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March 31, 2020

Re: *In re Northridge Holdings, Ltd. – Certain Third Party Communications; Potential Impact of COVID 19 On Receivership -*

Dear Northridge Investors:

I hope that you and your loved ones are staying safe during this pending public health challenge. As the receiver of the estate of Northridge Holdings, Ltd. and related entities (the “Northridge Entities”), I am writing to bring to your attention two issues that a number of you have called me about and which require some perspective, especially given the financial stress that many of you are already experiencing as a result of the receivership: (1) recruiting of investors by other law firms to pursue third party claims, and (2) the potential impact of the COVID 19 outbreak on this receivership.

It appears that in certain parts of the country law firms are approaching Northridge investors and urging them to join investigations and lawsuits against persons or entities (including financial advisors, brokers and finders) who may have fraudulently induced such investors to put their money into one or more Northridge Entities. I have been informed that some of these law firms have made statements to investors to the effect that such investors should join the bandwagon or face limited to no recovery from the Northridge receivership. Please note that such law firms recruiting investors for lawsuits do not speak for me as the receiver nor for any of my professionals, including my exclusive counsel Fox Swibel Levin & Carroll LLP and my financial advisors AlixPartners. Furthermore, I have no relationship or dialogue with such firms, and they do not have the financial information about the receivership, the properties we are liquidating, the prospects for recovery or potential distributions to investors that I and my professionals have or are developing. Therefore, I would recommend that you not give any weight to any predictions that any such recruiting law firms may be making about this case, the potential outcome of our efforts on your behalf or distributions you may receive at the end of the case.

Please also note that while a law firm may recruit any investor to pursue that investor’s personal claims against third parties, there is no legal authority for such firms or investors to bring a claim that belongs exclusively to the receivership estate. Determining which claims exclusively belong to the receivership estate that I control under court supervision, and those that belong to individual investors and not to the receivership, necessarily requires a closer legal analysis of the court orders in this case and applicable law. I therefore urge you to consult with legal counsel

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before joining any effort to pursue claims against third parties, in order to ensure that neither you nor the recruiting law firm is violating any applicable court orders or laws in this case.

Finally, some of you have inquired about the impact of the recent COVID-19 outbreak on this case. That outbreak has not changed our laser focus on (i) getting all of the properties marketed and sold for fair market value, within a reasonable time frame, (ii) determining the amount of each investor's claim based in part on the nature and extent of any pre-receivership distributions and applicable law, and (iii) making distributions to investors in accordance with a distribution plan that we will present to the court for approval at the appropriate time. It is not yet clear to us the extent, if any, to which the virus outbreak may delay or reduce potential recovery from property sales in this case, although we do expect some delays in the property sales until the outbreak has substantially subsided. One positive sign is that, despite the outbreak, we have recently entered into an amendment to our contract with the prospective buyer of the Bartlett Lake Property, allowing for a later closing date with no change in price. All other properties remain under contract with highly experienced, motivated and sophisticated brokers who continue to aggressively seek buyers for the properties. They are doing an excellent job of keeping me and my counsel informed of any changes in strategy that may be necessary in order to maximize the value of the properties for the investors despite the potential risks created by the COVID-19 public health challenge.

We continue to appreciate the support of the investors and hope you are using the hotline established by AlixPartners (888 369 8932) to get any other questions answered in the ordinary course, and will provide further updates to you as events or circumstances warrant. Please note that by the end of April, we will be filing our Second Receivership Report and an updated Liquidation Plan which will provide a complete update as to progress made in the first quarter of 2020.

Stay safe, and all the best to you and your loved ones.

Very Best Regards,



N. Neville Reid

As Court-Appointed Receiver for the Estate of  
Northridge Holdings, Ltd. and Related Entities

NNR:bmh