and objectives. We offer a variety of investment programs which you can choose from to meet your needs. Northridge can structure your investment for monthly cash distributions or capital gains profits (currently taxed at 15%) or a combination of both. If you have any questions please contact Glenn Mueller at 630 889-9695 x.111.

Sincerely,

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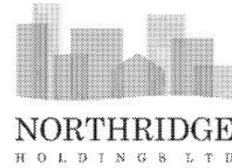
Glenn Mueller and the Northridge Holdings Team

Example # 8



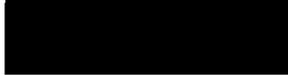
West Chicago – 576 Units

# EXHIBIT B



June 12, 2017

Thomas R Wilder



Dear Thomas,

David Nichols asked us to send you some information about us. We would welcome the opportunity to speak with you to see if what we have to offer would be a benefit to you.

As a background, I have personally invested in real estate for over 45 years. Over that length of time, I have organized Limited Partnerships that have purchased, sold or currently manage 74 properties without a single loss to the investors. Our annual returns have varied, generally from 5%-25%, up to 110%. We've had a couple of investments that tripled during a six year time frame. At this time, we have 1005 units under management valued at approximately \$80,000,000.

We currently have real estate positions available from existing investors, who for health reasons are selling some of their positions early. They are selling them at a discount from our estimated value. Because the sale reverts back to January 1<sup>st</sup> of the current year, the purchaser would have an immediate profit on the purchase. We are offering these positions to our current and new investors.

We also take in funds that are used to upgrade the apartments. This allows for higher rents and increases the property value. This CD alternative is for a 1-5 year term and yields 3%-6% interest paid monthly, quarterly, annually or the interest can compound annually and be taken out at any time with no penalty. The loan is backed by the equity and cash flow of the properties. Both the owners and the lenders benefit from this arrangement. I've enclosed a list of our current rates. If a distribution of principal funds is requested prior to the maturity of the note and we agree to this, the interest rate will be reduced based on when the funds are removed. All note terms apply to beneficiaries as well.

We are able to offer each of these opportunities for both cash and IRA funds. Please contact Tony DeLeo in our Investor Relations Dept, at (630) 889-9695 x. 113, [investments@northridgelt.com](mailto:investments@northridgelt.com) for more information on depositing funds with us. We

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1020 W. Fullerton Ave, Suite G, Addison, IL 60101 (630) 889-9695 (630) 426-0083 fax [www.northridgelt.com](http://www.northridgelt.com)

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can also assist with setting up an IRA account with our preferred self-directed IRA custodian.

If you have any further questions or would like to set up a time to meet, please feel free to call me at (630) 889-9695 x. 111. Thank you for your consideration.

Sincerely,



Glenn Mueller  
President  
Northridge Holdings, Ltd.  
630-889-9695  
gmueller@northridgelt.com



Northridge Holdings, Ltd. interest rates effective January 1, 2014.

**Real Estate Promissory Note**

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**CD Loan Promissory Note**

1 year-3%

2 year-4%

3 year-5%

4 year-5%

5 year-6%

8 year-6%

These rates are subject to change at any time without notice.

# EXHIBIT C

EASTRIDGE HOLDINGS, LTD.  
1020 W FULLERTON AVE – SUITE G  
ADDISON, IL 60101  
630-889-9695

PROMISSORY NOTE

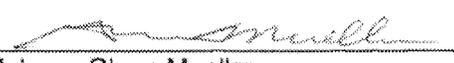
\$100,000.00 August 10, 2017

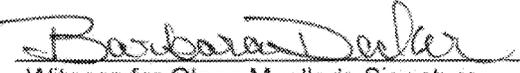
City of Addison State of Illinois

Per agreed upon after date, without grace, I promise to pay to the order of Thomas R Wilder the sum of One Hundred Thousand and /100 dollars (\$100,000.00) for value received, with interest at the rate of 5 percent per annum from date until maturity, interest payable at maturity and if not so paid, the whole of this note, both principal and interest, shall forthwith become due and payable upon demand, at the option of the holder. Eastridge Holdings, Ltd. requires a 30-day notice for payment and payments will be made within 10 business days after the maturity date. In case of default, this note bears interest at the rate of 5 per cent per annum until paid. Principal and interest payable in lawful money of the United States. In case suit or action is commenced to collect this note or any portion thereof, I promise to pay, in addition to the costs provided by statute, such as the court may adjudge reasonable attorney's fees therein, and any judgment entered hereon shall bear interest at the rate of 5 per cent per annum.

This promissory note is automatically renewable. It will renew at maturity with the same terms and conditions for a period of time equal to the original promissory note. The interest rate may adjust to the current rate offered by Eastridge Holdings, Ltd. at the stated maturity date. You can prevent an automatic renewal by notifying Eastridge Holdings, Ltd. in writing on or within 10 days of the maturity date. Eastridge Holdings, Ltd. will provide written notice 45 days before the maturity date advising you of the maturity date and the options available to you.

DUE August 09, 2020

  
Maker – Glenn Mueller –  
for Eastridge Holdings, Ltd.

  
Witness for Glenn Mueller's Signature

Thomas R Wilder  
Lender

  
Lender Signature acknowledging receipt of  
promissory note

  
Mailing address

  
Telephone Number

    
City State Zip Code

  
Social Security Number

This promissory note is legal and binding. If we consent to alter the terms, a reduction of interest and penalties may be imposed.