

1 ARCHER & GREINER, P.C.
2 1211 Avenue of the Americas
3 New York, New York 10036
4 Tel: (212) 682-4940
5 Allen G. Kadish¹
6 Harrison H.D. Breakstone²
7 Email: akadish@archerlaw.com
8 hbreakstone@archerlaw.com

9 *Counsel for Allen D. Applbaum as Receiver*

10
11 **IN THE UNITED STATES DISTRICT COURT**
12 **FOR THE DISTRICT OF ARIZONA**

13 United States Securities and Exchange
14 Commission,

15 Plaintiff,

16 v.

17 Jonathan Larmore, et al.,

18 Defendants, and

19 Michelle Larmore; Marcia Larmore;
20 CSL Investments, LLC;
21 MML Investments, LLC;
22 Spike Holdings, LLC;
23 and JMMAL Investments, LLC,

24 Relief Defendants.

Case No. CV-23-02470-PHX-DLR

**NOTICE OF FILING OF
ARCITERRA RECEIVER'S
THIRD STATUS REPORT**

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27 ¹ Admitted *pro hac vice*.

28 ² Admitted *pro hac vice*.

1 Allen D. Applbaum, as receiver for ArciTerra Companies, LLC, and related entities,
2 by and through his counsel, Archer & Greiner, P.C., hereby files this *Notice of Filing of*
3 *ArciTerra Receiver's Third Status Report*, as follows:
4

5 1. Filed herewith, pursuant to paragraph 41 of the *Order Appointing Receiver,*
6 *Freezing Assets, and Imposing Litigation Injunction* [ECF No. 154], is the *ArciTerra*
7 *Receiver's Third Status Report*.

8 Dated: November 20, 2024

ARCHER & GREINER, P.C.

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10
11 By: 

Allen G. Kadish¹

Harrison H.D. Breakstone²

12 1211 Avenue of the Americas

13 New York, New York 10036

14 Tel: (212) 682-4940

15 Email: akadish@archerlaw.com

hbreakstone@archerlaw.com

16 *Counsel for Allen D. Applbaum as Receiver*
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ArciTerra Receiver's Third Status Report

Case No. 2:23-cv-02470-PHX-DLR

United States District Court for the District of Arizona

November 20, 2024



RECEIVER'S THIRD STATUS REPORT

Allen D. Applbaum, in his capacity as Receiver (the "Receiver") of the ArciTerra Companies, LLC; ArciTerra Note Advisors II, LLC; ArciTerra Note Advisors III, LLC; ArciTerra Strategic Retail Advisors, LLC; and Cole Capital Funds, LLC, in United States Securities and Exchange Commission v. Jonathan Larmore, et al, Defendants, and Michelle Larmore; Marcia Larmore; CSL Investments, LLC; MML Investments, LLC; Spike Holdings, LLC; and JMMAL Investments, LLC, Relief Defendants (together the "Defendants"), pursuant to the to the *Order Appointing Temporary Receiver and Temporarily Freezing Assets and Imposing Litigation Injunction* [ECF No. 77], *Temporary Restraining Order* [ECF No. 78] and the *Order Appointing Receiver and Freezing Assets and Imposing Litigation Injunction* [ECF No. 154] (collectively the "Receivership Order") respectfully files his Third Status Report, covering the period from August 1, 2024 through October 31, 2024. The Receiver previously filed the following status reports (collectively the "Previous Status Reports"):

- First Status Report on June 7, 2024 [ECF No. 179] (the "First Status Report").
- Second Status Report on August 20, 2024 [ECF No. 205] (the "Second Status Report").

The purpose of the Third Status Report is to provide the Court with a report and accounting of Receivership Assets, as well as:

- A summary of the operations of the Receiver.
- The amount of cash on hand, the amount of administrative expenses, and the amount of unencumbered funds in the Receivership Estate.
- A schedule of the Receiver's receipts and disbursements.
- A description of known Receivership Assets.
- A description of liquidated and unliquidated claims against, and held by, the Receivership Estate and approximate valuations of claims.
- The Receiver's recommendations for a continuation or discontinuation of the receivership and the reasons for the recommendations.
- A recommendation on whether to modify the list of Receivership Entities (those corporate entities listed in Exhibit A of ECF No, 77 are referred to as the "Receivership Entities", herein).
- Additional facts pertinent to the Receiver's efforts to operate the ArciTerra Entities, and the efforts to make investors and creditors whole.

This Third Status Report represents information for the period specified and as of the date submitted. This Third Status Report draws no actionable conclusions beyond those, if any, as may expressly be stated herein. No direct relief is sought before the Court against anyone at this time. The Receiver intends to continue his activities and reserves all rights to amend or supplement the information set forth herein and to assert the rights of the Receivership as against any party, as may be appropriate.



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I. Background

A. Procedural Background

1. On December 21, 2023, Allen D. Applbaum was appointed Receiver in United States Securities and Exchange Commission v. Jonathan Larmore, et al. (No. 2:23-cv-02470-PHX-DLR) for the receivership estate of the Receivership Entities (the ArciTerra Funds, the Receivership Defendants, and the known and unknown Affiliates of the Receivership Defendants as defined in ECF No. 154) (the “Receivership Estate”), including the Receivership Assets. The Receivership Order authorizes the Receiver to:¹
 - a. Preserve the status quo to enable the Receiver to perform the duties specified hereunder.
 - b. Ascertain the financial condition of the Receivership Entities and Receivership Assets (as defined in the Receivership Order).
 - c. Oversee and manage, consistent with the relevant governing documents and applicable law, the Receivership Entities and Receivership Assets.
 - d. Prevent the encumbrance or disposal of the Receivership Assets contrary to the Receiver’s mandate.
 - e. Preserve the books, records, and documents of the Receivership Entities and Receivership Assets.
 - f. Manage litigation by and against the Receivership, the Receivership Entities and the Receivership Assets.
 - g. Propose for Court approval a fair and equitable distribution of the remaining Receivership Assets.
 - h. Be available to respond to investor inquiries.
2. The Receiver, Allen D. Applbaum, is a Partner with StoneTurn Group, LLP (“StoneTurn”), and has more than 30 years of experience in litigation, investigations, business intelligence, corporate governance, receiverships, monitoring, and compliance. In connection with his management of high-profile investigations, Mr. Applbaum draws on his public and private sector experience to integrate investigative skills with technology and financial expertise to provide clients with seamless approaches to critical problems. Mr. Applbaum is a leading expert in independent monitorships and receiverships, providing oversight to the government, regulators, law enforcement and the judiciary. StoneTurn employs over 150 professionals who the Receiver can call upon for appropriate work.

¹ Receivership Order at ¶2.



3. The Receivership Order authorizes the Receiver to retain personnel and legal counsel, including personnel and professionals of StoneTurn and Archer & Greiner, P.C. (“Archer” or “Counsel”), to assist in carrying out his duties and responsibilities (“Receivership Team”).² StoneTurn’s team includes investigative, forensic accounting, real estate, forensic technology, data analytics, and corporate controller professionals. Archer’s team includes restructuring, tax, corporate, litigation, and real estate professionals. Since the appointment, at the direction of the Receiver, the Receivership Team has engaged in numerous tasks to fulfill its duties and responsibilities as authorized and directed by the Court.

B. Executive Summary

i. The Receiver’s Actions Upon Appointment

4. Following his appointment, the Receiver took immediate steps to assert control over ArciTerra’s and the Receivership Entities’ books, records, and accounts, and to oversee their accounting and cash management processes. As described in the Previous Status Reports, at the time of his appointment, the Receiver inherited a crumbling and neglected Receivership Estate, as Mr. Larmore largely abandoned ArciTerra in approximately April 2023, if not earlier. Mr. Larmore shut down ArciTerra’s office in Arizona and fired most of the employees, leaving the bulk of the management of ArciTerra to two remote consultants (Blaine Rice and Dan DeCarlo), one non-employee part-time bookkeeper, and one non-employee part-time office staff person at Fishermen’s Village in Punta Gorda, Florida.³ Mr. Larmore officially resigned from his position as Manager of ArciTerra on September 1, 2023, and Messrs. Rice and DeCarlo left or stopped providing services to ArciTerra in October 2023 and December 2023, respectively.
5. Since his appointment, the Receiver took the necessary steps to secure and preserve the Receivership Entities’ information systems containing e-mails, electronic files, investor management, accounting systems, digital images of certain computers used by former ArciTerra employees, and incoming postal mail. The Receiver has taken action to preserve relevant, newly obtained ArciTerra records, including the digitization of records from offsite repositories.
6. In addition, the Receiver, with the assistance of the Receivership Team, including a professional serving as the Receiver’s Chief Financial Officer, asserted control over dozens of bank accounts and ensured

² Receivership Order at ¶44.

³ Deposition of Kathleen Bouet by the Securities and Exchange Commission on September 28, 2023, at page 101, lines 22 – 23.



that the appropriate signatories were installed, and others removed, as appropriate, and opened new bank accounts to facilitate financial oversight over the Receivership Entities.

7. The Receiver assumed more than 100 active litigation proceedings across the United States. These lawsuits include claims against ArciTerra, Mr. Larmore and Receivership Entities, and seek monetary awards, foreclosure, and other damages, highlighting the fact that there are competing interests for the limited Receivership Estate. These matters generally are stayed, consistent with the Receivership Order.

ii. Management of ArciTerra Entities and Assets

8. The Receiver developed an operating model, processes, and procedures to manage the operations and assets of the Receivership Estate, which includes at least 257 ArciTerra-related entities and 40 commercial properties, of which four have been sold as of the date of this Third Status Report. The Receivership Team implemented financial and operational controls, as well as day-to-day business processes to support financial, risk management, and ongoing business operations, including, most recently, managing the impact of hurricanes this October on properties and businesses in affected areas.
9. In addition, the Receiver filed a motion to retain an accounting firm to prepare and file the necessary federal and state tax returns for the years 2022 and 2023. The Receiver solicited proposals from three accounting firms whose rate structures and expertise align with the needs of the Receivership, including ArciTerra's Pre- Receivership accounting firm. The Receiver selected an accounting firm based on the firm's relevant experience, tax expertise, and proposed fees.
10. As of October 31, 2024, after closing certain property sales as described below, the Receiver continues to actively manage 35 commercial properties, including:
 - a. Collecting delinquent and previously ignored rents, as well as current rents from approximately 132 tenants across 14 states.
 - b. Attending to tenants' concerns and those of city, county and local governmental authorities.
 - c. Obtaining and monitoring insurance coverage, including on properties where coverage had lapsed prior to the commencement of the Receivership.
 - d. Engaging with lenders and taxing authorities to address delinquencies and achieve forbearances or pauses and developing strategies for the maintenance or disposition of the properties.
11. The Receiver is evaluating eleven residential properties to determine the appropriate next steps and has identified three additional residential properties, previously under evaluation, as appropriately excluded from the Receivership.



iii. Asset Disposition

12. Upon taking control of the real estate portfolio, the Receiver designated the first four properties for disposition. The Receiver retained brokers, assembled due diligence materials, engaged with lenders, and sought and obtained Court approval for disposition of the assets. As of October 31, 2024, the Receiver successfully sold four significant properties satisfying over \$26 million in delinquent secured debt and resulting in over \$13 million in net proceeds to the Receivership Estate. In addition, the Receiver successfully conducted auctions for 13 properties, with 12 properties meeting or exceeding their reserve prices. The Receiver expects the sales to close by the end of January 2025, subject to Court approval, with the results expected to satisfy over \$21 million in outstanding loan obligations and yield over \$7 million in net proceeds to the Receivership Estate.
13. The Receiver and Receivership Team have, and continue to identify and locate assets, liabilities, creditors, and investors in the Receivership Assets to work toward protecting the value of such assets, to ultimately satisfy claims against and obligations of the Receivership Entities, where appropriate and in due course, and according to a plan to be presented to the Court at a later date.

iv. Investor Fund Analysis

14. As discussed in greater detail below, the Receiver made significant progress in analyzing the ArciTerra private investment vehicles through which capital was raised from third-party investors (“Investor Funds”) and substantially completed review of eight of the eleven Investor Funds in scope (see, Section II.E for the defined scope). Based on the Receiver’s analysis, it is now clear that ArciTerra, by design, used ArciTerra Strategic Retail Advisors, LLC (“ASRA”) – an entity solely owned and controlled by Mr. Larmore – as a central conduit and pass-through entity through which it consistently commingled investors’ assets between Investor Funds, irrespective of their actual ownership structures.
15. Consequently, because of this pervasive commingling, untangling the transactions related to the Investor Funds has been and continues to be extremely challenging, as is the determination of which cash flows should have been allocated to which Investor Fund. The Receiver believes that it is likely that such analysis cannot be completed in a cost-beneficial manner. Accordingly, subject to completion of the analysis of the remaining Investor Funds, the Receiver will determine whether it would be appropriate to seek Court approval for consolidation, for purposes of distribution.
16. The Receiver’s ongoing work related to the Investor Funds includes:
 - a. Analyzing the complex ownership structures related to various investment programs.



- b. Analyzing related flow of funds between the many ArciTerra Entities (that could be identified to date) and assessing against the offering documents shared with brokers and potential investors.
 - c. Reviewing various fee calculations, payments, and allocation.
 - d. Searching for evidence to support transactions recorded in the books of the hundreds of ArciTerra Entities.
 - e. Analyzing the distribution of investor funds and “waterfall” calculations contemplated in investment offering documents and operating agreements.
 - f. Identifying and analyzing intercompany transactions, investor communications, accounting records, bank statements, loan agreements, and forbearance agreements.
 - g. Independently verifying the ownership and clear title to Receivership Assets and Receivership Entities through public record review and analysis. This analysis is complicated as most of the cash transactions involving the ownership structures flowed through and were commingled within ASRA which was not part of certain Investor Fund structures.
17. The Receiver’s ongoing analyses will determine whether potential causes of action could be brought against various parties or claims to assets could be made from which the Receivership may realize additional recoveries for the benefit of creditors, investors and other stakeholders. The Receiver’s efforts to determine the amounts owed and available to distribute to investors are complicated by ArciTerra’s practice of cash commingling. The Receiver had to analyze many transactions to determine which entities, Investor Funds, and creditors the cash and/or assets belong to as a result of ArciTerra’s practice of pervasive commingling.
18. The Receiver continues to assess potential additional entities or assets in which the Defendants or the Relief Defendants have an interest which are not currently part of the Receivership Entities or Receivership Assets, and where assets may have been commingled with investor funds. At the appropriate time, the Receiver may seek Court approval to modify the list of Receivership Entities.

II. Actions Taken by the Receiver During the Reporting Period

A. Website/Ongoing Communications

19. The Receiver continues to update the ArciTerraReceivership.com website with key Court documents, news and updates, reports from the Receiver, answers to frequently asked questions, and other pertinent information including, in due course, the ability for investors, creditors and other stakeholders to submit claims. The Receiver also monitors and responds to inquiries and questions submitted



through the dedicated telephone number (212-430-3488) and email address (receiver@arciterrareceivership.com).

B. Litigation and Third-Party Claims

20. The Receiver has identified over 100 Civil Court cases pending against Receivership Entities, in which plaintiffs seek relief, including monetary damages. As set forth above, these cases highlight the risk that there are several interests competing for proceeds from the Receivership Entities. These litigations are generally stayed, consistent with the Receivership Order. These matters, to date, generally fall under three categories: (i) personal injury claims, (ii) non-payment claims, and (iii) other actions. The Receivership Team continues to monitor these matters and new matters as they arise, to determine how the actions impact the Receiver's mission.

C. Receivership Operations

21. In this section, the Receiver reports on the execution of cash, vendor, and property management functions to support the operations of the Receivership, as well as providing updates on property sales and disposition strategies for commercial properties.

i. Management of Commercial Properties and Operating Businesses

22. The Receiver categorized the Receivership Assets into groups ("Asset Groups") for management and operating purposes. For instance, the Receiver grouped Receivership Assets that are members of the same real estate investment trust ("REIT") into a single Asset Group. The Asset Groups, and the revenue producing Receivership Assets that comprise each group, are as follows:



Commercial Property Entities		
REIT 3650	RIALTO*	KS State Bank Portfolio
<ul style="list-style-type: none"> • AT Altus Cumberland GA II, LLC • AT Auburn Plaza IN II, LLC • AT Eastman GA II, LLC • AT HL Burlington IA II, LLC • AT Longview TX II, LLC • AT Mayodan NC II, LLC • AT New Lenox IL-Inline II, LLC • AT PT Danville IL II, LLC • AT Seven Hills Aurora CO II • AT Sweden NY II, LLC • AT Ville Platte LA II, LLC • ATA Lanier Fayetteville GA II, LLC 	<ul style="list-style-type: none"> • 1921 Gallatin Pike Nashville TN, LLC • 2513 E North Street Kendallville IN, LLC • 412 Cross Oaks Mall Plainwell MI, LLC • 5339 Elvis Presley Blvd Memphis TN, LLC • 5450 US Highway 80 East Pearl MS, LLC • 60 Col. Promenade Pkwy Alabaster AL, LLC • 601 Trenton Road McAllen TX, LLC • 700 North Grand Ave. Mt Pleasant IA, LLC • 752 S. Andy Griffith Pkwy Mt Airy NC, LLC • 81 Jameson Lane Greenville AL, LLC • 8001 Vaughn Road Montgomery AL, LLC • ATA Hiram Square GA, LLC 	<ul style="list-style-type: none"> • ArciTerra FD Bowman SC, LLC** • ArciTerra FD Greeleyville SC, LLC • ArciTerra VN Clarksville TN, LLC • ArciTerra VN Dickson TN, LLC • ArciTerra WG Milwaukee WI, LLC
Bass Pro Shop	Palencia/Mercado ****	StanCorp
<ul style="list-style-type: none"> • ArciTerra BP Olathe KS, LLC 	<ul style="list-style-type: none"> • ATA Palencia St. Augustine FL, LLC • ATA Mercado St. Augustine FL, LLC 	<ul style="list-style-type: none"> • Walcent Elk/IN, LLC* • 900 West Marion FL, LLC
Solo Lot/Land		
<ul style="list-style-type: none"> • 1000 West Marion PG FL LLC*** • 925 W. Marion/960 W. Olympia FL, LLC 		
Operating Business Entities		
Village Brewhouse	Simply Sweet	Glenrosa****
<ul style="list-style-type: none"> • VBH PG, LLC 	<ul style="list-style-type: none"> • Fudge Is Us PG, LLC 	<ul style="list-style-type: none"> • Glenrosa 32, LLC

*The Receiver conducted a Court-approved online auction process for these properties, which concluded in the last week of October 2024.

**Property was sold at a pre-Receivership tax sale. The Receiver did not pursue any claim to unwind the pre-Receivership tax sale, as any attempt to reclaim this property would incur costs that exceed the amount of funds available to the applicable Receivership Entity.

***The Receiver sold this property on October 7, 2024 through a Court-approved sale process.

****The Receiver sold these properties on August 9, 2024 through a Court-approved sale process.

23. The Receiver actively manages commercial properties and operating businesses. Since filing the Second Status Report, the Receiver has sold four properties as of October 31, 2024. Additionally, one property in the KS State Bank Portfolio, ArciTerra FD Bowman SC, LLC⁴ (“Bowman”), was sold at a pre-Receivership tax sale. After consideration and analysis, the Receiver did not assert any claim to unwind the tax sale as any attempt to reclaim this property would incur costs that exceed the amount of funds

⁴ ArciTerra FD Bowman SC, LLC, is a Receivership Entity that previously owned and operated a single-tenant commercial property offering 8,011 square feet of retail space in Bowman, South Carolina. The property is currently vacant and was surrendered to a tax sale prior to the Receiver’s appointment. After careful consideration and analysis, the Receiver decided not to assert any claim to unwind the tax sale of the Bowman property. Any attempt to reclaim this property would incur costs that exceed the amount of funds available to the applicable Receivership Entity. The property holds very little value, and it is highly likely that it would ultimately revert to KS State Bank. The properties in this portfolio are cross-collateralized and the Receivership Team’s analysis indicates that the portfolio is underwater. Additionally, KS State Bank has a pending challenge to the sale. Lastly, there is a surplus amount from the tax sale that is being held by the taxing authority pending the resolution of the claims between the buyer and KS State Bank.



available to the applicable Receivership Entity. After the disposition of four properties and the Receiver's determination on the Bowman property, there were 35 commercial properties and two operating businesses. Of the 35 active commercial properties in the Receivership Estate, eight are single, or stand-alone, assets and 27 properties are cross-collateralized⁵ and syndicated with Commercial Mortgage-Backed Securities ("CMBS") within multi-property portfolios. Below is a list of the 35 commercial properties. See **Exhibit 1** for a detailed list of all commercial and residential properties, including sold properties.

Receivership Commercial Properties			
No.	Asset Group	ArciTerra Entity	Address
1	REIT 3650 ⁶	AT Auburn Plaza IN II, LLC AT Auburn Plaza Member, LLC	506 North Grandstaff Drive Auburn, IN 46706
2	REIT 3650	ATA Lanier Fayetteville GA II, LLC ATA Lanier Fayetteville Member	320 W. Lanier Avenue Fayetteville, GA 30214
3	REIT 3650	AT HL Burlington IA II, LLC AT HL Burlington Member, LLC	3351 Agency Street Burlington, IA 52601
4	REIT 3650	AT Ville Platte LA II, LLC AT Ville Platte Member, LLC	915 E. LaSalle Street Ville Platte, LA 70586
5	REIT 3650	AT Altus Cumberland GA II, LLC AT ALTUS Cumberland Member, LLC	2997 Cumberland Circle Atlanta, GA 30339
6	REIT 3650	AT Sweden NY II, LLC AT Sweden Member, LLC	1651 Nathaniel Poole Trail Brockport, NY 14420
7	REIT 3650	AT Eastman GA II, LLC AT Eastman Member, LLC	970 Indian Drive Eastman, GA 31023
8	REIT 3650	AT New Lenox IL-Inline II, LLC AT New Lenox-IL Member, LLC	2021 East Laraway Road New Lenox, IL 60451
9	REIT 3650	AT Longview TX II, LLC AT Longview Member, LLC	711 Estes Drive Longview, TX 75602
10	REIT 3650	AT Seven Hills Aurora CO II, LLC AT Seven Hills Aurora Member, LLC	18511 E. Hampden Avenue Aurora, CO 80013
11	REIT 3650	AT Mayodan NC II, LLC AT Mayodan Member, LLC	131 Commerce Drive Mayodan, NC 27027
12	REIT 3650	AT PT Danville IL II, LLC AT PT Danville Member, LLC	22 West Newell Road Danville, IL 31082

⁵ Cross-collateralization is a financing strategy where a borrower uses more than one asset as collateral for a single loan. This can also involve using an asset that is normally used as collateral for one loan to secure multiple loans at once.

⁶ 3650 REIT Loan Servicing, LLC ("REIT 3650") is the special loan servicer for the lender, Wells Fargo Bank, National Association, as Trustee, on behalf of the registered Holders of CSAIL 2020-C19 Commercial Mortgage Trust, Commercial Mortgage Pass-Through Certificates, Series 2020-C19. REIT 3650 properties include secondary "Member" entity owners, tied to a mezzanine loan on the portfolio made by Quadrant Mezz Fund, LP.



Receivership Commercial Properties			
No.	Asset Group	ArciTerra Entity	Address
13	Rialto ⁷	5339 Elvis Presley Boulevard Memphis TN, LLC	5339 Elvis Presley Boulevard Memphis, TN, 38116
14	Rialto	700 North Grand Avenue Mt. Pleasant IA, LLC	700 North Grand Avenue Mt. Pleasant, IA 52641
15	Rialto	8001 Vaughn Road Montgomery AL, LLC	8001 Vaughn Road Montgomery, AL 36116
16	Rialto	601 Trenton Road McAllen TX, LLC	601 Trenton Road McAllen, TX 78504
17	Rialto	60 Colonial Promenade Parkway Alabaster AL, LLC	60 Colonial Promenade Parkway Alabaster, AL 35007
18	Rialto	81 Jameson Lane Greenville AL, LLC	81 Jameson Lane Greenville, AL 36037
19	Rialto	752 South Andy Griffith Parkway Mt. Airy NC, LLC	752 S. Andy Griffith Parkway Mt. Airy, NC 27030
20	Rialto	1921 Gallatin Pike Nashville TN, LLC	1921 Gallatin Pike North Madison, TN 37115
21	Rialto	5450 US Highway 80 East Pearl MS, LLC	5450 US Highway 80 East Pearl, MS 39208
22	Rialto	412 Cross Oaks Mall Plainwell MI, LLC	412 Cross Oaks Mall Plainwell, MI 49080
23	Rialto	2513 E. North Street Kendallville IN, LLC	2513-2521 E North Street Kendallville, IN 46755
24	Rialto ⁸	ATA Hiram Square GA, LLC	5157 Jimmy Lee Smith Parkway Hiram, GA 30141
25	KS State Bank	ArciTerra FD Greeleyville SC, LLC	10000 US Highway 521 Greeleyville, SC 29056
26	KS State Bank	ArciTerra VN Clarksville TN, LLC	2135 Lowes Drive Clarksville, TN 37040
27	KS State Bank	ArciTerra VN Dickson TN, LLC	100 Lowes Road Dickson, TN 37055
28	KS State Bank	ArciTerra WG Milwaukee WI, LLC	8488 Brown Deer Road Milwaukee, WI 53223
29	Single Property	Walcent Elk/IN, LLC	2719 Emerson Drive Elkhart, IN 46514
30	Single Property	900 West Marion Avenue FL, LLC	900 W. Marion Avenue Punta Gorda, FL
31	Single Property	ArciTerra BP Olathe KS, LLC	12051 S Renner Boulevard Olathe, KS 66061
32	Single Property	AT Olathe Outlot 5, LLC	15085 W 119th Street Olathe KS 66602

⁷ Rialto Capital Advisors, LLC (“Rialto”) is the special loan servicer for the lender, Deutsche Bank Trust Company as Trustee, for the registered Holders of WFRBS Commercial Mortgage Trust 2014-LC14, Commercial Mortgage Pass-Through Certificates, Series 2014-LC14.

⁸ The Hiram Square property is not cross-collateralized with other Rialto properties listed.



Receivership Commercial Properties			
No.	Asset Group	ArciTerra Entity	Address
33	Single Property	AT New Lenox IL-Outlots, LLC	E. Laraway Road New Lenox, IL 60451
34	925 W. Marion / 960 W. Olympia	925 W. Marion/960 W. Olympia FL, LLC	925 W. Marion Avenue Punta Gorda, FL 33950
35	925 W. Marion / 960 W. Olympia	925 W. Marion/960 W. Olympia FL, LLC	960 W. Olympia Avenue Punta Gorda, FL 33950

a. Operating Businesses

24. The two operating businesses, Village Brewhouse, a restaurant and bar, and Simply Sweet, a retail candy store, have separate management who oversees each business's day-to-day operations. Each business leases its premises from a third party. The Receiver exercises financial and operational oversight, including cash management, over each business. Village Brewhouse and Simply Sweet's bank accounts are controlled by the Receiver.
25. On August 23, 2024, the Receiver executed three separate new leases on behalf of the Village Brewhouse, Sunset Beach Club (operating as "Unit Tiki", the 1,718-square-foot outdoor bar on the Fisherman's Village premises), and Simply Sweet. Each lease, which commenced on September 1, 2024, was executed in the name of VBH PG, LLC, as tenant, with PGFL Associates, LLC in its capacity as receiver of ATA Fishville FL, LLC, an Arizona limited liability company subject to a State Court receivership, as landlord. The initial term for each lease is ten years, with the option to renew the leases for two additional five-year terms.

b. Commercial Properties

26. Glenrosa 32, LLC ("Glenrosa") is an assisted living facility managed by a third-party operator, MorningStar Senior Living ("MorningStar"). Under its operating agreement, MorningStar was responsible for, among other activities, Glenrosa's cash management function. Under the operating agreement, the operating funds of Glenrosa were restricted to the operation of the Glenrosa facility. The Receiver assessed and determined to sell, conducted a process and filed a motion [ECF No. 134] seeking approval for the sale of the Glenrosa property and business. The Court approved the sale of the Glenrosa property and business for \$28,250,000 to a third-party buyer on July 10, 2024, and the Receiver closed the transaction on August 9, 2024.
27. ATA Palencia St. Augustine FL, LLC and ATA Mercado St. Augustine FL, LLC owned Palencia Plaza ("Palencia") and Mercado Walk ("Mercado"), respectively, which are two multi-tenant commercial properties in St. Augustine, Florida. The Receiver assessed and determined to sell the properties through a public online auction process and filed a motion [ECF No. 147] seeking approval for the proposed



- procedures for the sale of Palencia Plaza and Mercado Walk. The Court approved the Receiver's sales of Palencia Plaza for \$4,175,000 and Mercado Walk for \$6,500,000 on July 10, 2024 [ECF No. 191], with both transactions closing on August 9, 2024.
28. 1000 WEST MARION PG FL, LLC ("1000 W. Marion") is a parcel of vacant land in Punta Gorda, Florida. The Receiver conducted a Court-approved private sale for \$2,500,000, which received Court approval on September 5, 2024 [ECF No. 217], and closed on October 7, 2024.
 29. ATA Hiram Square GA, LLC ("Hiram Square") is a multi-tenant commercial retail property in Hiram, Georgia. Hiram Square's mortgage is serviced by Rialto on behalf of the mortgage holder. Hiram Square's mortgage is not cross-collateralized with other Rialto properties under Receivership. The Receiver conducted a Court-approved public online auction process for Hiram Square, which concluded on October 30, 2024. The Court conducted a sale hearing on November 13, 2024, following the close of this reporting period.
 30. The Rialto portfolio comprises twelve properties, eleven of which are subject to the Receiver's managed by the Receiver, while the remaining property is under the control of the Indiana Receiver. The Receiver conducted a Court-approved public online auction process for the eleven Rialto properties under the Receiver's control, which concluded on October 31, 2024. The Court conducted a sale hearing on November 13, 2024, following the close of this reporting period.
 31. Walcent Elk/IN, LLC ("Walcent") owns and operates Northfield Plaza, a multi-tenant commercial retail property in Elkhart, Indiana. The Receiver conducted a Court-approved public online auction process for Walcent, which concluded on October 30, 2024. The Court conducted a sale hearing on November 13, 2024, following the close of this reporting period.
 32. The REIT 3650 portfolio comprises fourteen properties, twelve of which are managed by the Receiver, while the remaining two are under the control of the Indiana Receiver. The Receiver is currently evaluating disposition strategies for the REIT 3650 portfolio. Adjacent to one of the REIT 3650 properties are two vacant land parcels owned by AT New Lenox IL-Outlots, LLC. Given the proximity of these parcels to a REIT 3650 property, the Receiver determined it is appropriate to assess their disposition strategy in tandem with the portfolio.
 33. The KS State Bank portfolio comprises five properties, three of which are vacant; the remaining two are single-tenant properties. The Receiver is negotiating a disposition strategy with the lender.
 34. As of the close of this reporting period, the Receiver is actively communicating with lenders and planning for disposition of the remaining commercial properties including Bass Pro Shop, Olathe Outlot 5, 900 West Marion, and 925 W. Marion/960 W. Olympia.



ii. Cash Management

35. The Receiver's cash management activities are tailored to each Asset Group. Because certain Asset Groups are subject to lender cash management agreements, the receipt and disbursement of cash is based on agreements entered between the lenders and the Receiver. Below is a summary of the various cash management strategies implemented by the Receiver:
- a. *REIT 3650*. Of the fourteen properties in the REIT 3650 portfolio, twelve are managed by the Receiver and are subject to the following cash management process. Two properties are under the control of the Indiana Receiver. This section focuses exclusively on the cash management responsibilities for the twelve properties within the Receiver's control. Under a debt cash management agreement with the lenders of the REIT, the tenants remit rent payments to a lockbox account at PNC Bank controlled by the servicer of the REIT 3650 debt. As such, the Receiver does not receive funds from rent payments. As the Receiver is responsible for managing the vendor payables for this Asset Group, the Receiver must submit disbursement requests to the lender detailing the invoices requiring payment. The lender reviews and approves disbursement requests and remits funds to the Receiver to cover the disbursement requests. After receiving the funds from the lender, the Receiver pays the vendor invoices and records these transactions in the appropriate entity's general ledger. For each invoice payment, the Receiver provides the invoice and other supporting documentation (e.g., payment confirmations) to the lender. As a result of this arrangement, there is no excess cash flow to the Receiver from the operations of these commercial properties.
 - b. *Rialto REIT*. Of the twelve properties in the Rialto portfolio, eleven are managed by the Receiver and are subject to the following cash management process, while one property is under the control of the Indiana Receiver. This section focuses exclusively on the cash management responsibilities for the eleven properties within the Receiver's control. The Rialto REIT had a debt cash management agreement similar to REIT 3650 until February 2024. In February 2024, after negotiation with the mortgage servicer, the Receiver began directing tenants to remit rent payments to the bank accounts established by the Receiver for each entity. Rental payments are used to pay, ongoing operating expenses to the extent cash is available.
 - c. *Non-REIT Commercial Property Entities*. For the non-REIT commercial property entities, the tenants remit rent payments to the Receiver who uses the rent receipts to pay day-to-day operating and necessary capital expenses. The Receiver established cash operating accounts for each entity and accounts for rental receipts and operating expenses at the individual entity level. However, the KS State Bank Portfolio operates differently. Tenants of the occupied



properties remit rent directly to the lender, KS State Bank, and are responsible for their own operating expenses. As a result, there is no cash flow or cash balances for the Receivership Estate associated with these properties.

- d. *Operating Business Entities.* Each of the three operating business entities – Glenrosa (until the Receiver closed on its sale on August 9, 2024), Village Brewhouse, and Simply Sweet – has its own operating bank account that is used for the collection of business receipts (e.g., revenue) and payment of operating expenses. The manager of Glenrosa, MorningStar, was responsible for all business processes (e.g., cash management, vendor management, accounting). Up until the sale of Glenrosa on August 9, 2024, the Receiver had access to and monitored the Glenrosa operating accounts and reviewed monthly financial and operating reports from MorningStar. Village Brewhouse and Simply Sweet have individual operating bank accounts that the Receiver manages and monitors. Village Brewhouse and Simply Sweet pay many ordinary course vendors from the operating accounts, which the Receiver monitors. The Receiver reviews, approves and disburses non-recurring expenses (e.g., significant repairs and maintenance) and weekly payroll. The Receiver’s senior personnel conduct weekly meetings with the general manager of each business and review the financial and operating reports on a regular basis.
36. As previously reported, the Receiver opened insured fiduciary bank accounts with Western Alliance Bank to streamline and improve the cash management process. Western Alliance has significant experience working with receivership, bankruptcy, and other similar matters involving fiduciaries, provides its banking services at no cost to the Receiver. The Receiver is currently closing the remaining “legacy” ArciTerra accounts and transferring the remaining funds to the Receivership’s Western Alliance accounts.

iii. Vendor Management

37. The Receiver implemented processes for identifying, reviewing, approving, and paying vendor invoices. The Receiver created an accounts payable ledger for each Asset Group to track vendor invoice details and payment information. For the REIT 3650 and Rialto Asset Groups, non-utility invoices (e.g., landscaping, repairs and maintenance, property inspections) are initially received and approved by the respective Asset Group’s property manager. The property managers send the approved invoices to AvidXchange, an accounts payable workflow platform, via email, where it is entered into the Receiver’s accounts payable workflow process. Vendor invoices relating to properties without a third-party property manager and most utility invoices are sent to a dedicated “Receiver Accounting” email where they are reviewed prior to entry into the AvidXchange. Once an invoice is received by AvidXchange, the Receiver



reviews the invoice for accuracy and completeness. Invoices not properly prepared by the vendor are rejected and sent back to them for re-issuance. For example, the Receiver has rejected invoices that have been billed to the incorrect entity or lacked sufficient descriptions of work performed. The Receiver reviews and approves all invoices for payment upon which the invoice is then recorded in the appropriate entity's accounting records.

iv. Retention of Tax Accounting Firm

a. Federal and State Income Tax Filings for ArciTerra Entities

38. As reported in Previous Status Reports, many ArciTerra entities did not file the required 2022 federal and state tax returns prior to the Receiver's appointment. The Receiver learned from discussions with ArciTerra's prior tax accountants, CliftonLarsonAllen ("CLA"), that ArciTerra did not provide CLA with the necessary documentation for the 2022 return and also did not pay CLA's outstanding fees. Accordingly, CLA did not complete or file ArciTerra's 2022 tax returns. The Receiver understands, however, that CLA prepared and sent the necessary 2022 Forms K-1 to ArciTerra investors.
39. The IRS and various state agencies will likely assess significant penalties and interest fees against the ArciTerra entities for the unfiled 2022 federal and state tax returns. Furthermore, the lack of accurate and complete 2023 books and records require the Receiver to "reconstruct" the appropriate accounting records to prepare and file the 2023 tax returns.
40. The Receiver researched, solicited, received and reviewed proposals from CLA and two other national accounting firms to prepare and file the necessary federal and state tax returns for the years 2022 and 2023. After careful review of each firm's relevant experience, tax expertise, and proposed fees, the Receiver selected SAX, LLP to prepare the tax returns including for previously unfiled tax years 2022 and 2023. The Court approved the retention of SAX, LLP by order dated November 15, 2024 [ECF No. 264].

b. 2023 Corporate and State Business Registration Filings

41. ArciTerra did not make certain annual corporate business registration filings and the associated registration fee payments in 2023. The Receiver continues to evaluate the entities and states requiring registration filings for 2023 and will work with the respective state agencies to file and pay past-due registration fees.



v. Commercial and Residential Property Operations⁹

42. The Receiver's work continues in accordance with the duties defined in the Receivership Order. The Receiver is managing the Receivership Assets and stabilizing cash flows from income-generating assets, including streamlining the rent collection process, paying real estate taxes and property vendors, negotiating forbearances, and analyzing properties and assets for disposition or further action.

a. Commercial Property Operations

43. The Receiver remains in contact with key commercial property stakeholders, including other receivers, to assist with the coordination of assets that were surrendered prior to the commencement of the Receivership. The Receiver is actively developing a disposition process for cross-collateralized properties under the control of other receivers, as well as the Receivership's assets, to maximize benefits for the Receivership Estate. Additionally, the Receiver is working with lenders and lenders' counsel to negotiate certain pauses, extensions or forbearances as appropriate and coordinate asset disposition strategy for each property.

b. Impact of Hurricanes Helene and Milton

44. The recent Hurricanes Helene and Milton significantly impacted the Village Brewhouse and Simply Sweet operations from September 26, 2024, to October 31, 2024. While Hurricane Helene caused minor damage to Village Brewhouse and Simply Sweet after making landfall on September 26, 2024, Fishermen's Village was closed from September 26th through September 28th. Hurricane Milton caused significantly more damage when it hit the Punta Gorda area on October 9, 2024. Unfortunately, the Tiki Bar, which is Village Brewhouse's "satellite" bar on the beach area of Fishermen's Village, was severely damaged with the bar counter destroyed. Fortunately, however, Village Brewhouse and Simply Sweet management and employees' pre-hurricane preparation minimized the damage to equipment, furniture, fixtures, and inventory. For example, the Tiki Bar equipment, such as ice machines, refrigerators, and beverage dispensers, was relocated inside the main Village Brewhouse building. The main restaurant and bar of Village Brewhouse and Simply Sweet suffered minor physical damage.

45. Because Fishermen's Village's central electrical and gas systems suffered severe damage, considerable storm-related debris was accumulated, and restoration activities were required. The Village did not resume operations and reopen to the public until November 1, 2024. As a result, and to accommodate

⁹ See **Exhibit 1** for a detailed list of all commercial and residential properties, including sold properties.



interruption in business, the Receiver successfully negotiated with the landlord for a rent abatement for the month of November.

46. The Receiver worked closely with the managers of Village Brewhouse and Simply Sweet during the preparation for the hurricanes to assist in minimizing the impact and damage to both operations and to ensure all employees were taking the necessary precautions for the well-being of themselves and their families. Post hurricanes, the Receiver directed remediation and authorized necessary expenditures for restoration. Further, the Receiver worked with the management teams to minimize the financial impact on their operations and mitigate the negative consequences of the hurricane on the operations. For instance, while the full rebuilding of the Tiki Bar is not expected to be completed until late December 2024 or early January 2025, the Receiver authorized the purchase of a temporary “mobile” bar, which is in operation, resulting in the resumption of positive cash flow from the Tiki Bar.
47. The other commercial and residential properties which are part of the Receivership Estate in Punta Gorda sustained damage from the hurricanes. On October 22, 2024, the Receivership Team conducted on-site damage assessments. The Receiver has deployed a licensed general contractor to address necessary repairs.
48. During the first weekend Fishermen’s Village reopened, sales and customer traffic resumed their normal levels.

c. Commercial Property Dispositions

49. The decision to move forward with the disposition or sale of Receivership Assets is made by the Receiver, and if appropriate, upon consultation with the lender and lender’s counsel, while subject to approval by the Court. The sale of any material Receivership Asset, including the engagement of any brokers for the sale of that asset, remains subject to Court approval.
50. Since filing its Second Status Report, the Receiver closed the sale of four properties including Palencia Plaza and Mercado Walk, in St. Augustine, FL, Glenrosa in Phoenix, AZ and 1000 W. Marion in Punta Gorda, FL. The Court approved the sales of Palencia Plaza, Mercado Walk, and Glenrosa on July 10, 2024. 1000 W. Marion’s sale was approved by the Court on September 5, 2024.
51. As summarized in the table below and in **Exhibit 2**, the disposition of the four properties, after paying off the mortgage and other secured debt, unpaid 2022 and 2023 property taxes, and closing costs, resulted in net proceeds to the Receivership of \$13,823,656.



Net Proceeds to the Receivership from Asset Dispositions					
Property	Sale Price	Debt Payoff	Closing Costs*	2022 & 2023 Property Taxes	Net Proceeds to Receivership
Glenrosa	\$28,250,000	(\$21,277,269)	(\$464,004)		\$6,508,727
Mercado	6,500,000	(1,789,444)	(351,591)	(151,707)	4,207,258
Palencia	4,175,000	(982,442)	(216,596)	(87,946)	2,888,016
1000 W. Marion	2,500,000	(2,198,621)	(26,876)	(54,848)	219,655
Total	\$41,425,000	(\$26,247,776)	(\$1,059,067)	(\$294,501)	\$13,823,656

* Closing Costs include prorations, commissions, bank fees, and a positive adjustment for excess cash at closing (excess cash adjustment for Glenrosa only).

d. Residential Property Operations

52. As with the commercial properties, the Receiver's work with residential properties continues in accordance with the duties defined in the Receivership Order. The Receiver remains in contact with key residential property stakeholders such as mortgage lenders and their respective counsel to track the outstanding mortgage balances. The process for disposition or sale of residential assets mirrors that described above for commercial assets.

vi. Property Management

a. Commercial Property Management

53. Since issuing the Receiver's Second Status Report, the Receiver's property management teams continue to oversee the operations and maintenance services of the ArciTerra real estate portfolio per the requirements of the Receivership Order. The Receiver installed SVN Elevate ("SVN") on certain properties and Cushman & Wakefield ("Cushman") on others as property managers and stabilized the commercial property portfolio; the Receiver put in place required service vendors, including fire safety, porter service, landscape maintenance, waste management, HVAC servicing, and snow removal vendors in preparation for the winter months, to ensure necessary property services and compliance with municipal requirements. The Receiver enabled property management teams to address maintenance issues proactively rather than reactively. Dedicated property managers conducting recurring in-person visits and reporting to the Receiver have improved communication between the Receiver and tenants, increased trust in the Receiver's operations, and further strengthened relationships with tenants, resulting in a more reliable cash flow.
54. Other key commercial property management activities undertaken since the Receiver's Second Status Report include:



- a. **Receivership Team Site Visits.** At the direction of the Receiver, the Receivership Team conducted site visits to commercial properties to survey property maintenance and engage with tenants regarding any concerns.
- b. **Comprehensive Inspections and Maintenance.** Ongoing monthly evaluations and inspections by dedicated property managers are essential for maintaining the integrity and value of the properties. The Receiver continues collaborating with SVN and Cushman to collect and review monthly site inspection reports for each property. Monthly calls are held to analyze property reporting data, focusing on vacancies, lost rents, maintenance concerns, poor property appearance, tenant issues, and future capital expenditures, which inform Receivership budget projections. The Receiver further continues his work with SVN and Cushman – as well as tenants, contractors, and vendors – to address necessary repairs due to past neglect. Examples include roof repairs, replacement or overhaul of HVAC systems and component equipment, parking lot repairs, exterior building repainting, hurricane shutter replacements, siding repairs, restoration of interior units damaged by plumbing water leaks, and signage repairs.
- c. **Property Rehabilitation and Code Compliance Improvements.** Upon appointment, the Receiver discovered various code violations on several properties, and the Receiver retained contractors to perform work to correct abatement and code issues. A few examples of code violations that the Receiver cured include graffiti removal, parking lot improvements, exterior lighting repairs, resolution of signage issues, expired fire safety requirements, ADA noncompliance, and general maintenance neglected prior to the Receiver’s appointment.
- d. **Insurance Reviews.** Regularly performing insurance reviews for each property, and for the vendors servicing the properties, to ensure correct coverage amounts, insurer quality, and required additional insureds.
- e. **Leasing Activity.** On August 2, 2024, the Receiver filed a Motion to Engage and Compensate Lease Brokers [ECF. No. 198] for several commercial properties. SVN and Cushman, as the retained property managers, will oversee leasing activities for select properties within their purview. The Receiver is engaging leasing brokers for properties in the REIT 3650 portfolio, subject to Court approval.

D. Record Preservation and Review

55. Since issuing the Receiver’s First Status Report in June 2024, the Receiver has been managing the physical documents including logistics and scanning for review purposes.



56. The Receiver continues to review documents based on specific search criteria to identify information relevant to the ongoing work of the Receivership Team. The Receiver is using the information from key documents to support and enhance the Receiver's understanding of the state of ArciTerra at the time of the Receiver's appointment and to assist the Receiver with managing the ArciTerra businesses.

E. Investor Funds Analyses

57. As reported in the Previous Status Reports, Section II.2. of the Receivership Order places responsibility on the Receiver to, among other things, ascertain the financial condition of the Receivership Entities and Receivership Assets, and to propose for the Court a fair and equitable distribution of the remaining Receivership Assets. To meet this mandate, the Receiver's work includes gaining an understanding of the structures, identifying investors, lenders, and other creditors, evaluating fees, and assessing the overall flow of funds to third parties and between Receivership Entities and Investor Funds. In addition, these analyses may allow the Receiver to identify suspect transactions and therefore other potential sources of recovery for investors and creditors.
58. The Receivership Assets include eleven private investment vehicles through which capital was raised from third-party investors¹⁰ (referred to throughout this Report as "Investor Funds"), generally through brokers.¹¹ The Receiver substantially completed the review of eight of the eleven Investor Funds **bolded** in the following table, subject to the scope discussed below. More detail about those analyses and findings can be found in the Analysis of Investor Funds section beginning at paragraph 93. The remaining three Investor Fund analyses are ongoing.

¹⁰ The term "investors," as referred to in this Third Status Report and Previous Status Reports, includes both noteholders and members who own units in the various Investor Funds.

¹¹ The Receiver identified a total of nineteen Investor Funds, eleven of which are part of the Receivership either because the investment structure itself is part of the Receivership, or significant operating entities are part of the Receivership. Of the remaining eight, six ceased activity and saw their investors repaid. A comprehensive list of the Investor Funds is provided at **Exhibit 3**.



Summary of Investor Funds Detail			
Offering	Date of POM	Approx. Investor Count	Total Raised from Investors
ArciTerra Note Fund III, LLC	03/21/08	541	\$25,000,000
ArciTerra REIT, Inc.	04/03/06	498	\$20,258,940
ArciTerra Note Fund II, LLC	11/17/06	449	\$20,000,000
ArciTerra National REIT, Inc.	10/28/08	388	\$16,330,350
ASI Belleville Crossing IL, LLC	09/16/11	161	\$7,376,760
Whitefish Opportunity Fund, LLC	05/04/07	157	\$6,344,000
ASR Wheatland IL, LLC	03/01/15	112	\$5,254,834
ASR Briargate & Linden IL, LLC	06/16/14	75	\$4,245,194
ASR Plainfield Village IN, LLC	11/12/15	15	\$3,025,000
ASR Trinity Place TN, LLC	06/30/11	62	\$1,838,333
ASR Centerville & Colony GA, LLC	11/30/15	7	\$1,210,869
		2,465	\$110,884,280

59. ArciTerra solicited funding for each of these Investor Funds through Private Offering Memoranda (“POMs”) which provided prospective investors and brokers with the terms, disclosures, and other details regarding the investments.
60. In addition to the analysis of the POMs, the Receivership Team has reviewed and is continuing to review contemporaneous documents, such as the operating agreements of investment structures; subscription agreements (i.e., investor purchase agreements); contemporaneous investor updates and communications; loan and forbearance agreements (when applicable); intercompany loan trackers; bank statements; general ledgers of investment and affiliated entities; and other financial records.
61. For each of these Investor Funds, the Receiver has been and is in the process of analyzing:
- The ownership structure and hypothetical waterfall calculations provided for in the POMs.
 - The specific investment strategy and/or planned acquisitions.
 - The calculation and payment of fees to managers and other parties.
 - The timing and amount of funds raised.
 - How ArciTerra deployed and invested investor money.
 - Potential distributions, interest or dividends paid or owed.
 - Outstanding loans and/or other debt.
 - Outstanding loans payable and/or receivable.
 - Current investor capital balances and amount due to investors.
 - Identification of guarantees provided and source of guarantees.



62. In addition to the review of the Investor Funds, the Receiver has analyzed, and is continuing to analyze, other entities and ArciTerra real estate portfolios, such as Rialto, REIT 3650, Palencia and Mercado to which properties were transferred out of entities subject to Investor Funds.
63. In certain circumstances, the Receiver's analyses are subject to various bank records and other information not readily accessible.
64. Aspects of the Receiver's analyses are still in process. The Receiver continues to analyze the flow of investor money to and from the Investor Funds to assess what was received from and is owed to investors in the respective investment vehicles of the Receivership Entities and creditors. In addition, as he conducts these analyses, the Receiver considers whether potential causes of action could be brought against various parties or claims to assets could be made from which the Receivership may realize additional recoveries for the benefit of creditors, investors and other stakeholders.
65. The Receiver continues to assess potential additional entities or assets in which the Defendants or the Relief Defendants have an interest which are not currently part of the Receivership Entities or Receivership Assets, and where assets may have been commingled with investor funds. At the appropriate time, the Receiver may seek Court approval to modify the list of Receivership Entities.

i. Pervasive Commingling of Investor Funds

a. Summary of Observations from Previous Status Reports

66. In the Previous Status Reports, the Receiver discussed and illustrated ArciTerra's common practice of paying expenses based on their urgency, with cash from the bank account of an entity with sufficient funds at the time the payment was needed, without regard to which entity incurred the debt or whether the cash came from an account from operating entities or from one of the Investor Funds. The Receiver also discussed his observations regarding how the transfer of available cash from one entity to another was facilitated through "intercompany loans" between the entities borrowing and lending the cash from and through ASRA as counterparty.
67. As explained by former ArciTerra Controller, Kathleen Bouet, in her September 28, 2023 deposition with the SEC, "*we'd have to review all of the bank accounts and see which properties had a surplus and then make the loan or the distribution, depending on how the ownership was, and pull the funds from those accounts to pay and cover...expenses.*"¹²
68. ArciTerra commingled money from operating entities owned by certain investors in Investor Funds with money from ArciTerra entities or affiliates unrelated to the Investor Funds. ASRA is owned by JMMAL

¹² Deposition of Kathleen Bouet by the Securities and Exchange Commission dated September 28, 2023, at p. 145.

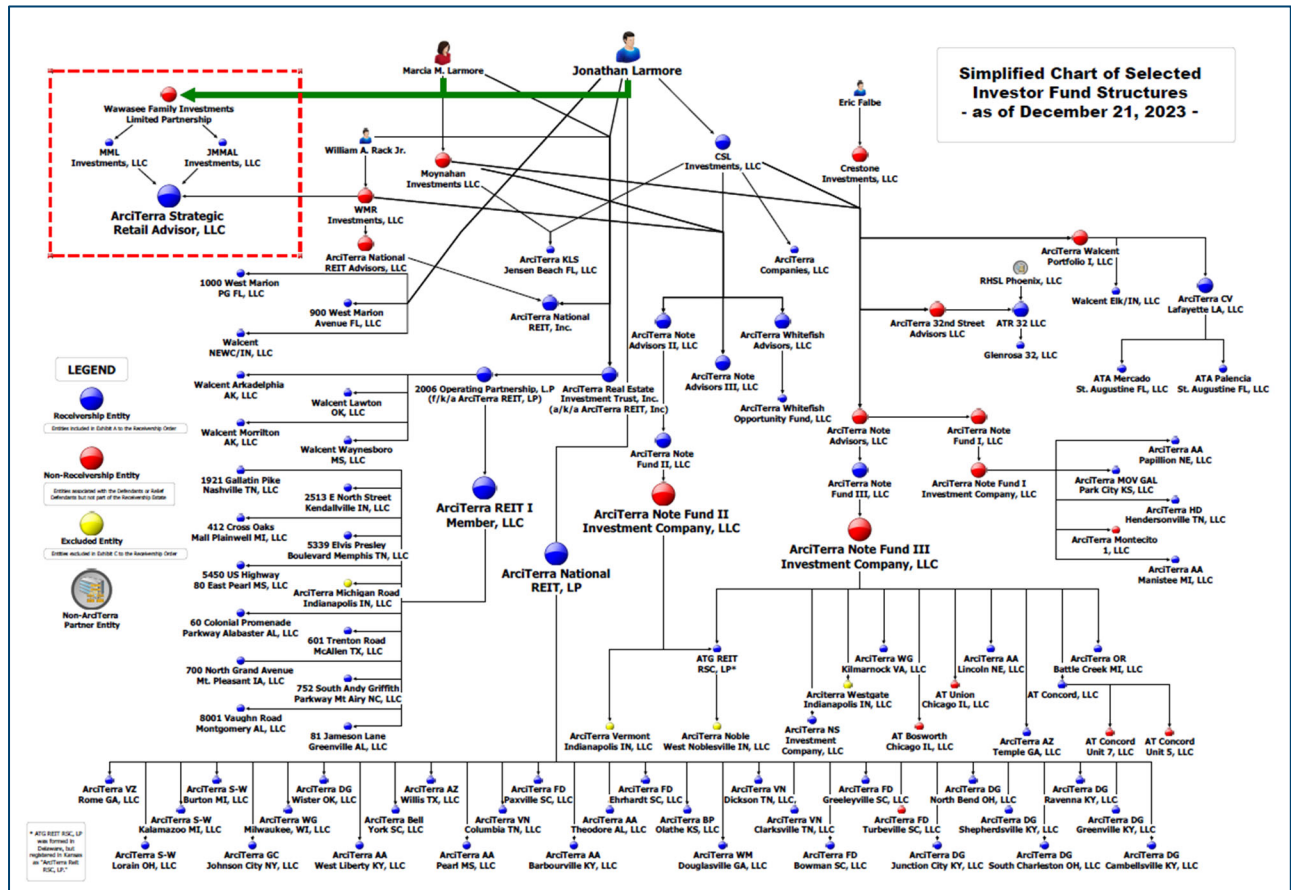


Investments LLC (“JMMAL”), MML Investments LLC (“MML”), and Spike Holdings LLC (“Spike”), which are all owned by Wawasee Family Investments LP (“Wawasee”). Marcia Larmore and Jonathan Larmore are the general partners of Wawasee. The POMs for the Investor Funds provided for or were located with contemporaneous organizational chart that lays out the ownership, capital, and cash flow structures for each of the Investor Funds. The organizational charts for the four largest funds neither show any ownership by ASRA of any of the entities, nor include ASRA in the Investor Fund cash flow structures beyond fees ASRA may earn as the manager of some of the other Investor Funds.

69. In **Figure 1** below, the Receiver illustrates the various layers of ownership of the four largest Investor Funds (ArciTerra Note Fund II, LLC, ArciTerra Note Fund III, LLC, ArciTerra National REIT, Inc., and ArciTerra REIT, Inc.) as of the commencement of the Receivership and demonstrates visually how intertwined the ownership of these entities is, and significantly that ASRA, through which the majority of the cash flowed, is not part of these Investor Funds’ structure. The large number of intertwined entities involved in the four Investor Funds makes viewing the chart challenging and therefore a larger version of this chart is provided at **Exhibit 4**.



Figure 1 – Simplified Chart of Select Investor Fund Structures, December 21, 2023



70. In the Second Status Report the Receiver presented, in visual form, the individual ownership structures for each of the four largest Investor Funds. These charts were attached as Exhibit 5 to Exhibit 8 in the Second Status Report.
71. As of this Third Status Report, the Receiver continues to seek:
 - a. Information to support whether, at the time when ArciTerra created intercompany loans, the lending entity received equivalent value from the borrowing entity, or that the transactions were conducted at arm’s length. It is also unclear whether such loans had economic substance. For instance, although ArciTerra recorded the loan balances when ArciTerra made a loan, it is not apparent that it considered whether the borrowing entity had the ability to repay the loan without receiving funds from other ArciTerra companies. Furthermore, according to ArciTerra’s former Controller, supporting documentation for the loans became sporadic or nonexistent in



or around 2015, and did not contemplate any maturity date. This commingling process was partially documented in contemporaneous ArciTerra intercompany loan tracking spreadsheets reviewed by the Receiver.

- b. Any documented policy that would have explained how decisions were made to prioritize satisfying debts of certain entities or vendors, or other third parties, over making distribution to certain investors or how any such decisions would benefit investors.
72. This analysis, combined with the determination of income and profit distribution or liquidation “waterfalls” from the various investment structures, will allow the Receiver to propose a distribution plan in due course, which is likely to take into consideration the impact of the commingling of funds. The commingling of so many entities’ funds will likely affect the determination of how the Receivership Estate will seek to satisfy claims, and at the appropriate time the Receiver will develop a proposal to address creditors, investors and other parties.
73. The Receiver’s efforts to determine the amounts owed and available to distribute to investors are complicated by ArciTerra’s practice of cash commingling. This practice has caused the Receiver to analyze many transactions to determine which entities, Investor Funds, and creditors the cash and/or assets belong.
74. The Receiver is considering whether this pervasive commingling, among other things, could give rise to potential causes of action or claims from which the Receivership may realize additional recoveries, and which may also determine future distribution processes.

b. Pervasive Commingling of Investors’ Funds Through ASRA Renders an Analysis of the Funds Separately Virtually Impossible, Which Will Likely Lead to Consolidation of the Funds Under the Receivership for Purposes of Distribution

75. The Receiver confirmed the commingling observations made in the Second Status Report, including the fact that most loans were not documented after 2015. In addition, there is no documentation as to whether the borrowing entities, including ASRA had the ability to repay their debts, or whether the lending entities (affiliates or otherwise) received equivalent value when loans between related entities were extended.
76. ASRA was part of certain Investor Funds’ organizational structures; however, it was not part of others, including the four largest Investor Funds. It is apparent, however, that beginning in approximately 2015, ASRA, by design, was used as a central conduit and pass-through entity to route most of ArciTerra’s cash flows, irrespective of the source or the destination of the funds, in such a way which in most cases resulted in the obfuscation of the purpose of the transfers. ASRA acted as a lender to and borrower from



related entities, of funds coming from properties, investors, lenders, often without being part of the ownership structure of the Investor Funds, as further documented below and in the Receiver's Previous Status Reports.

77. Because of the pervasive use of, and reliance on ASRA as a conduit and pass through for many cash transactions over a period of over more than 13 and ½ years (from July 2009 through December 2023) involving at least 371,000 cash ledger transactions, 310 entities, and \$10.53 billion in cash transactions, the Receiver has concluded that investors' assets were consistently commingled between Investor Funds irrespective of their ownership structures. This conclusion is based on the Receiver's detailed historical review of the Investor Funds and analysis of discrete transactions such as fund raises, refinancings, property acquisitions, and dispositions as documented in Section II.F of the First Status Report and Section II.F of the Second Status Report, and additional analyses and findings described below.
78. The impact of this situation was acknowledged and confirmed by Mr. Larmore himself who explained in a September 2023 email that Investor Funds "*touched every asset.*"¹³
79. When funds from investment properties (including refinancing transactions) were insufficient to satisfy dividend or interest payments to investors as contemplated in the POMs, ArciTerra transferred funds from various sources including from other investors' capital contribution, on occasion, to meet quarterly distributions frequently through ASRA. Detailed examples of this are provided in Section II.E.ii.b. below.
80. Based on the Receiver's analysis and conclusions to date, it is clear that certain investors were repaid their capital, in some Investor Funds, from proceeds of other Investor Funds, as a result of the extensive commingling through ASRA, creating an illusion of a profitable business.
81. As a result of this pervasive commingling for substantive cash deployment purposes, untangling the transactions related to the Investor Funds has been and continues to be extremely challenging, as is the determination of which cashflows should have been allocated to which Investor Fund. It is apparent to the Receiver that it will be difficult for such analysis to be completed in a cost-beneficial manner. Subject to completion of the analysis of the remaining Investor Funds, the Receiver will confirm whether it would be appropriate to seek Court approval for consolidation, for purposes of distribution.

¹³ An email dated September 23, 2023 from Mr. Larmore to Lane Hasler, Blaine Rice, Dan DeCarlo and blind copying Alex Schwyhart, with a subject line "Investor Obligations," states, "*The Note Funds will have an accrued obligations [sic] of \$101 million... Creditors could claim that these funds have touched every asset. [...].*"



ii. Summary of Status of Investor Funds Analyses and Observations

a. ArciTerra Management Consistently Commingled Cash through ASRA

82. The Receiver applied sophisticated data analytics tools to a universe of over 371,000 general ledger cash transactions extracted from ArciTerra’s accounting system, MRI, corresponding to the cash activity of 310 entities to determine the role of the various ArciTerra entities in moving funds around. The transactions spanned a period of 13 and ½ years (from July 2009 through November 2023). The analyzed transactions were further pared down to exclude approximately 340,000 transactions of less than \$1,000, and the quarterly refinancing of loans that were previously described in the Previous Status Reports (see Section II.F), resulting in a subset of more than 31,000 transactions (“Modeled Transactions”) totaling \$3.65 billion among Receivership Entities.
83. The statistical determination of the relative importance of each entity in the ArciTerra universe of entities, as it relates to the funneling of cash to and from other entities, can be evaluated by looking at three measures of centrality known as (1) Betweenness Centrality, (2) Closeness Centrality, and (3) Degree Centrality, defined as follows:
- a. **Betweenness Centrality:** This measure quantifies the extent to which an entity lies on the shortest paths between other entities. High “betweenness centrality” suggests a key intermediary role, potentially indicating a conduit for funneling funds.
 - b. **Closeness Centrality:** This measure assesses an entity’s average distance to all other entities in the network. High “closeness centrality” implies an entity can quickly interact with others, potentially facilitating rapid or discreet fund transfers.
 - c. **Degree Centrality:** This measure captures the number of direct connections an entity has. High “degree centrality” may indicate an entity with a large volume of transactions to a large number of directly connected entities, potentially suggesting a central role in the movement of funds.
84. The analysis conducted through each of these measures demonstrates that ASRA played a central role in moving funds around and commingling funds from many different entities in the ArciTerra universe.

i. Betweenness Centrality

85. As an illustrative example, the Receiver chose one of the multiple high transaction volume months and quarters as represented in the graphs below. **Figure 2** below provides a visual depiction of the central role ASRA played for a period of one month and **Figure 3** for one quarter. A larger version of these charts can be found at **Exhibits 5** and **6**, respectively.



Figure 2: Network Graph of Modeled Transactions - May 2017 (with ASRA in yellow at the center)

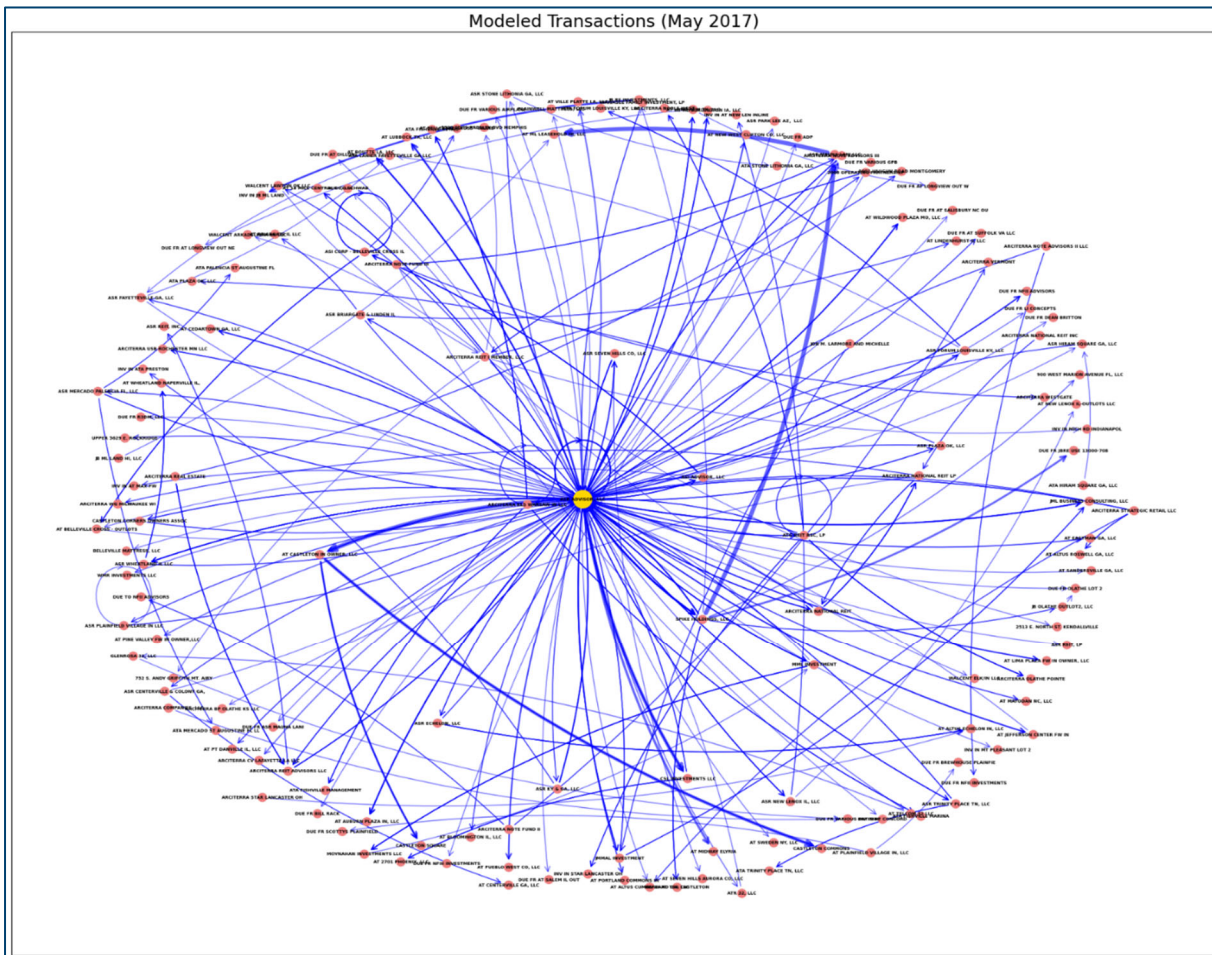
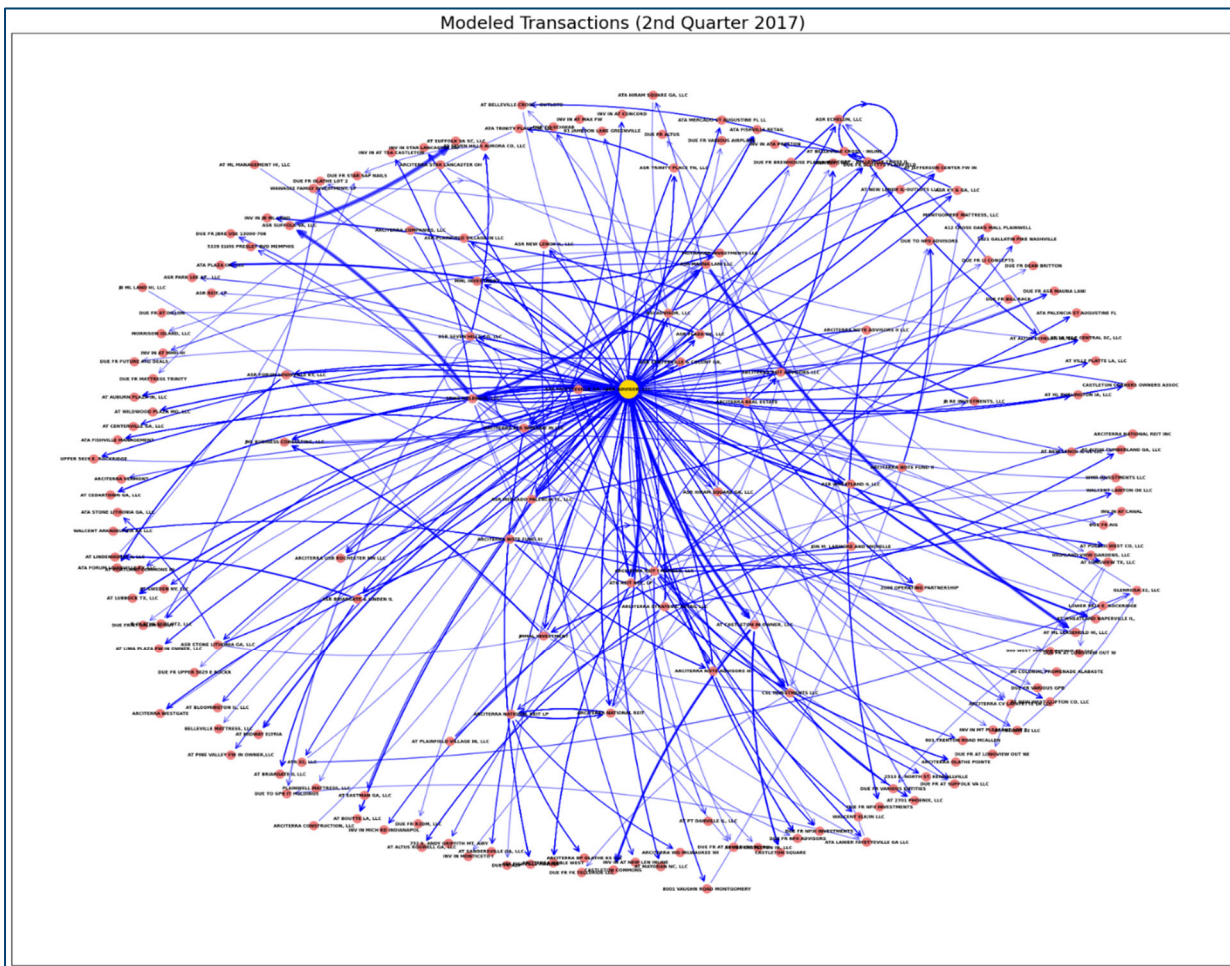




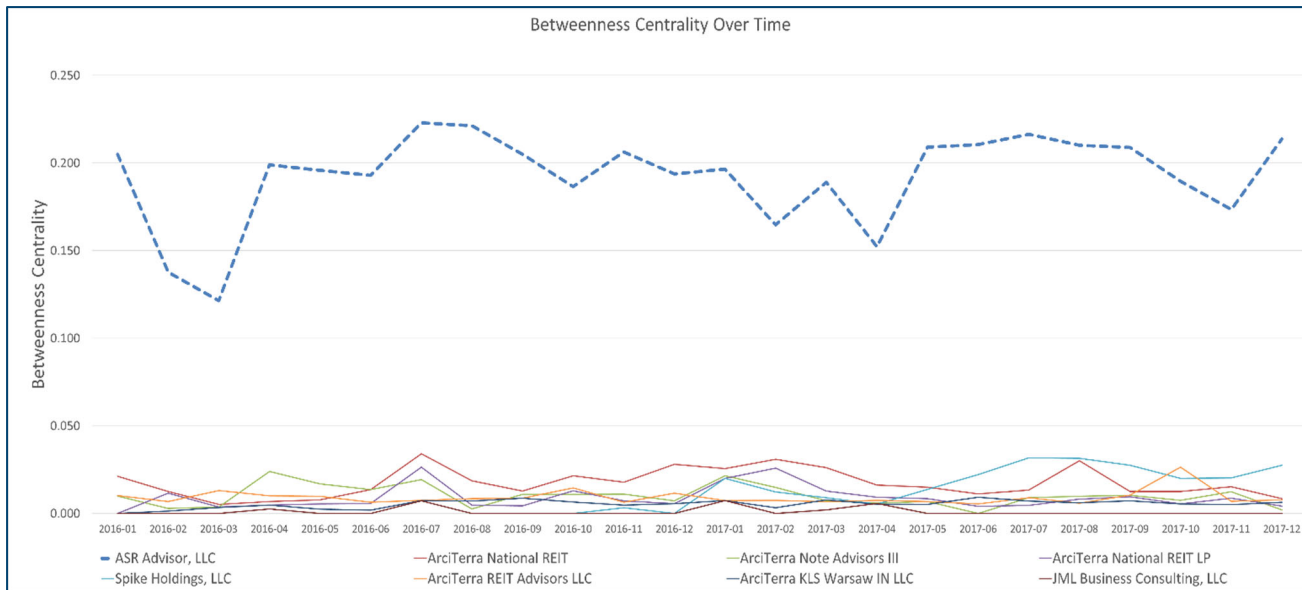
Figure 3: Network Graph of Modeled Transactions - Q2 2017 (with ASRA in yellow at the center)



86. Another depiction of the “**Betweenness Centrality**” factor’s prevalence as it relates to ASRA is observed in a sample of many months as illustrated in **Figure 4**, below. ASRA’s measurement of “**Betweenness Centrality**” regarding funneling funds to entities in the ArciTerra universe is greater than the next ArciTerra entity by a factor of approximately 10 times. A larger version of this chart can be found at **Exhibit 7**.



Figure 4: Chart of ArciTerra Entity “Betweenness Centrality” for Select Time Periods



87. Notwithstanding that ASRA was the primary entity through which ArciTerra moved cash between entities, ArciTerra also moved cash between entities through the following six entities to a much lesser extent:

- ArciTerra National REIT
- ArciTerra National REIT LP
- ArciTerra Note Advisors III
- Spike Holdings LLC
- ArciTerra KLS Warsaw IN LLC
- ArciTerra REIT Advisors LLC

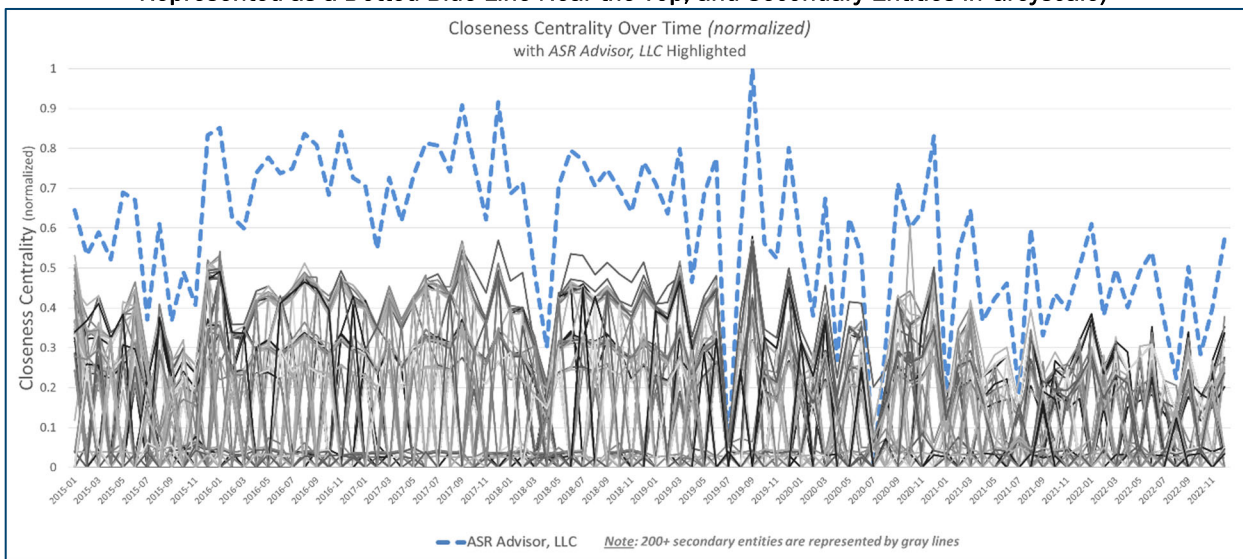
ii. Closeness Centrality

88. Regarding the measure of “**Closeness Centrality**,” similar observations can be made as to ASRA’s systematic role as an intermediary used to move funds quickly between entities, which complicates the analysis of flow of funds and in many cases and obfuscates the purpose of the cash transactions. That factor assesses the relative importance of each entity’s intermediary role in exchanging funds with other entities in the ArciTerra universe by measuring the average number of steps it takes for the funds to go from the source to the ultimate recipient entity. In this case, when funds originated from one ArciTerra entity they most frequently reached the ultimate recipient through ASRA in the least number of steps before they reached their destination. The higher the calculated factor, the more the entity’s role is important as an intermediary relative to other entities.



89. Although the observations are consistent throughout time, **Figure 5** below shows ASRA’s central role as intermediary has a higher factor well above that of the next 200 entities in moving cash around from 2015 through December 2022. The chart illustrates ASRA’s disproportionate role and higher “**Closeness Centrality**” factor. A larger version of this chart can be found at **Exhibit 8**.

Figure 5: Chart of ArciTerra Entity “Closeness Centrality” for Select Time Periods, Normalized (with ASRA Represented as a Dotted Blue Line Near the Top, and Secondary Entities in Greyscale).

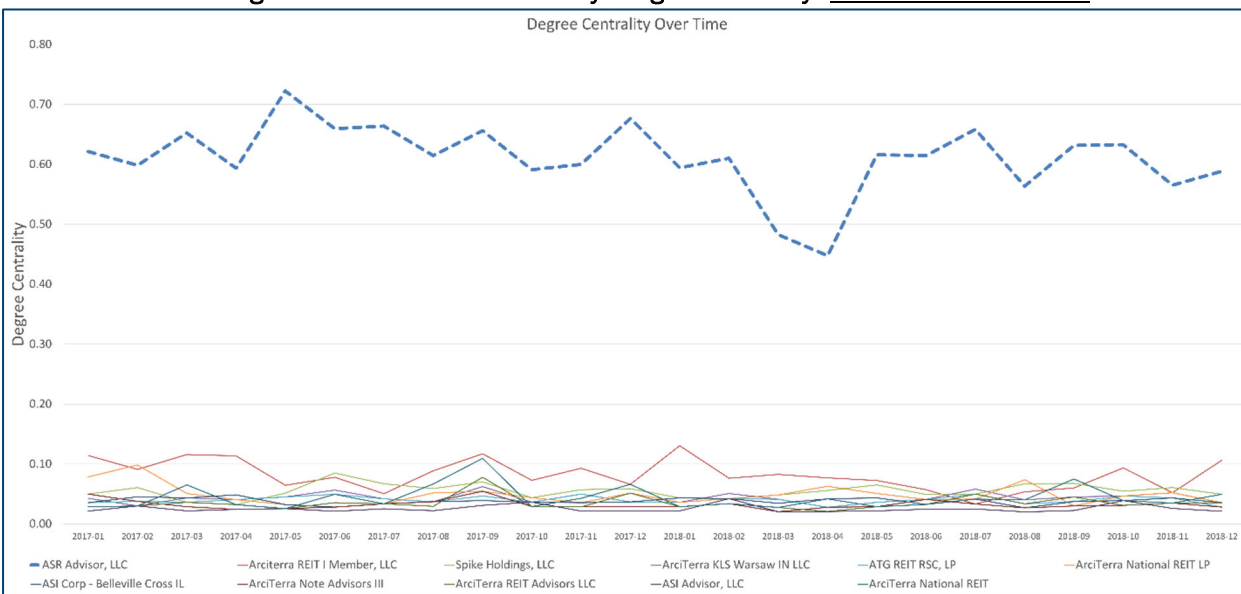


iii. Degree Centrality

90. Finally, the analysis of the “**Degree Centrality**” factor confirms the consistent central role that ASRA played in interacting directly with other entities in the ArciTerra universe and its ability to transfer cash quickly to other entities in the ArciTerra universe. **Figure 6** below shows the disproportionate role it played and, at its peak during the sample period, ASRA was transacting with more than 70% of the entities in a month. A larger version of this chart can be found at **Exhibit 9**.



Figure 6: Chart of ArciTerra Entity “Degree Centrality” for Select Time Periods



iv. ArciTerra Moved Most of its Cash Through ASRA

91. The Receiver concludes that, for the period from at least 2014 to 2023, ASRA played a critical role in moving money around, receiving and transferring funds to the entities in the ArciTerra universe, in such a way that obfuscated the use of the funds and commingled funds from many sources including from Investor Funds. ASRA did not simply facilitate transfers from source to use; it was a central hub through which, at times, more than 65% of ArciTerra’s cash transactions travelled.¹⁴ Accordingly, available cash was used to pay expenses and other items, often regardless of the relationship between the intended source and legitimate ultimate recipient.
92. The Receiver’s discrete analysis of the various Investor Funds, as discussed below, further supports this conclusion and provides a more granular set of findings on some of the many transfers and transactions that occurred over time.

b. Analysis of Investor Funds

93. As previously noted, the Receiver substantially completed the review of eight of the Investor Funds subject to the scope discussed above. More details about those analyses and findings can be found in this section. The Receiver is currently in the process of analyzing the remaining three Investor Funds.

¹⁴ In May 2016, of the 329 cash transfers (Modeled Transactions), 215 transfers (65.3%) went through ASRA, while the next entity was associated with only 17 cash transfers, or 5.2% of the total cash transfers.



94. Thus far, the analyses the Receiver conducted of the Investor Funds and the selected illustrative transactions below (and those discussed in Previous Status Reports) consistently demonstrate that ArciTerra management:
- Used funds from investors in one Investor Fund to repay those in other Investor Funds.
 - Used proceeds of refinancing and sales transactions related to properties held in particular Investor Funds to pay unrelated investors, creditors, or entities outside of the Investor Fund ownership and cash flow structures.
 - Prioritized certain groups of investors over others without documented support from the provisions contained in the Investor Fund offering documents or other documents that could be located.
95. ASRA was used as a central conduit to facilitate many of these transactions which resulted in obfuscating the purpose of the payments, and priority of payments that would allow the Receiver to determine how much is owed to each investor group in their own Investor Fund silo.
96. The Receiver's extensive review and analysis establishes that there was pervasive commingling for substantive cash deployment purposes. Therefore, untangling the transactions related to the Investor Funds has been and continues to be extremely challenging, as is the determination of which cashflows should have been allocated to which Investor Fund. It is apparent to the Receiver that it will be difficult for such analysis to be completed in a cost-beneficial manner. Subject to completion of the analysis of the remaining Investor Funds, the Receiver will confirm whether it would be appropriate to seek Court approval for consolidation, for purposes of distribution.

i. ArciTerra Note Fund III, LLC

ArciTerra Note Fund III, LLC	
Date of Private Offering	March 10, 2008 and amended March 21, 2008
Approx. Number of Investors	541
Total Raised from Investors	\$25,000,000
Fund Manager / Advisor	ArciTerra Note Advisors III, LLC
Investments / Special Purpose Entities	ArciTerra National REIT, LP (<i>LP interests received from transfer of property in 2010</i>)
	ATG REIT RSC, LP (<i>LP interests received from transfer of property in 2010</i>)
	ATR 32, LLC (<i>converted from investment in 32nd St. Regency House in 2012</i>)
	ArciTerra NS Investments, LLC (<i>written off in 2017</i>)
	ArciTerra Westgate IN, LLC (<i>transferred/sold in February 2020</i>)

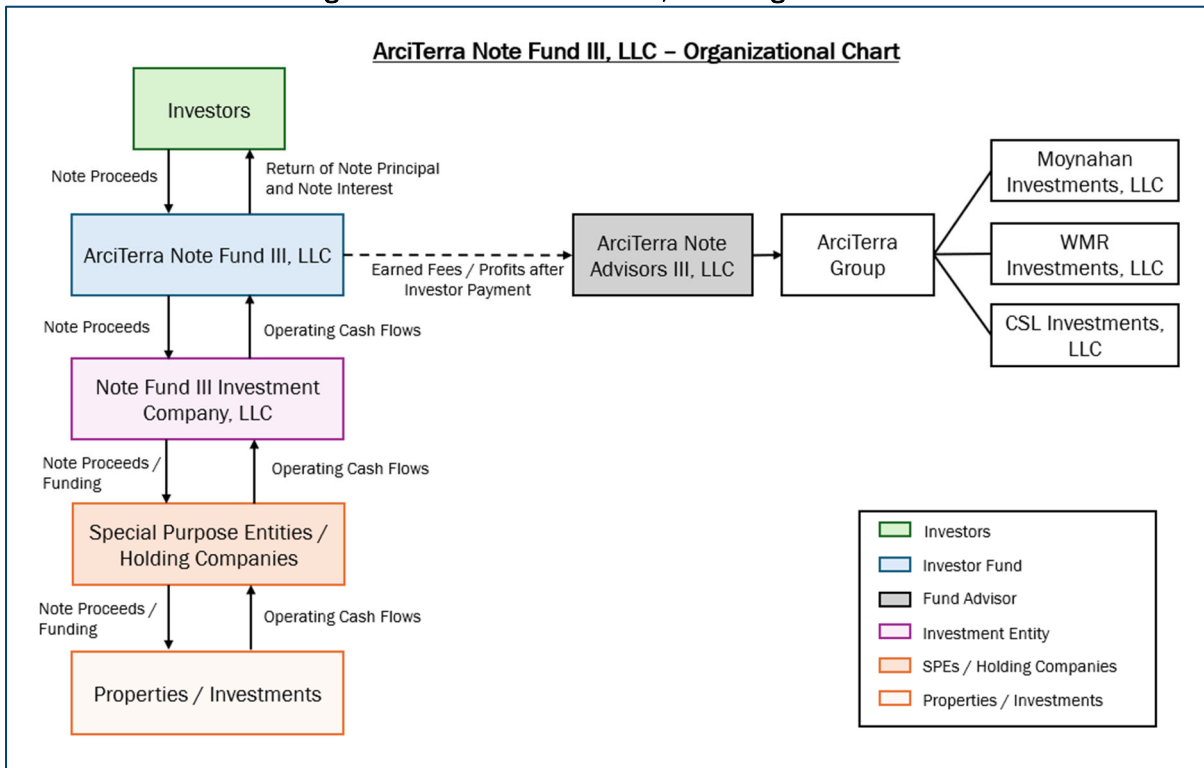
97. ArciTerra Note Fund III, LLC ("Note Fund III") was formed on March 8, 2008, to acquire income producing commercial real estate through ArciTerra Note Fund III Investment Company, LLC ("Note Fund III



Investments”). A total of \$25,000,000 was raised from approximately 541 investors between March 2008 and December 2009.

98. The sole member of Note Fund III is ArciTerra Note Advisors III, LLC (“Note Fund III Advisors”) and the principal and interest guaranteed by ArciTerra Note Advisors II, LLC and ArciTerra Whitefish Advisors, LLC. CSL Investments, LLC, which is owned and controlled by Mr. Larmore guaranteed up to 20% of the aggregate principal balance of the notes (pro rata). **Figure 7** below represents the organizational structure¹⁵ of Note Fund III.

Figure 7: ArciTerra Note Fund III, LLC – Organizational Chart



¹⁵ The organizational structures presented in this report are simplified versions to illustrate the key parties and the intended flow of funds at or around the time the POMs were issued. For the eight Investor Funds presented in this section, please see **Exhibit 10** for the more detailed organizational charts located in contemporaneous documents with the POMs. See **Exhibit 11** for the organization structures as of December 21, 2023 for seven of the eight substantially completed Investor Funds (excluding the Whitefish Opportunity Fund). The charts in these exhibits are presented in the same order in which the Investor Funds are discussed in Section II.E.ii.b.



Note Fund III Investments

99. The Receiver has not located complete documentation related to Note Fund III's investments prior to 2010. According to an October 2011 Investor Update, Note Fund III's investments substantially included the following investments and interests as of December 31, 2010:
- a. Limited Partnership Interests received in exchange for transferring ownership interest in various properties:
 - ArciTerra National REIT
 - ATG REIT RSC
 - b. Properties:
 - ArciTerra NS Investments
 - ArciTerra Westgate IN
 - c. Secured Debt Receivables:
 - ArciTerra 32nd St. Regency House
100. The limited partnership interests in ATG REIT RSC shown above resulted from loans Note Fund III extended to Note Fund II in 2008 and 2009 totaling \$8,337,588. With the loan proceeds, Note Fund II acquired various properties and in June 2010, Note Fund II transferred its ownership interest in the SPEs holding the properties to ATG REIT RSC. In return, Note Fund II received a 100% equity holding in ATG REIT RSC. At that time, Note Fund II (i.e., the borrower) also exchanged its \$8.3 million loan due to Note Fund III for a portion of its equity stake in ATG REIT RSC. Thus, Note Fund III Investments received equity in ATG REIT RSC for its loan receivable from Note Fund II Investments.
101. The Receiver identified a schedule prepared by ArciTerra management during 2011 which reflected "Future Potential Value" and "Appraised Value" as follows:

Future Potential Value (net)	\$19,756,463
Appraised Value (net)	9,220,536
<u>Difference</u>	<u>\$10,535,927</u>

102. The equity conversion of the Note Fund III loan in ATG REIT RSC was based on a potentially inflated "future potential value", presumably estimated by ArciTerra management, as opposed to fair market value or appraisal values of the underlying properties.
103. The equity split between Note Fund II and Note Fund III, as determined by ArciTerra management at the time, resulted in 32.07% and 67.93% equity stakes in ATG REIT RSC, respectively. If the value of the investment at the time of the conversion was inflated, as suggested by the information located by the Receiver, Note Fund III investors were short-changed to the benefit of Note Fund II investors. In addition, over the period from 2010 to 2017, according to ATG REIT RSC's financial statements, Note Fund III received only 63% rather than 67.93% of the funds distributed by ATG REIT RSC.



104. Had ArciTerra relied upon the appraised property value of \$9,220,536, as opposed to the “future potential value”, 100% of the equity in ATG REIT RSC would have gone to Note Fund III because the value of the properties in ATG REIT RSC was insufficient to recover the total due by Note Fund II for the loan plus accrued interest of \$9,892,377. This means that the total distribution of funds by ATG REIT RSC of \$5,333,009 during the period 2010 to 2017 should have been made to Note Fund III Investments.
105. In December 2012, in satisfaction of approximately \$5.1 million of loans Note Fund III made to ArciTerra 32nd Street Advisors, LLC (“32nd Street Advisors”), Note Fund III received 58% of the preferred membership units of SPE entity ATR 32, LLC (“ATR 32”), which acquired a 70% interest in senior living facility, Glenrosa.
106. According to the accounting records reviewed by the Receiver, Note Fund III’s equity interest in ArciTerra NS Investments was written off in 2017. The Receiver has not located information or documents discussing or supporting the write-off of this investment.
107. In February 2020, Note Fund III’s interest in ArciTerra Westgate IN appears to have been transferred or sold to Note Fund III Advisor in a multi-party transaction. The Receiver is still in the process of understanding and analyzing this transaction.
108. As of December 31, 2023, Note Fund III’s investments included the limited partnership interests it received in exchange for transferring ownership interests and other consideration received, specifically interests in:
 - a. ArciTerra National REIT
 - b. ATG RSC REIT
 - c. ATR 32

Investor Fund Cash Flows and Payments to Investors

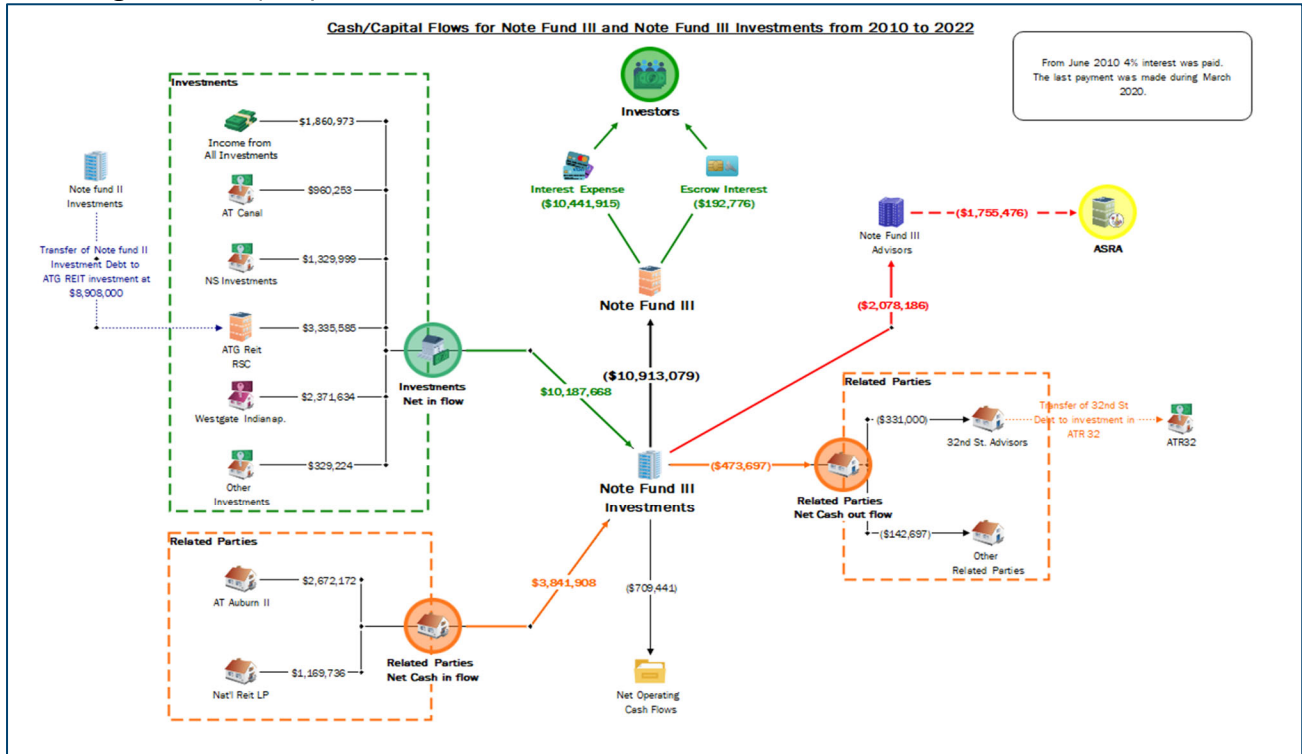
109. According to an ArciTerra prepared investor schedule, between 2008 and June 2010, investors were paid the full return of 9.25% per annum contemplated in the offering documents. ArciTerra investor schedules show that beginning in June 2010, the return was reduced to 4.0%. Note Fund III informed investors that the reduction was because of “*sustained slowdown in retail sales due to reduced consumer spending...*” According to the terms of the POM, the decrease in rate constituted a default event. The Notes included provisions requiring the Company to pay an increased default rate of interest of 12.0% if payments were not made in a timely manner.
110. The interest payments per the Note Fund III cash flows remained at 4.0% until March 2020, after which interest payments to investors ceased.



111. The Receiver observed that certain interest payments during the investor capital raise period in 2008 and 2009 were made from investor capital contributions. For instance, in 2008, interest payments of \$767,113 were made to investors. These interest payments appear to have been paid from investor capital contribution. Likewise, in 2009, according to Note Fund III financial statements, the total interest expense per the general ledger of \$2,169,830 was paid from the additional capital raised during 2009. In other words, the investor payments during that period were not made from the cash flows from properties, but rather from new Note Fund III investor capital contributions.
112. Note Fund III cash flows between 2010 and 2022, show that the origin of the funds used to pay the returns to investors came from Note Fund III Investments. Note Fund III Investments held shares in SPEs that in turn held investments in properties. The analysis of cash flows in Note Fund III and Note Fund III Investments over that period shows that a total amount of \$10,441,915 was paid as interest and \$192,776 as escrow interest to investors.
113. The Receiver traced the source of these payments back to Note Fund III Investments which generated or sent cash in the amount of \$10,913,079 over the period.
114. By 2018, ATG REIT RSC stopped sending cash to Note Fund III Investments. Between 2018 and 2022, unpaid interest in Note Fund III Investments amounted to \$9,278,877. **Figure 8** below is a visual representation of cash flows to investors (see **Exhibit 12** for a larger version of this diagram).



Figure 8: Cash / Capital Flows for Note Fund III and Note Fund III Investments from 2010 to 2022



Cash Flows with ASRA

115. The first cash flow between Note Fund III Advisor and ASRA occurred in 2015. Over the period 2015 to 2023, Note Fund III Advisor paid \$1,755,476 to ASRA. The analysis of flow of funds shows that the source predominantly originated from Note Fund III Investments. From 2016 to 2019, ASRA was a net contributor to Note Fund III Investments (via Note Fund III Advisors).
116. In 2017, Note Fund III Advisors was a net contributor to both ASRA (\$248,595) and Note Fund III Investments (\$351,675) with a total amount of \$600,270. In 2018, Note Fund III Investments paid a total amount of \$623,797 to Note Fund III Advisors. In 2015 and 2020 Note Fund III Investments was a net contributor to ASRA with a total amount of \$3,081,687.
117. The Receiver found that money contributed by investors into Note Fund II and Note Fund III was ultimately transferred to ASRA, an entity owned and controlled by Mr. Larmore, that was an entity not part of the contemplated organizational structure of either Note Fund II, Note Fund III, or any of the various intermediary entities. The investors' funds were repeatedly commingled through ASRA with the contributions of other investors in unrelated Investor Funds.



ii. ArciTerra Note Fund II, LLC

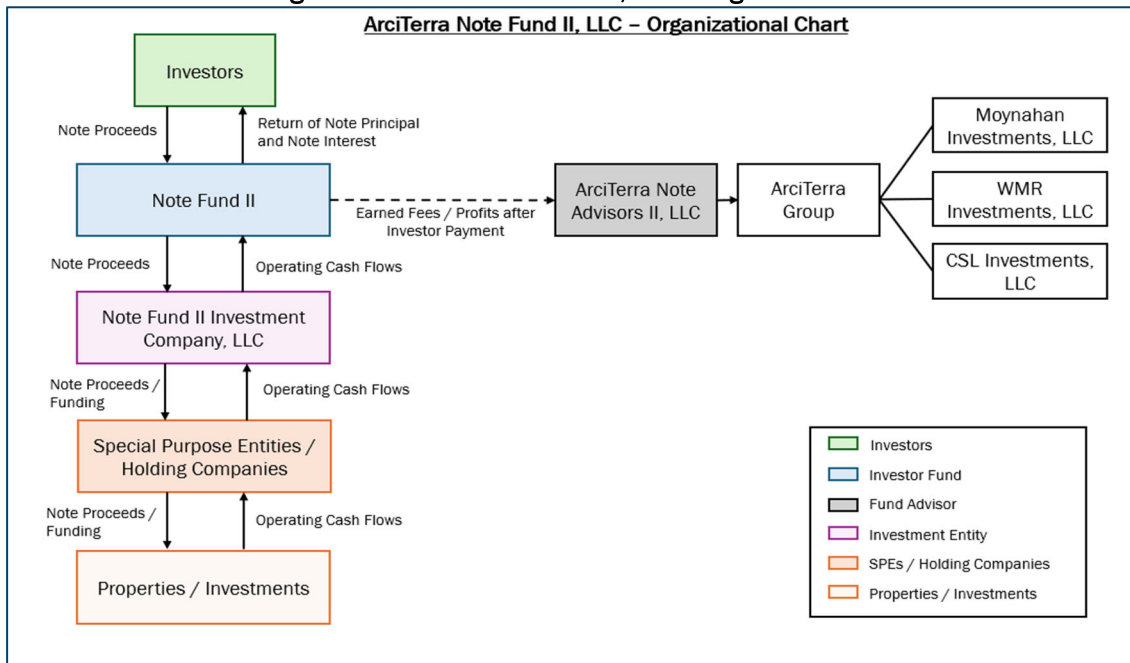
<i>ArciTerra Note Fund II, LLC</i>	
Date of Private Offering	November 17, 2006
Approx. Number of Investors	449
Total Raised from Investors	\$20,000,000
Fund Manager / Advisor	ArciTerra Note Advisors II, LLC
Investments / Special Purpose Entities	ArciTerra National REIT, LP (<i>LP interests received from transfer of property in 2008</i>)
	ATG RSC REIT, LP (<i>LP interests received from transfer of property in 2010</i>)
	ATR 32, LLC (<i>converted from investment in 32nd St. Advisors in 2012</i>)
	ArciTerra Vermont Indianapolis IN, LLC
	ArciTerra Montecito I, LLC

118. ArciTerra Note Fund II, LLC (“Note Fund II”) was formed on October 18, 2006 to acquire certain commercial real estate through ArciTerra Note Fund II Investment Companies, LLC (“Note Fund II Investment Company”). A total of \$20,000,000 of principal was raised from approximately 449 third party investors between December 2006 and November 2007.

119. The manager of Note Fund II is ArciTerra Note Advisors II, LLC (“Note Fund II Advisors”). Note Fund II Advisors is owned and controlled by CSL Investments, LLC, Moynahan Investments, LLC, and WMR Investments, LLC. The principal investments in Note Fund II and any unpaid interest were guaranteed by ArciTerra REIT Advisors, LLC (“ArciTerra REIT Advisors”). **Figure 9** below represents the organizational structure of Note Fund II.



Figure 9: ArciTerra Note Fund II, LLC – Organizational Chart



Note Fund II Investments

120. Documentation related to Note Fund II’s investments prior to 2009 is limited, and the Receiver has not located a complete listing of all the investments Note Fund II acquired and sold prior to 2010.
121. At the beginning of 2010, Note Fund II’s investments primarily included ownership interests in six properties, and a membership interest in ArciTerra National REIT, which Note Fund II received in consideration for transferring its interest in eight properties to ArciTerra National REIT. Note Fund II also obtained a loan receivable of approximately \$7.1 million from an entity named 32nd Street Advisors.
122. In January 2010, Note Fund II transferred its membership interests in four properties¹⁶ to a Special Purposes Entity (“SPE”) called ATG REIT RSC, LP, and in return Note Fund II received preferred shares equal to the agreed upon “gross value” of the four properties, less any associated outstanding debt.
123. In December 2012, in satisfaction of approximately \$7 million of loans Note Fund II made to 32nd Street Advisors, Note Fund II received 42% of the preferred membership units of the SPE ATR 32, LLC, which acquired a 70% interest in senior living facility, Glenrosa.
124. Since 2013, Note Fund II’s investments included:

¹⁶ ArciTerra USB Bismark ND, LLC; ArciTerra Star Lancaster OH, LLC; ArciTerra Noble West Noblesville IN, LLC; and ArciTerra Olathe Point Olathe KS, LLC.



- a. Limited Partnership Interests in:
 - ArciTerra National REIT
 - ATG REIT RSC
 - ATR 32
 - b. Properties:
 - ArciTerra Vermont Indianapolis IN, LLC
 - ArciTerra Montecito I, LLC
125. As discussed in paragraph 229 below, the Receiver sold Glenrosa to a third party in August 2024 for \$28,250,000.

Investor Fund Cash Flows and Payments to Investors

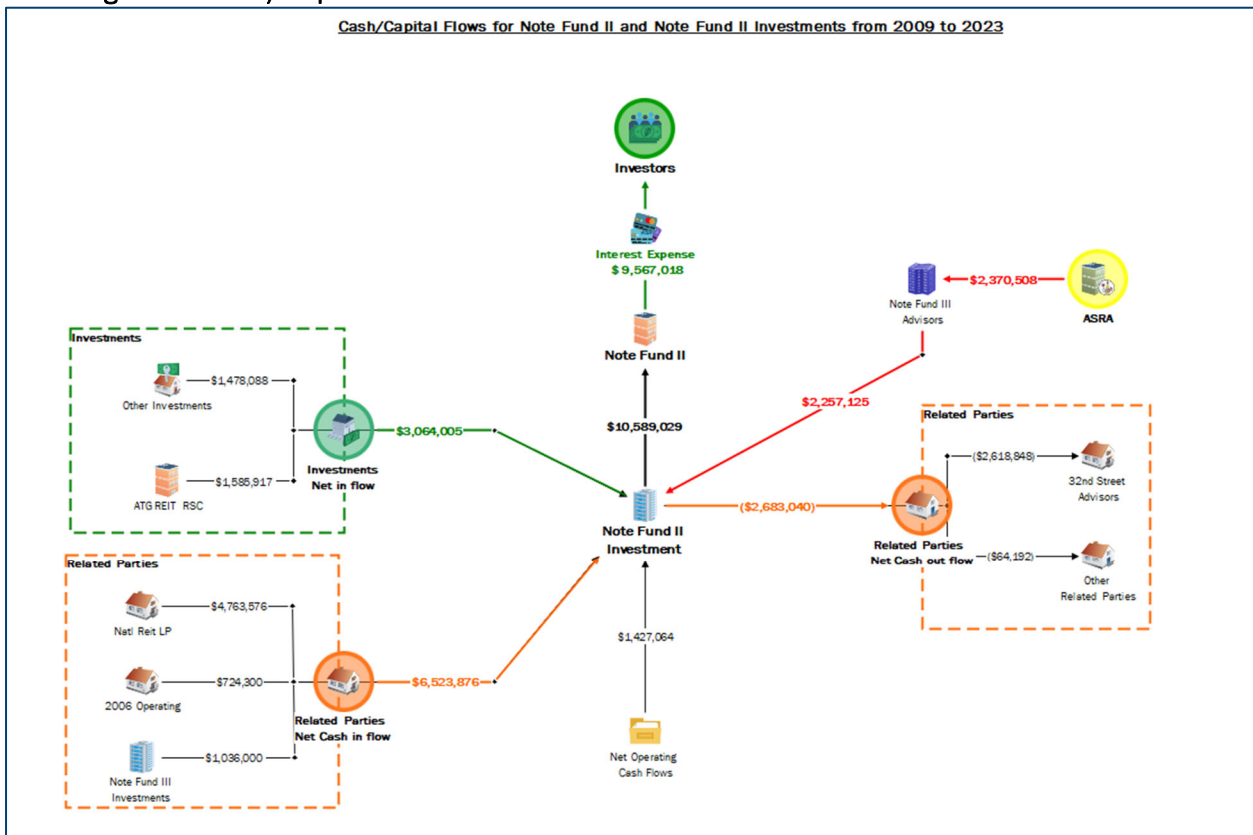
126. Note Fund II investors received monthly interest payments from March 2007 to March 2020 totaling \$12,571,822 at varying rates (8.25% from March 2007 to February 2010; 8.75% from March 2010 to May 2010; and 4.0% from June 2010 to March 2020). Beginning June 2010, when the interest rate paid to investors dropped to 4.0% and triggered an event of default according to the terms of the POM, unpaid interest on the note investments accrued at the stated penalty interest rate of 12.0%, less actual interest paid to investors.
127. Based on a cash flow analysis of Note Fund II during the period that Note Fund II made interest payments to investors (through March 2020), Note Fund II investments did not generate and/or send to Note Fund II cash sufficient to cover the full interest payments to investors beginning in at least 2015. The Note Fund II cash flows from 2009 to December 2023 shows that most of the cash used to pay the returns to investors came from Note Fund II Investments,¹⁷ which aligns with the structure contemplated in the POM. The cash Note Fund II Investments used to pay investor interest since at least 2015, however, was received from ASRA through Note Fund II Advisors, which is not in accordance with the structure contemplated in the POM. The overall impact over the period 2015 to 2023 was a payment from ASRA to Note Fund II Advisors of \$2,370,508 of which \$2,257,125 was paid to Note Fund II Investments. These net payments received from Note Fund II Advisors, were in turn paid to Note Fund II, to fund interest payments to investors.
128. The inflows and outflows of funds of Note Fund II Investments for the period 2009 to 2023 are reflected in **Figure 10** below (see **Exhibit 13** for a larger version of this diagram). This graph demonstrates that

¹⁷ Due to the lack of available bank statements and detailed general ledger entries prior to 2009, the Receiver does not have the requisite records to determine the origin of the funds used to pay interest to investors during 2007 and 2008.



investors were paid \$9,567,018 by Note Fund II beginning in 2009, which was funded with the \$10,589,029 sent from Note Fund II Investments. Of these funds remitted by Note Fund II Investments to Note Fund II, \$3,064,005 originated from investments, \$6,523,876 from related parties and \$2,257,125 from Note Fund II Advisors via ASRA (as discussed above).

Figure 10: Cash / Capital Flows for Note Fund II and Note Fund II Investments from 2009 to 2023



iii. ASI Belleville Crossing IL, LLC

ASI Belleville Crossing IL, LLC	
Date of Private Offering	September 16, 2011
Approx. Number of Investors	161
Total Raised from Investors	\$7,376,760
Fund Manager / Advisor	ASI Advisor, LLC
Investments / Special Purpose Entities	AT Belleville Crossing IL - Inline, LLC AT Belleville Crossing IL - Outlots, LLC (sold August 2019)

129. ArciTerra Strategic Income Corporation – Belleville Crossing IL, LLC (“ASI Belleville”) was formed on June 24, 2011 to acquire, directly or indirectly, operate and hold for lease Belleville Commons, a multi-

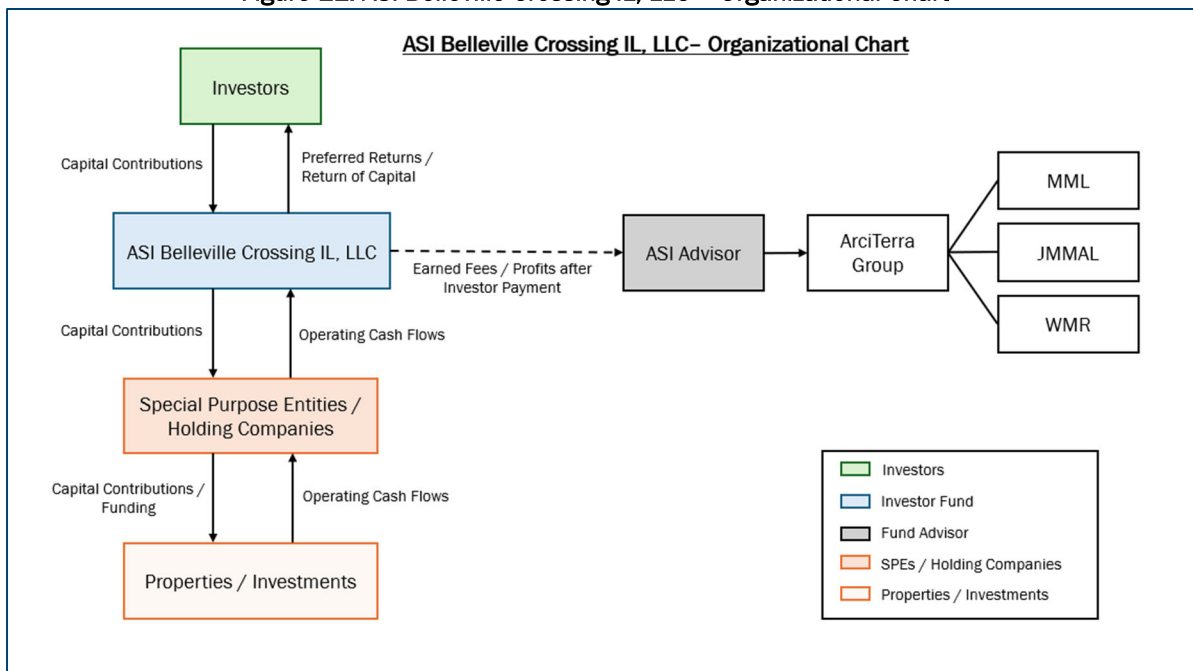


tenanted retail shopping center located in Belleville, Illinois. A total of \$7,376,760 was raised from approximately 161 investors between October 2011 and January 2013.

130. The manager of ASI Belleville is ArciTerra Strategic Income Advisor, LLC (“ASI Advisor”); ASI Advisor is owned and controlled by JMMAL, MML, and WMR Investments, LLC.

131. **Figure 11** below represents the organizational structure of ASI Belleville.

Figure 11: ASI Belleville Crossing IL, LLC – Organizational Chart



ASI Belleville Investments

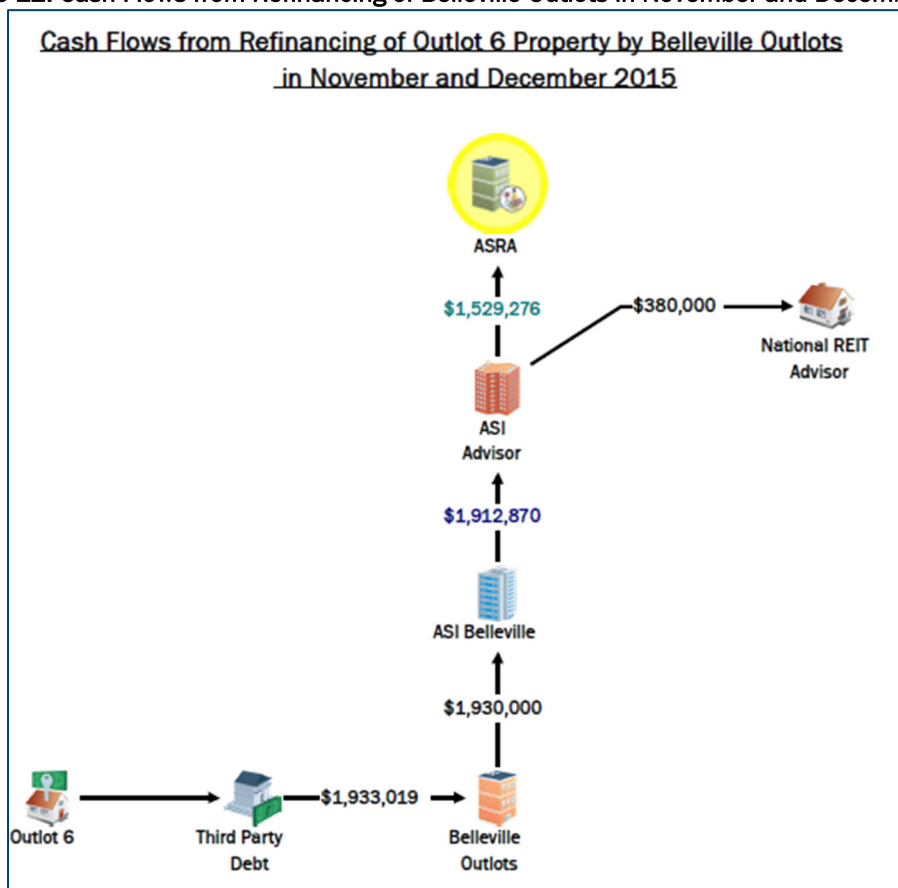
132. The ASR Belleville investments include the Belleville Commons property which was comprised of two parcels - the inline parcel and the outlot parcel. SPEs AT Belleville Crossing IL – Inline, LLC (“Belleville Inline”) and AT Belleville Crossing IL – Outlots, LLC (“Belleville Outlots”) were formed to hold ASI Belleville’s ownership interests in the properties. Belleville Inline held the Inline Property and Belleville Outlots held the properties commonly referred to as Outlot 1 and Outlot 6.

133. Belleville Inline and Belleville Outlots were acquired in August 2011, prior to the completion of ASI Belleville’s fund raising, for \$13,100,100 and \$3,600,000, respectively. The property acquisitions were financed with over \$5 million in bridge loans from third parties and other Investor Fund entities, including Note Fund III, National REIT, and ArciTerra REIT (the bridge loans were repaid between 2011 and 2012), as well as bank loans, which were guaranteed by Mr. Larmore and CSL Investments.



134. Outlot 1 was sold in July 2014 to a third party. The Receiver’s analysis and review of documentation indicates that the funds raised from the sale were used to pay off the total debt of Belleville Outlots. Correspondence to the investors explained that *“the excess proceeds from the sale went to pay of the lender on Outparcel #6 (Buffalo Wild Wings) leaving Outparcel #6 free and clear of any loans and thereby increasing the cash flow generated by the property.”*
135. In November 2015, Belleville Outlots entered into a new loan for \$2,000,000 (over the Outlot 6 property) and received net cash proceeds of \$1,933,019 from the new loan. Belleville Outlots immediately sent the net loan proceeds to ASRA and National REIT Advisor, as follows in **Figure 12**.

Figure 12: Cash Flows from Refinancing of Belleville Outlots in November and December 2015

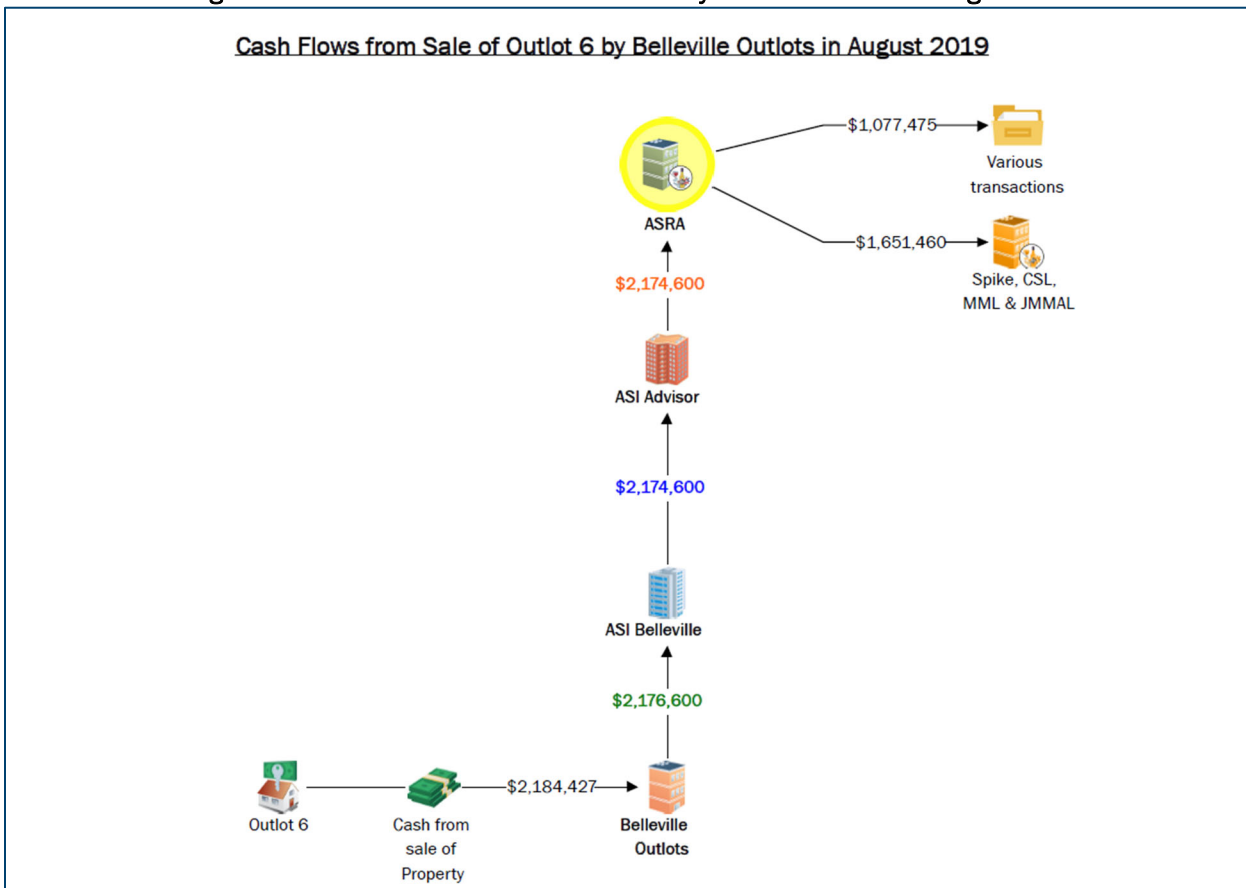


136. The proceeds of the refinancing did not benefit the ASI Belleville investors. Rather, the funds were transferred through ASRA and National REIT, neither of which is part of ASI Belleville’s organizational structure, to other entities.



137. Outlot 6 was sold in August 2019 to Belleville IL Outlot 6, LLC (“Belleville Outlot 6”), which is owned by Spike, for \$4,200,000. The net cash proceeds of approximately \$2.2 million received by Belleville Outlots from the sale of Outlot 6 were ultimately paid to ASRA which in turn sent money to various entities as illustrated in **Figure 13** below.

Figure 13: Cash Flows from Sale of Outlot 6 by Belleville Outlots in August 2019



138. The Receiver determined that approximately \$596,000 of the cash used by Belleville Outlot 6 to purchase Outlot 6 ultimately came from Investor Fund entity ASR Trinity Place (transferred to Belleville Outlots 6 through Spike), which represented the net proceeds ASR Trinity Place received pursuant to the sale of its investment property in the prior month, or July 2019. Following the sale of Outlot 6, ASI Belleville repaid the \$596,000 to ASR Trinity Place, through Spike, prior to ASR Trinity Place’s final payout to investors in September 2019. (Further details of the sale of the ASR Trinity Place property are contained in the ASR Trinity Place Investor Fund discussion section, below.)



139. The Receiver has not located documentation or communications that would indicate that investors were informed of the sale of Outlot 6 to Belleville Outlots 6. On the contrary, investor updates dated July 2020, July 2021 and October 2022 continued to give the impression that the property was still held by Belleville Outlots after the sale. In addition, no proceeds from the sale were distributed to the investors in ASI Belleville.
140. To date no documentation or information was found regarding the economic basis supporting the decision to transfer the cash raised to ASRA and/or National REIT Advisor, or for not using the funds to pay the preference return due to the investors, and/or capital due.
141. ASI Belleville retains its ownership interest in Belleville Inline as of December 31, 2023.

Investor Fund Cash Flows and Payments to Investors

142. ASI Belleville investors received dividend payments from July 2012 to August 2019 totaling \$4,315,731, representing returns ranging from 5.5% to 9.5%. Dividend payments began to slow in 2018, and an Investor Update attributed the delay in dividends to "*landlord work and payment of leasing commissions.*" The last dividend payment to investors was in August 2019 and an Investor Update in July 2020 noted an "*unprecedented rental shortfall*" and that ASI Belleville would continue to suspend distributions.
143. An Investor Update from July 2021 stated that dividends could resume by the fourth quarter of 2021 and a subsequent Investor Update from October 2022 stated that it is expected that dividends will not be reinstated "*in the near future*" due to "*expected landlord contributions to tenant improvements for new leases.*"
144. The Receiver's analysis of ASI Belleville's cash flows indicates that ASI Belleville did not have sufficient cash flows, in some instances, to cover the investor dividends paid from July 2012 to August 2019. For example, the Receiver observed that a dividend payment to ASI Belleville's investors in July 2017 of \$64,494 was funded by entities (through ASRA) unrelated to ASI Belleville's structure and cash flows: AT Wildwood Plaza MO, LLC (\$25,000), AT Auburn Plaza IN, LLC (\$23,000), and ASR Seven Hills CO, LLC (\$13,000).

Other Observations

145. Belleville Outlot 6 is one of the entities that is part of the REIT 3650 refinancing transaction. The Receiver is in the process of investigating the financing arrangement, referred to as "REIT 3650".



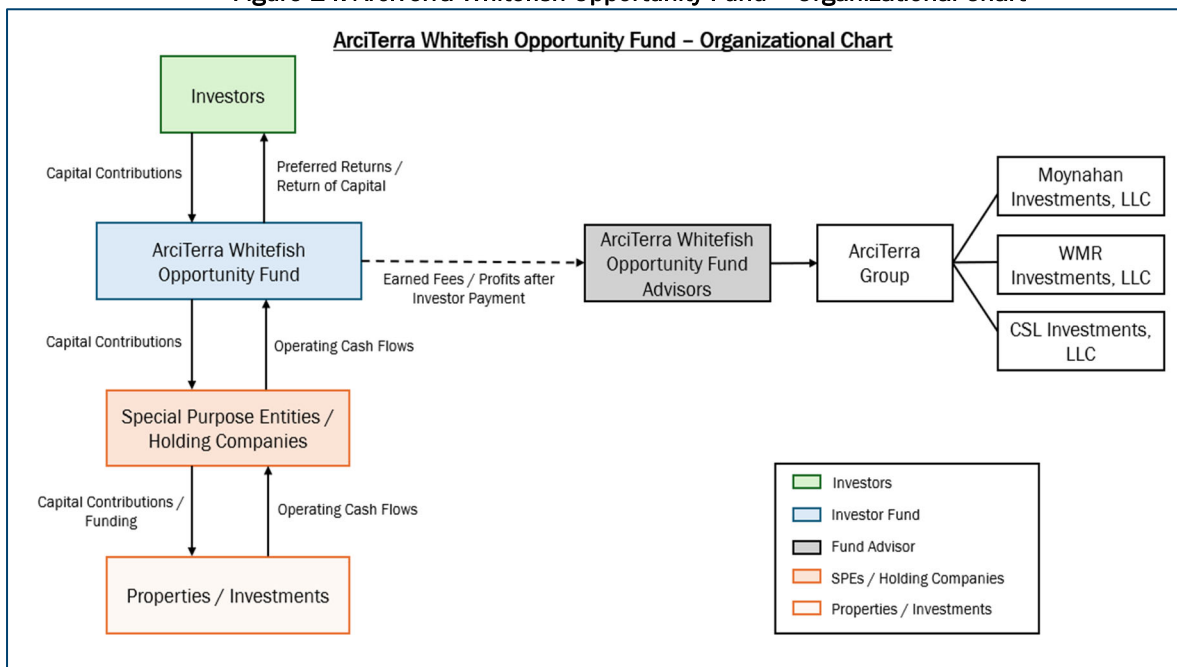
iv. Whitefish Opportunity Fund, LLC

Whitefish Opportunity Fund, LLC	
Date of Private Offering	May 4, 2007
Approx. Number of Investors	157
Total Raised from Investors	\$6,344,000
Fund Manager / Advisor	ArciTerra Whitefish Advisors, LLC
Investments / Special Purpose Entities	Baker Commons Development, LLC (<i>foreclosed in 2012</i>)
	O'Brien Bluffs, LLC (<i>foreclosed in 2012</i>)
	142 Railway Street, LLC (<i>foreclosed in 2012</i>)
	116-128 Railway, LLC (<i>written off in 2012</i>)

146. ArciTerra Whitefish Opportunity Fund, LLC (“ArciTerra Whitefish”) was formed on May 4, 2007, to acquire certain commercial, mixed-use, and undeveloped property in Whitefish, Montana, and by December 2007 had raised \$6,344,000 from approximately 157 investors.
147. There is little information available about ArciTerra Whitefish’s operations and cashflows, or the status of the development projects, but a letter to investors in March 2010 suggests that ArciTerra Whitefish was “*in a disappointing and frustrating position*” and attempted to solicit additional capital from investors.
148. A letter to investors in December 2012 stated that, “*asset sales were slower than projected due to the current credit crisis and economic recession,*” and that “*members have been unwilling to contribute additional capital in an amount necessary to cover ongoing loan payments.*” The letter further disclosed that the lenders foreclosed on three of four properties and that a valuation determined that the fourth property was underwater and therefore ArciTerra Whitefish ceased operations effective December 31, 2012.
149. By 2010, ArciTerra Whitefish asked its members to make additional capital contributions in an amount necessary to cover ongoing loan payments but was not successful. Whitefish ceased operations effective December 31, 2012, and issued a final Form K-1.
150. Based on available information, it does not appear that ArciTerra Whitefish investors received dividends or a return of their capital.
151. **Figure 14** below represents the organizational structure of ArciTerra Whitefish



Figure 14: ArciTerra Whitefish Opportunity Fund – Organizational Chart



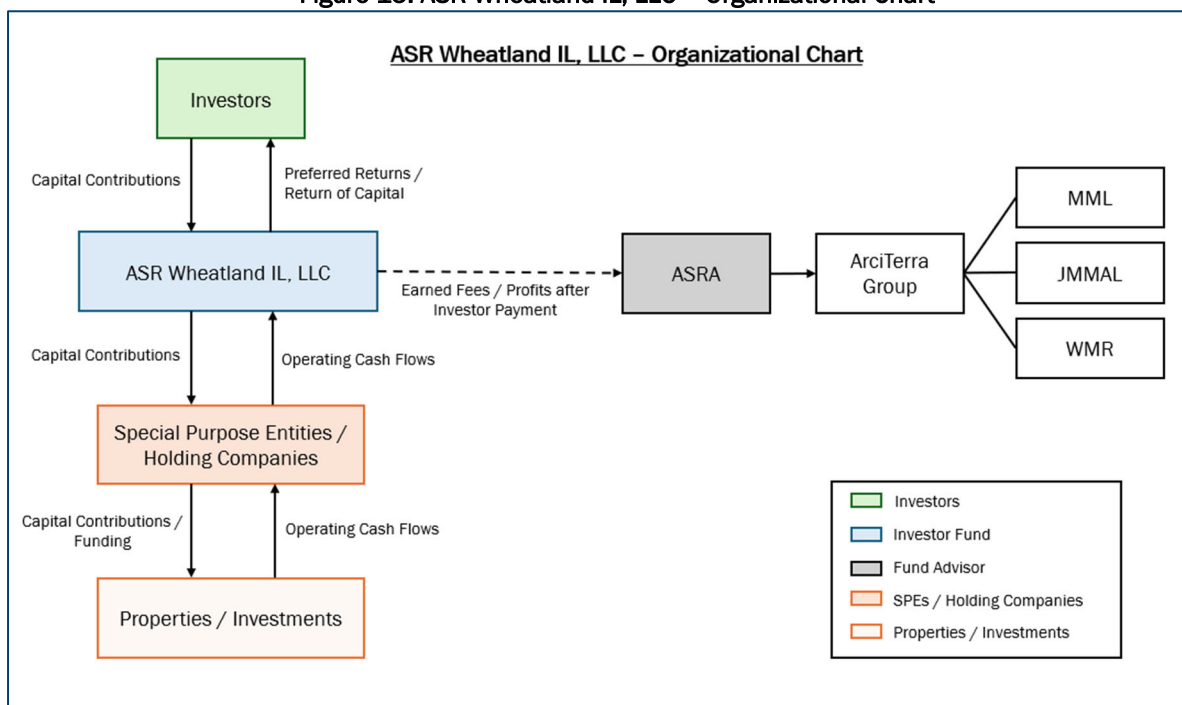
v. ASR Wheatland IL, LLC

ASR Wheatland IL, LLC	
Date of Private Offering	March 1, 2015
Approx. Number of Investors	112
Total Raised from Investors	\$5,254,834
Fund Manager / Advisor	ASR Advisor, LLC (“ASRA”)
Investments / Special Purpose Entities	AT Wheatland Naperville IL, LLC

152. ArciTerra Strategic Retail Wheatland IL, LLC (“ASR Wheatland”) was formed on May 5, 2014 to acquire, own, operate, and hold for lease a portion of the Wheatland Marketplace in Naperville, Illinois. ASR Wheatland raised a total of \$5,254,834 from approximately 112 investors between April and June 2015.

153. The manager of ASR Wheatland was ASRA. ASRA is owned and controlled by JMMAL, MML, and WMR Investments. **Figure 15** below represents the organizational structure of ASR Wheatland.

Figure 15: ASR Wheatland IL, LLC – Organizational Chart



ASR Wheatland Investments

154. ASR Wheatland’s interest in the properties/investments was held in the SPE entity AT Wheatland. AT Wheatland acquired the property for \$9,470,000 in October 2014, prior to the ASR Wheatland offering. The property was purchased with a mix of a bridge loan and bank financing; the bridge loan was repaid with the proceeds from ASR Wheatland offering.
155. As of December 31, 2023, ASR Wheatland still maintains an ownership interest in the Wheatland Marketplace property through AT Wheatland.

Investor Fund Cash Flows and Payments to Investors

156. The ASR Wheatland POM anticipated an annual rate of return of 10.0%. ASR Wheatland investors first received dividends in October 2015 at a rate of return of 8.0%, and subsequently received dividends from February 2016 to October 2018 at a rate of return of 8.5%. ASR Wheatland investor dividends decreased to 6.0% in December 2018, due to the need to retain cash flows for property improvements, according to the December 2018 investor update. ASR Wheatland last paid investor dividends in May 2019 based on lease vacancies and decreased cash flows, according to an update to investors in November 2019.



157. The Receiver’s review of ASR Wheatland’s cashflow demonstrates that ASR Wheatland did not have sufficient cashflow from AT Wheatland to cover the distributions paid to investors. The Receiver also observed that in most instances, ASRA sent ASR Wheatland the cash needed to fund the shortfall and enable ASR Wheatland to pay dividends during this period.
158. The ASR Wheatland POM stipulates that loans can be made by the manager (i.e., ASRA) if cash is needed on a short-term basis. It is unclear, however, whether the funds loaned by ASRA fall within the definition of the POM. The Receiver observes that, but for ASRA lending money and contributing funds to ASR Wheatland, the investors would not have received dividends.
159. The practice of commingling funds through ASRA, as discussed in detail starting at paragraph 68, is confirmed further by the fact that the funds ASRA sent ASR Wheatland in order to make dividend payments included funds from other unrelated entities, including Investor Fund entities in at least some instances. For example, ASR Wheatland paid dividends to investors on February 1, 2017 totaling \$52,942, which was funded by a \$63,000 transfer from ASRA to ASR Wheatland. The funds ASRA used to send the \$63,000 to ASR Wheatland came from a \$2 million transfer that ArciTerra National REIT Advisors sent ASRA, which was ultimately part of the \$3.5 million that ArciTerra National REIT received following the January 2017 Glenrosa refinancing (as discussed in paragraph 72 of the Receiver’s Second Status Report).
160. The operating agreement of ASR Wheatland, however, states that ASR Wheatland’s funds were not to be commingled with the funds of other persons without the consent of the members.¹⁸ The Receiver has not identified any request by ASRA and/or approvals from the ASR Wheatland members approving the commingling of ASR Wheatland’s funds.

vi. ASR Briargate & Linden IL, LLC

ASR Briargate & Linden IL, LLC	
Date of Private Offering	June 16, 2014
Approx. Number of Investors	75
Total Raised from Investors	\$4,245,194
Fund Manager / Advisor	ASR Advisor, LLC (“ASRA”)
Investments / Special Purpose Entities	AT Briargate IL, LLC AT Lindenhurst IL, LLC (<i>sold July 2023</i>)

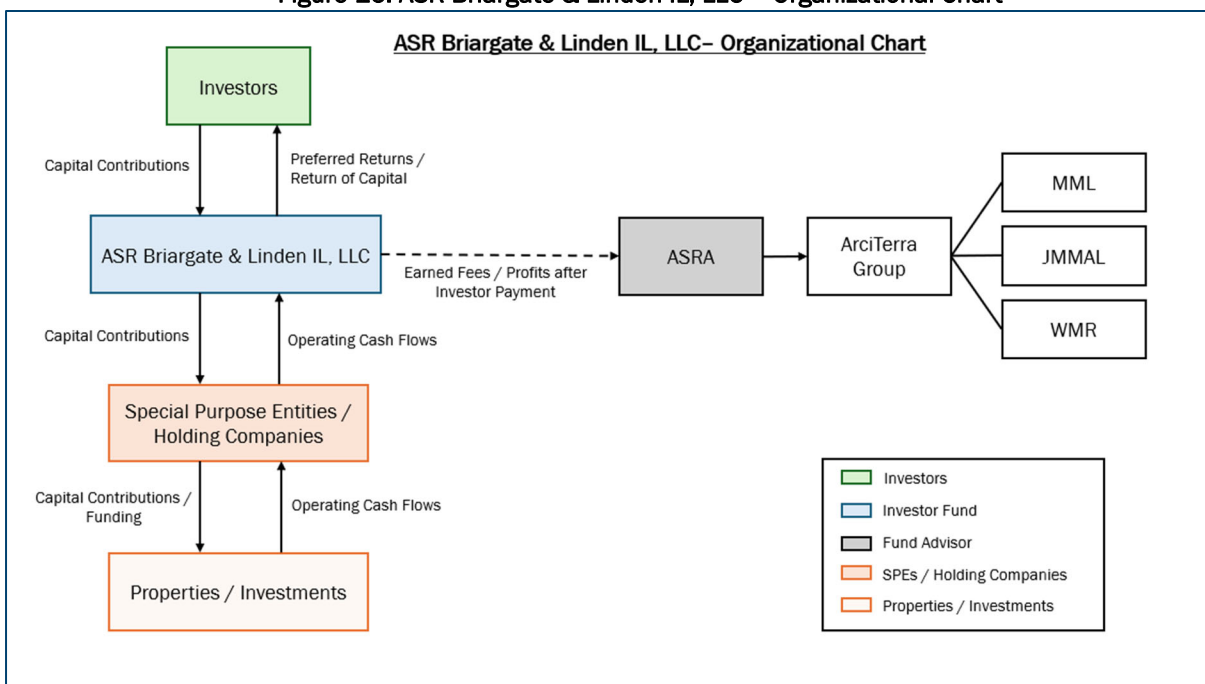
161. ASR Briargate & Linden IL, LLC (“ASR Briargate”) was formed on June 16, 2014, to acquire, own, operate, and hold for lease Crossroads at Briargate and Linden Plaza. ASR Briargate raised \$4,245,194 from approximately 75 investors between July 2014 and November 2014.

¹⁸ The members in the operating agreement included both the investors and the manager of the fund, ASRA.



162. The manager of ASR Briargate was ASRA; ASRA is owned and controlled by JMMAL, MML, and WMR Investments. **Figure 16** below represents the organizational structure of ASR Briargate.

Figure 16: ASR Briargate & Linden IL, LLC – Organizational Chart



ASR Briargate Investments

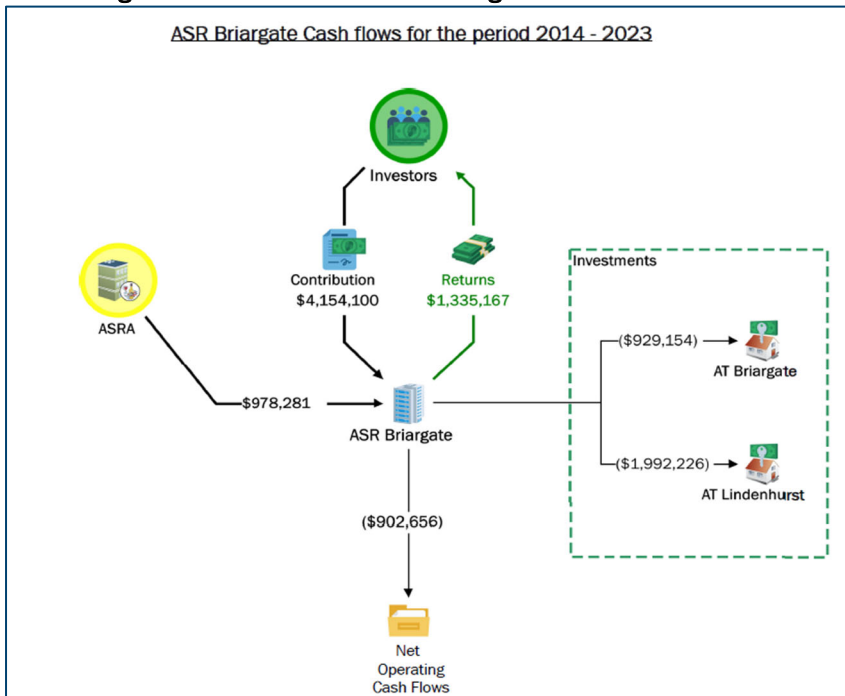
163. ASR Briargate’s interest in the properties were held in SPE entities AT Briargate IL, LLC (“AT Briargate”) and AT Lindenhurst IL, LLC (“AT Lindenhurst”). The Briargate and Linden properties were acquired from third parties prior to the ASR Briargate offering for \$1,900,000 and \$6,100,000, respectively, and purchased with a mix of cash and bank financing.
164. The Receiver reviewed a purchase agreement, dated June 22, 2023, signed by Dan DeCarlo, that provides for the sale of the Briargate property (454 and 456-464 Redington Drive, South Elgin, IL) to a third party, Brait Capital, LLC. As of September 27, 2024, AT Briargate is still the owner of record for the Briargate property, according to the Kane County Recorder.
165. The Linden properties were sold to a third party in July 2023 for approximately 25% less than the book value of the property. The buyer assumed the outstanding debt on the property and AT Lindenhurst received \$316,420 in net proceeds. The Receiver has not found the bank statements for ASR Briargate and therefore, could not determine the use of the proceeds at this time.



Investor Fund Cash Flows and Payments to Investors

166. Although the ASR Briargate POM anticipated a rate of return of 10.0%,¹⁹ the distributions to investors ultimately represented returns ranging from 4.0% to 8.0%. Dividend rates reached 8.0% by July 2015 but were reduced to 4.0% in December 2018, and dividend payments ceased after June 2019, based on decreasing occupancy rates and the need to redirect cash toward tenant improvements and incentives in an “aggressive effort to lease the vacant suites at both properties,” according to a June 2019 Investor Update.
167. The Receiver’s review of ASR Briargate’s cashflows demonstrates that beginning in 2016, ASR Briargate did not have sufficient positive cashflow from AT Briargate and AT Lindenhurst to cover the distributions paid to investors between 2016 and June 2019. The Receiver also observed that ASRA sent ASR Briargate the cash needed to fund the shortfall and enable ASR Briargate to pay dividends. **Figure 17** below illustrates the cash flows of ASR Briargate from 2014 to 2023.

Figure 17: Cash Flows of ASR Briargate from 2014 to 2023



¹⁹ The POM does not contain a default provision on the rate and stipulated that returns were dependent upon various factors.



168. The ASR Briargate POM stipulates that loans can be made by the manager (i.e., ASRA) if cash is needed on a short-term basis. It is unclear whether the funds loaned by ASRA fall within the definition of the POM. It is apparent that, but for ASRA lending money and contributing funds to ASR Briargate, the investors would not have received distributions, even at a reduced rate.
169. The practice of commingling funds through ASRA, as discussed in detail starting at paragraph 68, is confirmed further by the fact that the funds ASRA sent ASR Briargate to make dividend payments most likely included funds from other unrelated entities, including Investor Fund entities. The operating agreement of ASR Briargate, however, states that, “*Without the Consent of the Members, the Manager shall not have the authority to [...] commingle Company funds with those of any other Person.*”²⁰
170. The Receiver has not identified any request by ASRA and/or approvals from the ASR Briargate members approving the commingling of ASR Briargate’s funds.
171. According to the operating agreement of ASR Briargate, the sale of the Linden Property should have resulted in a distribution to investors of the fund. However, AT Lindenhurst only received \$316,420 from the sale of the property. The Receiver has not yet determined the use of the balance of the proceeds at this time, including whether these proceeds were sent to ASR Briargate. However, this amount would not have been sufficient to pay the investors their remaining distributions of \$2,384,449 and their contributed capital of \$4,245,194.

vii. ASR Plainfield Village IN, LLC

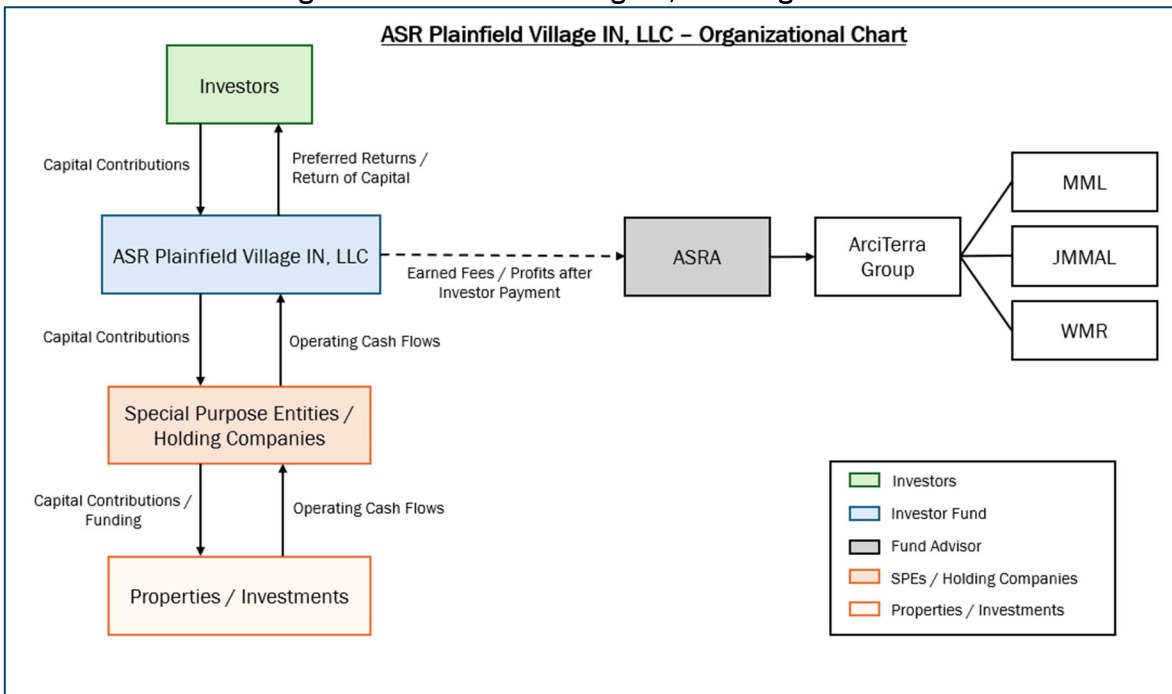
ASR Plainfield Village IN, LLC	
Date of Private Offering	November 12, 2015
Approx. Number of Investors	15
Total Raised from Investors	\$3,025,000
Fund Manager / Advisor	ASR Advisor, LLC (“ASRA”)
Investments / Special Purpose Entities	AT Plainfield Village IN, LLC (<i>sold/transferred in February 2020</i>)

172. ASR Plainfield Village IN, LLC (“ASR Plainfield”), was formed on November 12, 2015 to acquire, own, operate and hold for lease the Plainfield Village property. ASR Plainfield raised a total of \$3,025,000 from approximately 15 investors between November 2015 and December 2015.
173. ASRA was the manager of ASR Plainfield; ASRA is owned and controlled by JMMAL, MML, and WMR Investments. **Figure 18** below represents the organizational structure of ASR Plainfield as disclosed in the POM.

²⁰ The members in the operating agreement included both the investors and the manager of the fund, ASRA.



Figure 18: ASR Plainfield Village IN, LLC – Organizational Chart



ASR Plainfield Investments

174. ASR Plainfield’s interest in Plainfield Village was held in SPE AT Plainfield Village IN, LLC (“AT Plainfield”). Plainfield Village was acquired for \$3,550,000 from a third party in September 2015, prior to the ASR Plainfield offering, with a mix of a bridge loan and bank financing. Plainfield Village was transferred to ASR Plainfield and the bridge loan was repaid with the proceeds from the ASR Plainfield offering.
175. In October 2018, ASR Plainfield refinanced the loan on Plainfield Village and established a \$6,370,000 credit facility with a new lender.
176. Based on the loan documentation, the Plainfield Village property was transferred in 2020 to AT Plainfield IN II, LLC (“AT Plainfield II”), which is owned by Spike through ASRA II.²¹ Although there is limited information on both the property transfer and the transfer of funds, loan documents suggest that the transfer was akin to a sale of certain Investor Fund properties, including Plainfield Village, to certain other entities owned by Spike, including AT Plainfield II, and financed with a \$60,000,000 loan.

²¹ ArciTerra corporate records indicate that ASRA is the sole manager and member of AT Plainfield IN II, LLC. It is unclear how the corporate records and the available documentation relate.



177. The limited available information related to the transaction, as well as the terms of the respective operating agreements, suggest that the transaction was similar to the sale of a property and therefore may have qualified as a “liquidating event” for AT Plainfield, as laid out in the ASR Plainfield POM.

Investor Fund Cash Flows and Payments to Investors

178. The ASR Plainfield POM anticipated a preferred return of 10.0%, though the distributions to investors represented returns of 5.0%. ASR Plainfield paid investor dividends from April 2016 to March 2019 and the Receiver has not located any investor updates or other communications notifying investors that dividends would not continue or the reasons for discontinuing dividend payments.

179. The Receiver’s review of ASR Plainfield’s cashflows finds that ASR Plainfield did not have sufficient cashflow from AT Plainfield to cover the distributions paid to investors between 2016 and 2017. The Receiver also observed that ASRA sent ASR Plainfield the cash needed to fund the shortfall and enable ASR Plainfield to pay dividends during this period.

180. The ASR Plainfield POM stipulates that loans can be made by the manager (i.e., ASRA) if cash is needed on a short-term basis. It is unclear, however, whether the funds loaned by ASRA fall within the definition of the POM. But for ASRA lending money and contributing funds to ASR Plainfield, the investors would not have received their 5% distributions.

181. The practice of commingling funds through ASRA, as discussed in detail starting at paragraph 68, is confirmed further by the fact that the funds ASRA sent ASR Plainfield to make dividend payments more than likely included funds from other unrelated entities, including Investor Fund entities. The operating agreement of ASR Plainfield, however, states that, “*Without the Consent of the Members, the Manager shall not have the authority to [...] commingle Company funds with those of any other Person.*”²²

182. The Receiver has not identified any request by ASRA and/or approvals from the ASR Plainfield members approving the commingling of ASR Plainfield’s funds.

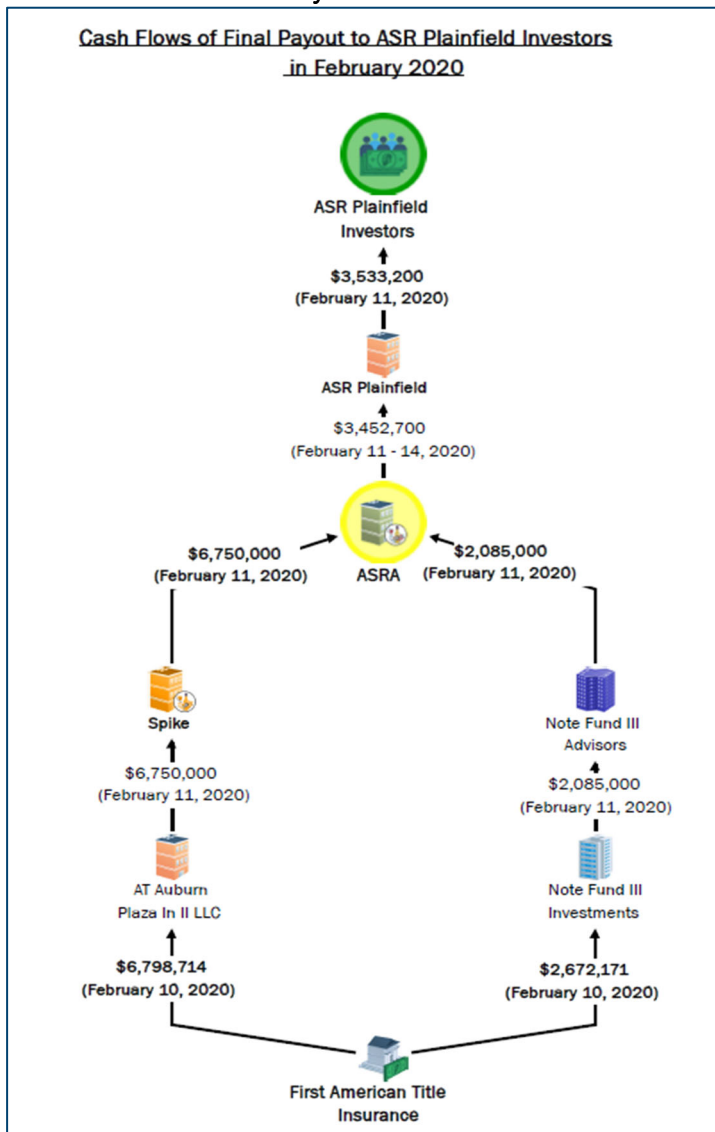
183. As discussed above, Plainfield Village was effectively sold to AT Plainfield II in 2020. In February 2020, ASR Plainfield’s investors were repaid their original capital plus an extra amount received due to a recapitalization of ASR Plainfield in 2019. The total payout to the ASR Plainfield investors was \$3,533,200.

184. **Figure 19** below demonstrates how the funds used to make the final payment to the ASR Plainfield investors in February 2020 originated with Note Fund III Investment and AT Auburn Plaza II, which is ultimately owned by Spike.

²² The members in the operating agreement included both the investors and the manager of the fund, ASRA.



Figure 19: Cash Flows of Final Payout to ASR Plainfield Investors in February 2020



185. To date, the Receiver has not identified any contemporaneous information to determine why the funds flowed through Note Fund III Investments and AT Auburn Plaza II. According to an internal ArciTerra document it appears that the portion of the refinancing attributable to AT Plainfield II valuation, ultimately was paid via ASRA to ASR Plainfield to compensate the investors.



186. Based on available information, the Receiver cannot conclude whether the Plainfield investors were paid ahead of investors in other Investment Funds, such as Note Fund III. It is clear however, that the funds were commingled with those of other Investment Funds without which the investors could not have been repaid.

Other Observations

187. AT Plainfield II was formed, in part, in connection with the formation of REIT 3650. The Receiver is in the process of investigating the financing arrangement, referred to as “REIT 3650”.

viii. ASR Trinity Place TN, LLC

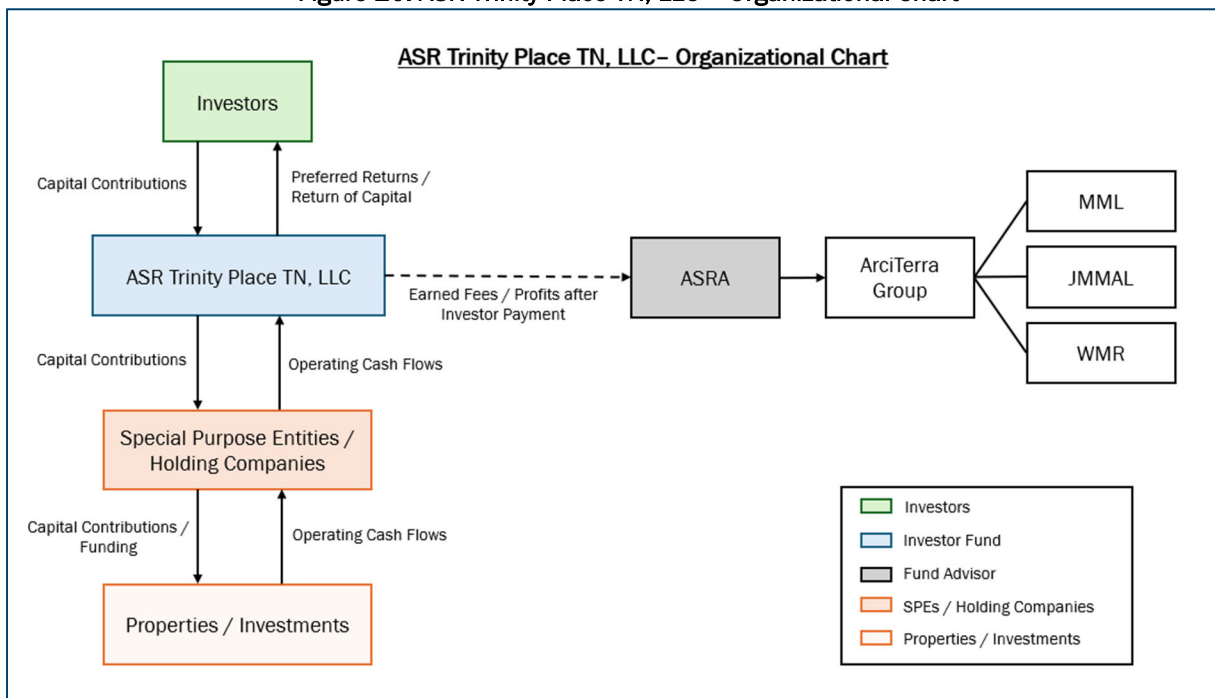
ASR Trinity Place TN, LLC	
Date of Private Offering	June 30, 2011
Approx. Number of Investors	62
Total Raised from Investors	\$1,838,333
Fund Manager / Advisor	ASR Advisor, LLC (“ASRA”)
Investments / Special Purpose Entities	ATA Trinity Place TN, LLC (<i>sold July 2019</i>)

188. ArciTerra Strategic Retail Trinity Place TN, LLC (“ASR Trinity Place”) was formed on May 26, 2011 to acquire, own, operate, and hold for lease property in Cordova, Tennessee. A POM was issued on June 30, 2011, and ASR Trinity Place raised \$1,838,333 from approximately 62 investors between July and October 2011.

189. The manager of ASR Trinity Place was ASRA; ASRA is owned and controlled by JMMAL, MML, and WMR Investments. **Figure 20** below represents the organizational structure of ASR Trinity Place.



Figure 20: ASR Trinity Place TN, LLC – Organizational Chart



ASR Trinity Investments

190. ASR Trinity Place’s interest in the property was held in SPE ATA Trinity Place TN, LLC (“ATA Trinity Place”). The property was acquired for \$2,800,000 from a third party in June 2011, just prior to ASR Trinity Place offering, with a mix of a bridge loan and bank financing. The property was transferred to ASR Trinity Place and the bridge loan was repaid with the proceeds from the ASR Plainfield offering.
191. The ASR Trinity Place property was sold on March 12, 2019 to a third party for \$5,465,000. The buyer assumed the outstanding mortgage on the property and ASR Trinity Place received net proceeds of approximately \$596,000 from the sale.

Investor Fund Cash Flows and Payments to Investors

192. The ASR Trinity Place POM anticipated a rate of return of 12.0%. Dividend payments to investors began in September 2011 at 4.0% and grew to 12.0% by mid-2015. In June 2015, the property was refinanced and a portion of the net proceeds from the refinancing was used to pay investors accrued unpaid preferred returns at that point. ASR Trinity Place ceased interest payments in 2019 while it marketed the property for eventual sale. As mentioned below in relation to the final payment to investors, ASR Trinity Place stated that its investors ultimately received an effective rate of return of about 8.0%.

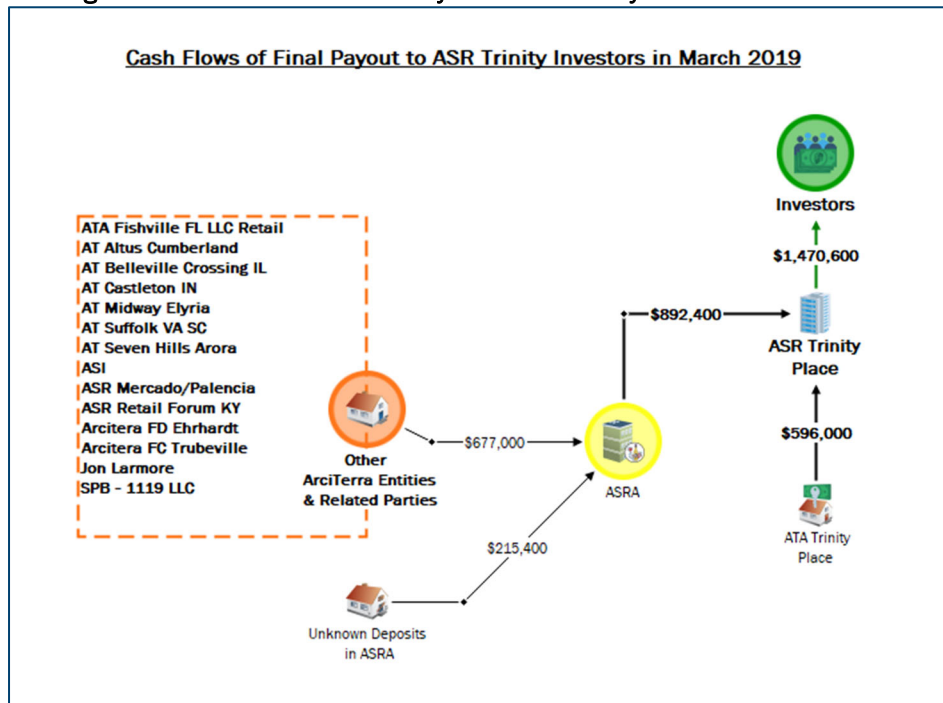


193. The ASR Trinity Place property was sold on March 12, 2019 to a third party for \$5,465,000. The buyer assumed the outstanding mortgage on the property and ASR Trinity Place received net proceeds of approximately \$596,000 from the sale. As explained in paragraph 138138 regarding ASI Belleville, the \$596,000 in net proceeds were transferred to and used by Belleville Outlots (through Spike and ASRA) in July 2019 to purchase Outlot 6 from ASI Belleville. The \$596,000 was ultimately transferred back to ASR Trinity Place (through Spike and ASRA) in August 2019.
194. In September 2019, ASR Trinity Place distributed \$1,470,600 to its investors for the final payout. In its final investor update, ASR Trinity Place stated that since inception, investors received a total return of approximately 8.1%.
195. The net cash proceeds of approximately \$596,000 received by ASR Trinity were not sufficient to make the final payout to investors. The Receiver's review of the cashflows of ASR Trinity and other entities reveals that the difference was funded with cash from ASRA.
196. **Figure 21** below illustrates that money from other entities unrelated to ASR Trinity Place, including other Investor Fund entities, was commingled in ASRA and then sent to ASR Trinity Place to enable the final payment to the ASR Trinity Place investors. The operating agreement of ASR Trinity Place, however, states that ASR Trinity Place's funds were not to be commingled with the funds of other persons without the consent of the members.²³ The Receiver has not identified any request by ASRA and/or approvals from the ASR Trinity Place members approving the commingling of ASR Trinity Place's funds.

²³ The members in the operating agreement included both the investors and the manager of the fund, ASRA.



Figure 21: Cash Flows of Final Payout to ASR Trinity Investors in March 2019



c. Fees Charged to the Investor Funds

197. As part of the Investor Fund analysis, the Receiver continued the process of identifying the basis for calculating the various fees contemplated in the POMs to the manager entities and other parties, or through other contemporaneous evidence of the calculation of such fees. The analysis of management fees paid should allow the Receiver to assess how actual fees paid compared to the allowable manager fees per the POMs.
198. The Receiver searched transactions in specific general ledger accounts to identify the fee payments recorded each year from inception through the latest records available in 2023, of each Investor Fund between the POM entity and the relevant manager. The search was performed across 53 general ledger accounts, including accounts such as “Maintenance Fees,” “Tenant Improvement,” “Lease Commission,” “Lease Coordination Fee,” “Acquisition Fees,” “Asset Management Fees,” “Property Management Fees,” “Management Fees,” “Finance Fees,” “Disposal Fees,” and “Guaranteed Payments.” Based on the search queries performed, the Receiver has determined that some management fees were recorded as expenses in the various Investor Fund entities reviewed, the most common being asset management fees and property management fees, but in some cases, there were no entries recorded to any fee accounts. In addition, a keyword search for all management fee



categories contemplated in each POM was performed throughout the general ledgers of the same entities to identify any potential fee transaction recorded to a ledger account not part of the initial account search. This secondary search did not yield any additional entries related to management fees.

- a. The Receiver analyzed one Investor Fund in detail to date: ASR Centerville & Colony GA, LLC. The only management fees recorded for this entity were to the “Asset Management Fee” expense account. Between 2016 and 2020, a total of \$71,250 was recorded and paid to ASRA. The contemporaneous “Asset Mgmt Fee Calculation” file found in ArciTerra’s records, supports the quarterly payments of \$3,750 recorded in the general ledger and paid to ASRA. Additional transactions recorded as “Due to ASR Advisor” were found, but the Receiver has not found any documentation to indicate whether they relate to potential fees to be paid to the managing entity. Currently, the Receiver is not able to determine the total fees contemplated by the POM, and therefore cannot yet compare the fees in the books with the total anticipated fees.
 - b. Additionally, the operating agreement for ASR Centerville & Colony GA states that for the two properties acquired, Centerville Crossing and Colony Square, management fees should have been paid to the manager, ASRA. The fees paid in total for both properties to ASRA should have included acquisition fees of \$183,375, loan fees of \$56,775, and potentially guarantee fees of \$28,388. The Receiver found documentation to indicate “PM fees,” likely property management fees, were due to ASRA every year between 2017 and 2020 for a total of approximately \$250,905. None of these fees were found to be recorded in the corresponding management fee account in the general ledger. The Receiver is currently in the process of determining whether ASRA was paid these fees and how they were recorded.
199. After the review of the 53 general ledger accounts described above, the Receiver confirmed payments to manager entities by reviewing the cash accounts in the general ledger for recorded payments from each POM entity to the appropriate manager by year. The Receiver found that most of the payments were recorded as part of larger loan payments, rather than being recorded to an expense account, as fees should be from an accounting standpoint.
200. If payments reduced loan liabilities instead of being expensed as fees, there may be income tax ramifications to be addressed at both the entity and manager level. For example, approximately \$9 million was recorded in the general ledger from ASR Centerville & Colony GA to ASRA between 2016 and 2022. Based on the accounts and the entry descriptions for each transaction, many payments appear to relate to a loan, rather than management fee expenses. At this time, the Receiver cannot yet confirm the substance or nature of these payments. The Receiver will continue to analyze the payments to ASRA



to determine if any relate to additional management fees paid to the POM manager, but not recorded as such.

201. The Receiver's analysis is ongoing across Investor Funds to further understand payments made to managing entities and how the management fees were recorded in each entity's financial statements, if they are not posted in the corresponding expense accounts reviewed, as would be expected.

iii. Additional Observations

a. Palencia and Mercado

202. The Receiver has completed a preliminary distribution waterfall analysis informed by the review and evaluation of governing documents including POMs, operating agreements, flow of funds, and historical financial statements to identify and inform potential distribution methods and processes, in due course, to investors, creditors and other stakeholders. In addition, the Receiver is in the process of analyzing historical cash transactions between Palencia and Mercado and other parties to evaluate whether potential claims could be brought against certain parties to recover assets, and to determine potential liabilities associated with both the Palencia and Mercado properties, including potential tax liabilities associated with the sale of these properties, as well as ASR Mercado Palencia FL.

b. ArciTerra Companies' American Express Bill Payments

203. ArciTerra maintained a master Business Platinum American Express ("AMEX") account with as many as 20 subaccounts, including accounts for Mr. Larmore, Michelle Larmore, Bridget Larmore, and other individuals.

ArciTerra AMEX Payments

204. The Receiver reviewed payments to American Express over the period January 2020 to September 2023, totaling approximately \$7.2 million. The Receiver observed that generally each month the AMEX bill was paid from an ArciTerra Companies, LLC bank account and that immediately prior to the AMEX payment, money was transferred from ASRA to ArciTerra Companies to fund the AMEX payment in whole, or in part. In many instances, ASRA "borrowed" the money it sent to ArciTerra Companies, LLC from an Investor Fund entity through an intercompany loan, as explained in paragraph 66 above.
205. From January 2020 to September 2023, ArciTerra established a total of approximately \$2.5 million of intercompany loans between Investor Fund entities and ASRA to obtain funds to pay the monthly ArciTerra AMEX billing statement, including at least \$2,498,800 of funds "loaned" by ATG REIT RSC and Glenrosa to ASRA. The Receiver reviewed the AMEX charges associated with the payments made with



Investor Fund cash and did not identify charges specifically related to either ATG REIT RSC or its investment entities, or Glenrosa.

ArciTerra AMEX Charges and Activity

206. The Receiver also reviewed the detailed charges to the ArciTerra AMEX cards from July 2021 to September 2023, totaling approximately \$6.6 million. Of the \$6.6 million of AMEX charges over this period, approximately \$4.25 million of the charges were made with cards issued to Mr. Larmore, his family, and their personal entities, including:

- Jonathan M. Larmore/CSL Larmore/ATG Larmore - \$3,934,163
- Michelle Larmore - \$554,022
- Jonathan R. Larmore - \$58,982
- Bridget Larmore - \$37,406

207. The Receiver reviewed the AMEX charges to assess whether they represented ArciTerra business expenses. While charges incurred on Mr. Larmore's card include contracting services, such as landscaping, heating, and maintenance, as well as other possible business expenses like office supplies, tax preparation, and legal services, there are substantial charges that appear personal and unrelated to ArciTerra business. The following table highlights some of the more substantial categories of charges to AMEX cards used by Mr. Larmore and Michelle Larmore between July 2021 and September 2023:

Card Holder	Category	Total
Jonathan Larmore	Private Air Travel and Expense	\$1,220,929
	Boat/Yacht Travel and Expense	\$375,684
	Other Travel (commercial air travel and hotel/lodging)	\$225,178
	Clothing and Other Retail	\$142,577
	Financial Services and Investments	\$66,018
	Health, Spa, and Medical Treatments	\$65,974
	Venmo and Cash Withdrawals	\$24,432
	\$2,120,792	
Michelle Larmore	Clothing and Other Retail	\$158,696
	Food and Dining	\$70,410
	Other Travel (commercial air travel and hotel/lodging)	\$59,564
	Venmo and Cash Withdrawals	\$31,716
	Health, Spa, and Medical Treatments	\$26,720
	Boat/Yacht Travel and Expense	\$13,891
	\$360,997	

208. For the amounts shown above, as well as other charges to these AMEX cards, to the extent the expenses are not business related, the Receiver may seek to recover funds from the relevant parties as it relates to charges that should not have been paid by ArciTerra.



III. Financial Status

209. The Receiver provides a report of the cash balances of the Receivership Assets; the receipts, disbursements, and balance of the Receivership Estate's Fund; and administrative expenses of the Receivership, below.

A. Cash on Hand – Receivership Assets

210. The following is a summary of the cash balances for the Receivership Assets as of October 31, 2024.

	Restricted	Dedicated	Other
Operating Businesses			
Village Brewhouse		\$167,290	
Simply Sweet		\$173,990	
Commercial Properties			
Glenrosa ²⁴	\$0		
REIT 3650	\$842,570		
Rialto	\$727,800		
KS State Bank Portfolio ²⁵			\$0
Single Properties			\$699,360

211. See **Exhibit 14** for a summary of net change in cash balances by Asset Group for the period December 21, 2023, through October 31, 2024.

B. Schedule of Receivership Estate Fund Receipts and Disbursements

212. The cash balance of the Receivership Fund as of October 31, 2024 was \$11,187,295.55. The following is a schedule of the Receivership Fund's Receipts and Disbursements from August 1, 2024 through October 31, 2024:

²⁴ The Receiver sold the Glenrosa property and business on August 9, 2024 through a Court-approved sale process.

²⁵ As discussed in Section II.C.ii., there are no cash flows associated with these properties as any rent payments are sent to the lender directly by the tenant and the tenants are responsible for paying all operating costs.



Receivership Fund Receipts and Disbursements	
August 1, 2024 through October 31, 2024	
Beginning Balance, August 1, 2024	\$115,124.22
Receipts	
REIT 3650 carve-out for Receivership Fees & Expenses	83,332.50
Interest earned on bank cash balances	18,898.90
Net Proceeds from Asset Disposition by Glenrosa 32, LLC	6,508,726.87
Net Proceeds from Asset Disposition by ATA Mercado St Augustine FL, LLC	4,207,257.55
Net Proceeds from Asset Disposition by ATA Palencia St Augustine FL, LLC	2,888,016.28
Net Proceeds from Asset Disposition by 1000 West Marion PG FL, LLC	219,654.99
Total Receipts	13,925,887.09
Disbursements	
Document/record storage and movement costs	(14,401.78)
Disbursement of StoneTurn Group LLP Fees (less 30% hold back) from Receiver's First Fee Application in accordance with Case No. CV-23-02470-PHX-DLR Order dated September 12, 2024 [ECF No. 226]	(2,211,394.50)
Disbursement of StoneTurn Group LLP Expenses from Receiver's First Fee Application in accordance with Case No. CV-23-02470-PHX-DLR Order dated September 12, 2024 [ECF No. 226]	(154,121.26)
Disbursement of Archer & Greiner, P.C. Fees (less 30% hold back) from Receiver's First Fee Application in accordance with Case No. CV-23-02470-PHX-DLR Order dated September 12, 2024 [ECF No. 226]	(463,234.91)
Disbursement of Archer & Greiner, P.C. Expenses from Receiver's First Fee Application in accordance with Case No. CV-23-02470-PHX-DLR Order dated September 12, 2024 [ECF No. 226].	(10,563.31)
Total Disbursements	(2,853,715.76)
Ending Balance, October 31, 2024 (unencumbered funds)	\$11,187,295.55

C. Amount and Nature of Accrued Administrative Expenses

i. First Fee Application

213. On May 15, 2024, the Receiver filed the First Application of Receiver for Allowance and Payment of Professional Fees and Reimbursement of Expenses for the Period December 21, 2023 through March 31, 2024 [ECF No. 165]. The Receiver filed the Notice of Request for Determination on the Papers Re: First Application of Receiver for Allowance and Payment of Professional Fees and Reimbursement of Expenses for the Period December 21, 2023 through March 31, 2024 [ECF No. 201] with the Court on August 13, 2024. The Court approved payment of professional fees for the First Fee Application on September 12, 2024 [ECF No. 226].

ii. Second Fee Application

214. On September 3, 2024, the Receiver filed the Second Application of Receiver for Allowance and Payment of Professional Fees and Reimbursement of Expenses for the Period April 1, 2024 – June 30, 2024 [ECF No. 211]. The only limited objection to the Application was Relief Defendant Michelle Larmore's Limited Objection, filed September 17, 2024 [ECF No. 231] (the "Limited Objection"). The



Limited Objection was resolved by the *Second Stipulation in Respect of Reservation of Rights of Relief Defendant Michelle Larmore*, filed September 26, 2024 [ECF No. 235], and *Order Approving Second Stipulation in Respect of Reservation of Rights of Relief Defendant Michelle Larmore*, dated October 3, 2024 [ECF No. 240]. The resolution of the Limited Objection by Stipulation and Order was also recited in the *Status Report Pursuant to Order ECF No. 236 re: ECF Nos. 184, 185, 199, 200, and 208*, filed October 11, 2024 [ECF No. 243].

iii. Third Fee Application

215. On November 14, 2024, the Receiver filed the Third Application of Receiver for Allowance and Payment of Professional Fees and Reimbursement of Expenses for the Period July 1, 2024 – September 30, 2024 [ECF No. 268].

IV. Receivership Entities

216. The Receiver continues to independently research and assess corporate entities associated with the Defendants, and as applicable, Relief Defendants, and their relevance to the Receivership Estate. In addition, the Receiver's efforts to identify relevant corporate entities associated with and under the control of the Defendants that were not initially included as Receivership Entities or as Entities Subject to the Asset Freeze (Exhibits A and B to the Receivership Order) is ongoing. To date, the Receivership Team has identified approximately 100 previously undisclosed corporate entities affiliated with ArciTerra and/or Mr. Larmore, a subset of which the Receiver is evaluating for addition to the Receivership Estate.
217. The Receivership Team will continue to identify and assess previously unknown ArciTerra corporate entities and their holdings through public records and other research for their potential addition to the Receivership Estate.

V. Receivership Assets

218. The Receiver is managing, preserving, and disposing of assets. Moreover, the Receiver continues to research Receivership Entities and the previously undisclosed entities to identify real property and other assets potentially of value to the Receivership Estate.



A. Commercial and Residential Properties

i. Commercial Properties

Closed Sales Summary and Receivership Financial Impact

219. As of October 31, 2024, the Receiver successfully closed the sales of four commercial properties, collectively generating a total of \$41,425,000 in gross sale proceeds. From these proceeds, the Receiver satisfied senior debt obligations of \$26,247,776, unpaid pre-Receivership property taxes of \$294,501, and closing costs of \$1,059,067. These transactions yielded net proceeds of \$13,823,656 for the Receivership Estate. See Exhibit 2 for more detail on these sales.
220. The Receiver provides a summary of the financial outcomes per property in this section. The Court has (1) approved the sale of the real properties described in sections (a), (b), and (c), free and clear of all liens, claims, encumbrances and interest; and (2) granted related relief as follows.

a. Palencia Plaza and Mercado Walk, St. Augustine, FL

ArciTerra Entity	Address
ATA Palencia St. Augustine FL, LLC	7440 US Highway 1 North St. Augustine, FL 32095
ATA Mercado St. Augustine FL, LLC	155, 159, 163, 167 Palencia Village Drive St. Augustine, FL 32095

221. ATA Palencia St. Augustine FL, LLC and ATA Mercado St. Augustine FL, LLC are Receivership entities that owned Palencia Plaza (“Palencia”) and Mercado Walk (“Mercado”), respectively. Palencia and Mercado are multi-tenant commercial properties in St. Augustine, Florida. Palencia consists of one building with approximately 12,800 square feet of retail space. Mercado consists of two main buildings and an out lot with a total of 22,695 square feet of retail, restaurant, and medical space.²⁶
222. On April 26, 2024, the Receiver filed its Motion for Sale of Palencia and Mercado [ECF No. 147] seeking approval of the retention of Marcus & Millichap and the proposed procedures for the sale of the properties through a public online auction process. The Court approved the bidding procedures and scheduled the auctions [ECF No. 172], which concluded on June 25, 2024.

²⁶ The Receiver discovered that, prior to his appointment, ATA Palencia and ATA Mercado entered into Purchase and Sale Agreements in December 2023 to sell the Properties to an entity known as Good Harbor, LLC (the “Good Harbor PSAs.”) Pursuant to the Good Harbor PSAs, Good Harbor proposed to purchase the Palencia Property for \$2,450,000 and the Mercado Property for \$3,480,000. The Good Harbor PSAs were contingent on, *inter alia*, additional due diligence and inspection by Good Harbor, and did not close prior to entry of the Receivership Order.



223. The initial reserve price for Palencia was set at \$1,500,000. The property’s online auction page garnered over 10,300 views, with 312 confidentiality agreements signed and 74 individuals ultimately approved to bid. 15 unique bidders placed 43 total bids during the auction. The final executed sale price of Palencia was \$4,175,000, a 178.33% increase over the reserve price. The initial reserve price for Mercado was set at \$3,500,000. The property’s online auction page garnered 11,400 views, with 310 confidentiality agreements signed and 54 individuals ultimately approved to bid. 13 unique bidders placed 34 total bids during the auction. The final executed sale price of Mercado was \$6,500,000, an 85.71% increase over the reserve price. Together, the Palencia and Mercado auctions yielded nearly three times what ArciTerra attempted to sell the properties for prior to the appointment of the Receiver.
224. On July 10, 2024, the Court approved the motion to sell the Palencia and Mercado properties [ECF No. 191]. The Court determined that the offers received were the highest and best and that the sale was in the best interest of the Receivership Estate and its creditors. Both sales closed on August 9, 2024.
225. Approximately \$982,400 of the proceeds were paid to the lender, Assurity Life Insurance Company (“Assurity”) to satisfy Palencia’s outstanding loan balance. An additional \$87,946 was allocated to cover Palencia’s 2022 and 2023 unpaid property taxes. The Receivership Estate’s proceeds on the sale of Palencia after payoffs, property taxes, commissions, and other prorations and adjustments totaled \$2,888,016.
226. Approximately \$1,789,400 of the proceeds were paid to the lender, Assurity, to satisfy Mercado’s outstanding loan balance. An additional \$151,707 was allocated to cover Mercado’s 2022 and 2023 unpaid property taxes. The Receivership Estate’s proceeds on the sale of Mercado after payoffs, property taxes, commissions, and other prorations and adjustments totaled \$4,207,258.

b. Glenrosa 32, LLC, Phoenix, AZ

ArciTerra Entity	Address
Glenrosa 32, LLC	3200 E. Glenrosa Avenue Phoenix, AZ 85018

227. Glenrosa 32, LLC (“Glenrosa”) is a Receivership Entity that owned and operated “MorningStar at Arcadia”, an assisted living and memory care facility operated and managed by MorningStar Senior Living (“MorningStar”), an operator of senior living facilities, in Phoenix, Arizona.
228. On April 19, 2024, the Receiver filed its Motion for Sale of Glenrosa [ECF No. 134], seeking approval of the retention of Marcus & Millichap and the proposed procedures for the sale of the property and the business, including the approval of the sale to the Stalking Horse Bidder or such other bidder that submits a higher and better offer at a public auction. The Court approved the Motion for Sale of Glenrosa and scheduled an auction [ECF No. 171], to be held on June 27, 2024, via Zoom.



229. No additional bids were received during the public auction, and the sale was granted to the Stalking Horse Bidder at \$28,250,000. On July 10, 2024, the Court approved the Motion for Sale [ECF No. 190], confirming that the Stalking Horse Bidder's offer received was the highest and best and that the sale was in the best interest of the Receivership Estate and its creditors. The sale closed on August 9, 2024.
230. \$21,277,269 of the proceeds were paid to the lender, Arizona Bank & Trust, to satisfy Glenrosa's outstanding loan balance.²⁷ The Receivership Estate's proceeds on the sale of Glenrosa after payoffs, property taxes, commissions, and other prorations and adjustments totaled \$6,508,727.

c. 1000 West Marion PG FL LLC, Punta Gorda, FL

ArciTerra Entity	Address
1000 WEST MARION PG FL LLC	1000 W. Marion Avenue Punta Gorda, FL 33950

231. 1000 WEST MARION PG FL, LLC ("1000 W. Marion") is a Receivership Entity that owned a parcel of vacant land in Punta Gorda, Florida. The parcel of vacant land was previously utilized as overflow parking for the Fishermen's Village property and by Fishermen's Village employees.
232. On August 2, 2024, the Receiver filed its Motion for Private Sale of 1000 W. Marion [ECF No. 197], seeking the appointment and approval of appraisers for the private sale of the property and approval of the private sale itself.
233. On September 5, 2024, the Court approved the appraisers and the proposed private sale [ECF No. 217], confirming that the sale was in the best interest of the Receivership Estate and its creditors. The private sale of the property closed on October 7, 2024, with the Lender submitting the highest and best offer at a purchase price of \$2,500,000. The lender's bid included a total credit of \$2,253,468.51 applied against its allowed secured claim.
234. After deducting the agreed-upon closing costs outlined in the Asset Purchase Agreement, the Receivership Estate received net proceeds totaling \$219,655 from the sale of the 1000 W. Marion property.

Auctions Completed and Pending Closing

235. During this reporting period, the Receiver successfully conducted auctions for 13 properties, with 12 properties meeting or exceeding their reserve prices, resulting in expected gross sale proceeds of \$28,895,929. The auctions concluded on October 30 and 31, 2024. Pending final Court approval, over

²⁷ Arizona Bank & Trust provided two loans: an initial \$20,000,000 loan on July 27, 2018, and an additional \$3,600,000 loan on June 24, 2019, bringing the total to \$23,600,000. Both loans were secured by the same Deed of Trust and Assignment of Leases and Rents.



\$21,000,000 of the proceeds are expected to satisfy outstanding loan obligations. The Receiver expects the sales to close by the end of January 2025, subject to Court approval.

236. The Receiver filed a motion with the Court to (1) approve the engagement of Marcus & Millichap Real Estate Investment Services as broker for the sale of the property; (2) approve the auction and bidding procedures for the sale of the property; and (3) grant-related relief. The Receiver conducted a Court-approved auction process, with the results detailed below for each respective property.

d. ATA Hiram Square GA, LLC, Hiram, GA

ArciTerra Entity	Address
ATA Hiram Square GA, LLC	5157 Jimmy Lee Smith Parkway, Hiram, GA 30141

237. **Overview.** ATA Hiram Square GA, LLC (“Hiram Square”) is a Receivership Entity that owns and operates a multi-tenant commercial property in Hiram, Georgia offering 27,930 square feet of retail space. Hiram Square is a Rialto asset. The Rialto Asset Group contains 12 total cross-collateralized properties across 8 states totaling nearly 200,000 square feet of commercial space. Hiram Square is a Rialto asset, but it is not cross-collateralized with other Rialto properties under Receivership.
238. **Lender Communications.** The Receiver continues to engage with and keep the lender informed on the anticipated sale closing timeline and loan satisfaction.
239. **Property Management.** SVN continues to manage the property.
240. **Asset Disposition or Further Action.** On August 14, 2024, the Receiver filed a Motion for Sale of the Hiram Square property [ECF No. 202] seeking approval of the retention of Marcus & Millichap and the proposed procedures for the sale of the property through a public online auction process. On September 10, 2024, the Court approved the bidding procedures and scheduled auction [ECF No. 220], which concluded on October 30, 2024. On November 5, 2024, the Receiver filed the Notice of Auction Results for the Hiram Square property [ECF No. 252]. The Court conducted a sale hearing on November 13, 2024, following the close of this reporting period.

ArciTerra Entity	Reserve Price	Registered Bidders	Total Bids	Unique Bidders	Sale Price	Sale Price (% of Reserve)
ATA Hiram Square GA, LLC	\$3,500,000	57	30	20	\$5,525,000	157.86%

e. Rialto Asset Group, Nationwide

ArciTerra Entity	Address
5339 Elvis Presley Boulevard Memphis TN, LLC	5339 Elvis Presley Boulevard Memphis, TN, 38116
700 North Grand Avenue Mt. Pleasant IA, LLC	700 North Grand Avenue



ArciTerra Entity	Address
	Mt. Pleasant, IA 52641
8001 Vaughn Road Montgomery AL, LLC	8001 Vaughn Road Montgomery, AL 36116
601 Trenton Road McAllen TX, LLC	601 Trenton Road McAllen, TX 78504
60 Colonial Promenade Parkway Alabaster AL, LLC	60 Colonial Promenade Parkway Alabaster, AL 35007
81 Jameson Lane Greenville AL, LLC	81 Jameson Lane Greenville, AL 36037
752 South Andy Griffith Parkway Mt. Airy NC, LLC	752 S. Andy Griffith Parkway Mt. Airy, NC 27030
1921 Gallatin Pike Nashville TN, LLC	1921 Gallatin Pike North Madison, TN 37115
5450 US Highway 80 East Pearl MS, LLC	5450 US Highway 80 East Pearl, MS 39208
412 Cross Oaks Mall Plainwell MI, LLC	412 Cross Oaks Mall Plainwell, MI 49080
2513 E. North Street Kendallville IN, LLC	2513-2521 E North Street Kendallville, IN 46755

241. **Overview.** The Rialto Asset Group contains 12 total cross-collateralized properties across 8 states totaling nearly 200,000 square feet of commercial space. One property is excluded from the Receivership but is also part of the Rialto Asset Group.²⁸
242. **Lender Communications.** The Receiver continues to be in regular contact with the lender regarding anticipated sale closing timeline and loan satisfaction.
243. **Property Management.** SVN continues to manage the properties.
244. **Asset Disposition or Further Action.** To successfully coordinate the sale of all 12 properties within the portfolio, the Receiver reached an agreement with the Indiana Receiver and continues to engage the lender to align the interests of all parties. This undertaking involved consultations with brokers on auction process logistics, discussions on the feasibility of simultaneous property closings, and securing agreement with the Indiana Receiver for a unified approach toward satisfying the outstanding loan balance. The Receiver maintains communication with the Indiana Receiver as the closing process progresses. On September 16, 2024, the Receiver filed the Motion for Sale of the 11 Rialto properties [ECF No. 230] seeking approval of the retention of Marcus & Millichap and the proposed procedures for the sale of the property through a public online auction process. On October 17, 2024, the Court

²⁸ One property is being managed by the Indiana Receiver. The Receiver remains in regular communication with the Indiana Receiver regarding the Rialto Asset Group.



approved the bidding procedures and scheduled auction [ECF No. 246], which concluded on October 31, 2024. On November 5, 2024, the Receiver filed Notice of Auction Results for 11 Rialto Asset Group properties [ECF No. 253]. The Court conducted a sale hearing on November 13, 2024, following the close of this reporting period.

ArciTerra Entity	Reserve Price	Registered Bidders	Total Bids	Bidders	Sale Price	Sale Price (% of Reserve)
5339 Elvis Presley Boulevard Memphis TN, LLC	\$1,830,000	27	14	6	\$1,902,929	104.31%
700 North Grand Avenue Mt. Pleasant IA, LLC	\$1,565,000	25	13	10	\$1,750,000	111.82%
8001 Vaughn Road Montgomery AL, LLC	\$1,705,000	39	28	12	\$2,600,000	152.49%
601 Trenton Road McAllen TX, LLC	\$1,870,000	46	39	14	\$2,955,000	158.02%
60 Colonial Promenade Parkway Alabaster AL, LLC	\$2,750,000	27	20	11	\$3,100,000	112.73%
81 Jameson Lane Greenville AL, LLC	\$1,000,000	25	11	3	\$1,050,000	105.00%
752 South Andy Griffith Parkway Mt. Airy NC, LLC	\$1,000,000	25	28	12	\$1,550,000	155.00%
1921 Gallatin Pike Nashville TN, LLC	\$1,675,000	30	25	10	\$2,550,000	152.24%
5450 US Highway 80 East Pearl MS, LLC	\$4,170,000	20	17	6	\$2,822,000	-67.67%
412 Cross Oaks Mall Plainwell MI, LLC	\$550,000	20	39	7	\$675,000	122.73%
2513 E. North Street Kendallville IN, LLC	\$725,000	30	23	8	\$905,000	124.83%
Subtotals:	\$18,840,000	314	257	99	\$21,865,929	



ArciTerra Entity	Reserve Price	Registered Bidders	Total Bids	Bidders	Sale Price	Sale Price (% of Reserve)
ArciTerra Michigan Rd Indianapolis IN, LLC*	\$1,750,000	33	25	11	\$2,900,000	165.71%
Grand Total (except for last column – calculated):	\$20,590,000	347	282	110	\$24,765,929	120.28%

*This property, under the control of the Indiana Receiver, also underwent an online auction process during the same time as the other eleven properties. All twelve cross-collateralized properties sales proceeds will contribute toward satisfying the loan balance.

f. Walcent Elk/IN, LLC, Elkhart, IN

ArciTerra Entity	Address
Walcent Elk/IN, LLC	2719 Emerson Drive Elkhart, IN 46514

245. **Overview.** Walcent Elk/IN, LLC (“Walcent”) is a Receivership Entity that owns and operates Northfield Plaza, a multi-tenant commercial property offering 18,550 square feet of retail space in Elkhart, Indiana.
246. **Lender Communications.** The Receiver continues to be in regular contact with the lender regarding the anticipated sale closing timeline and loan satisfaction.
247. **Property Management.** The Receiver continues to manage the property.
248. **Asset Disposition or Further Action.** On September 24, 2024, the Receiver filed the Motion for Sale of the Northfield Plaza property [ECF No. 234] seeking approval of the retention of Marcus & Millichap and the proposed procedures for the sale of the property through a public online auction process. On October 18, 2024, the Court approved the bidding procedures and scheduled auction [ECF No. 247], which concluded on October 30, 2024. On November 5, 2024 the Receiver filed Notice of Auction Results for the Northfield Plaza property [ECF No. 253]. The Court conducted a sale hearing on November 13, 2024, following the close of this reporting period.

ArciTerra Entity	Reserve Price	Registered Bidders	Total Bids	Bidders	Sale Price	Sale Price (% of Reserve)
Walcent Elk/IN, LLC	\$1,000,000	41	33	11	\$1,605,000	160.50%

Properties Under Stabilization and Disposition Review

249. Below are material updates to the commercial properties that the Receiver is managing and determining the appropriate disposition or further action:



g. REIT 3650 Asset Group, Nationwide

ArciTerra Entity	Address
AT Auburn Plaza IN II, LLC AT Auburn Plaza Member, LLC	506 North Grandstaff Drive Auburn, IN 46706
ATA Lanier Fayetteville GA II, LLC ATA Lanier Fayetteville Member	320 W. Lanier Avenue Fayetteville, GA 30214
AT HL Burlington IA II, LLC AT HL Burlington Member, LLC	3351 Agency Street Burlington, IA 52601
AT Ville Platte LA II, LLC AT Ville Platte Member, LLC	915 E. LaSalle Street Ville Platte, LA 70586
AT Altus Cumberland GA II, LLC AT ALTUS Cumberland Member, LLC	2997 Cumberland Circle Atlanta, GA 30339
AT Sweden NY II, LLC AT Sweden Member, LLC	1651 Nathaniel Poole Trail Brockport, NY 14420
AT Eastman GA II, LLC AT Eastman Member, LLC	970 Indian Drive Eastman, GA 31023
AT New Lenox IL-Inline II, LLC AT New Lenox-IL Member, LLC	2021 East Laraway Road New Lenox, IL 60451
AT Longview TX II, LLC AT Longview Member, LLC	711 Estes Drive Longview, TX 75602
AT Seven Hills Aurora CO II, LLC AT Seven Hills Aurora Member, LLC	18511 E. Hampden Avenue Aurora, CO 80013
AT Mayodan NC II, LLC AT Mayodan Member, LLC	131 Commerce Drive Mayodan, NC 27027
AT PT Danville IL II, LLC AT PT Danville Member, LLC	22 West Newell Road Danville, IL 31082

250. **Overview.** The REIT 3650 Asset Group contains 14 total cross-collateralized properties across 9 states totaling over 500,000 square feet of commercial space. Two properties excluded from the Receivership are also part of the REIT 3650 Asset Group.²⁹
251. **Lender Communications.** The Receiver continues to be in regular contact with the lender regarding stabilization, disposition, and loan servicing. The Receiver is engaged in negotiations with the lender to adjust payments and extend the terms of the loan, aiming to align with all parties' interests and financial commitments.
252. **Property Management.** Cushman continues to manage the properties, while the Receiver engages with leasing brokers to enhance stabilization efforts.

²⁹ Two properties are being managed by the Receiver in *Circle City Outdoors et al. v. ArciTerra Companies, LLC et al.*, pending in Hamilton County, Indiana, Superior Court as Cause No. 29D02-2305-PL-004542 (the "Indiana Receiver.") The Receiver remains in regular communication with the Indiana Receiver regarding the REIT 3650 Asset Group.



253. **Asset Disposition or Further Action.** The Receiver is evaluating options to determine the most appropriate disposition strategy for the cross-collateralized assets, ensuring it benefits the Receivership Estate.

h. KS State Bank Asset Group, Nationwide

ArciTerra Entity	Address
ArciTerra FD Greeleyville SC, LLC	10000 US Highway 521 Greeleyville, SC 29056
ArciTerra VN Clarksville TN, LLC	2135 Lowes Drive Clarksville, TN 37040
ArciTerra VN Dickson TN, LLC	100 Lowes Road Dickson, TN 37055
ArciTerra WG Milwaukee WI, LLC	8488 Brown Deer Road Milwaukee, WI 53223
ArciTerra FD Bowman SC, LLC ³⁰	6711 Charleston Highway Bowman, SC 29018

254. **Overview.** The KS State Bank Asset Group contains five cross-collateralized properties across three states totaling over 42,000 square feet of commercial space.

255. **Lender Communication.** KS State Bank remains responsible for collecting the rents paid by tenants at occupied properties to fund operating expenses, insurance, taxes, and property management fees. The Receiver is in communication with the lender regarding disposition strategy, subject to Court approval.

256. **Property Management.** SVN continues to manage the properties.

257. **Asset Disposition or Further Action.** The Receiver has obtained a Broker's Opinion of Value ("BOV") for each property to assess the portfolio's value and is now determining the appropriate course of action for disposition.

³⁰ ArciTerra FD Bowman SC, LLC, is a Receivership Entity that previously owned and operated a single-tenant commercial property offering 8,011 square feet of retail space in Bowman, South Carolina. The property is currently vacant and was surrendered to a tax sale prior to the Receiver's appointment. After careful consideration and analysis, the Receiver decided not to assert any claim to unwind the tax sale of the Bowman property. Any attempt to reclaim this property would incur costs that exceed the amount of funds available to the applicable Receivership Entity. The property holds very little value, and it is highly likely that it would ultimately revert to KS State Bank. The properties in this portfolio are cross-collateralized and the Receivership Team's analysis indicates that the portfolio is underwater. Additionally, KS State Bank has a pending challenge to the sale. Lastly, there is a surplus amount from the tax sale that is being held by the taxing authority pending the resolution of the claims between the buyer and KS State Bank.



i. 900 West Marion Avenue FL LLC, Punta Gorda, FL

ArciTerra Entity	Address
900 West Marion Avenue FL, LLC	900 W. Marion Avenue Punta Gorda, FL

258. **Overview.** 900 West Marion Avenue FL, LLC (“900 W. Marion”) is a Receivership Entity that owns and operates a multi-tenant commercial property offering 20,316 square feet of office/museum space in Punta Gorda, Florida. The Military Heritage Museum is the property’s sole tenant.
259. **Lender Communications.** The Receiver has been in communication with the lender and has reached an agreement on the disposition strategy, subject to Court approval.
260. **Property Management.** The Receiver continues to manage the property. On October 22, 2024, the Receivership team visited 900 W. Marion to assess damage following Hurricanes Helene and Milton. The Receiver has deployed a licensed general contractor to address any necessary repairs.
261. **Asset Disposition or Further Action.** The Receiver, through an engaged broker and pending Court approval, has taken steps toward the disposition of the property. A Letter of Intent was received, and after the close of this reporting period, the Receiver finalized the Asset Purchase Agreement with the prospective buyer, subject to higher and better offers and Court approval.

j. ArciTerra BP Olathe KS, LLC, Olathe, KS

ArciTerra Entity	Address
ArciTerra BP Olathe KS, LLC	12051 S Renner Boulevard Olathe, KS 66061

262. **Overview.** ArciTerra BP Olathe KS, LLC is a Receivership Entity that owns a stand-alone, single tenant property. The sole tenant is Bass Pro Shops (“Bass Pro”).
263. **Lender Communications.** The mortgage was satisfied in full prior to the Receiver’s appointment, however, there are approximately \$2.2 million in unpaid property taxes from 2018, 2019, 2020, 2021, 2022, and 2023 that remain outstanding.
264. **Property Management.** The Receiver continues to manage the property.
265. **Asset Disposition or Further Action.** The Receiver obtained an appraisal to evaluate the property’s value and is assessing the appropriate course of action. Additionally, the Receiver is in discussions with Bass Pro regarding the potential disposition of the property, subject to Court approval.

k. AT Olathe Outlot 5, LLC, Olathe, KS

ArciTerra Entity	Address
AT Olathe Outlot 5, LLC	15085 W 119th Street Olathe, KS 66602



266. **Overview.** AT Olathe Outlot 5, LLC (“AT Olathe Outlot 5”) is a Receivership Entity that owns a 9,975-square-foot single-tenant retail building in Olathe, Kansas. This property previously went through a tenant improvement for a restaurant when the loan was originated but the prospective tenant never occupied the space, and it remains vacant.
267. **Lender Communications.** The Receiver is in communication with the lender regarding the potential abandonment of the property.
268. **Asset Disposition or Further Action.** The Receiver has determined the property presents no value to the Receivership Estate, and is likely to propose a motion to abandon, subject to Court approval.

l. AT New Lenox IL-Outlots, LLC, New Lenox, IL

ArciTerra Entity	Address
AT New Lenox IL-Outlots, LLC	E. Laraway Road New Lenox, IL 60451

269. **Overview.** AT New Lenox IL-Outlots, LLC is a Receivership Entity that owns two parcels of vacant land along East Laraway Road in New Lenox, Illinois. These two parcels reside adjacent to the New Lenox property in the REIT 3650 portfolio.
270. **Lender Communications.** There is no current mortgage on the property.
271. **Property Management.** The Receiver continues to manage the property.
272. **Asset Disposition or Further Action.** The Receiver paid approximately \$86,000 for the pre-Receivership tax sale redemption of both parcels after concluding that their valuations exceeded the pre-Receivership 2020-2022 tax sale redemption amounts. In consultation with a broker, the Receiver estimates sale proceeds will exceed all encumbrances and pre-Receivership tax liens. Given the proximity of these parcels to another property within the REIT 3650 portfolio, the Receiver has determined that it would be advantageous to decide upon the disposition strategy for these parcels once the REIT 3650 strategy has been established, subject to Court approval.

m. 925 W. Marion/960 W. Olympia FL, LCC, Punta Gorda, FL

ArciTerra Entity	Address
925 W. Marion/960 W. Olympia FL, LLC	925 W. Marion Avenue Punta Gorda, FL 33950
925 W. Marion/960 W. Olympia FL, LLC	960 W. Olympia Avenue Punta Gorda, FL 33950

273. **Overview.** 925 W. Marion/960 W. Olympia FL, LLC is a Receivership Entity that owns a residential house and an adjacent parcel of vacant land in Punta Gorda, Florida. The house is located at 925 W. Marion Avenue, Punta Gorda and the vacant parcel of land is located at 960 W. Olympia, Punta Gorda.



274. **Lender Communications.** The Receiver continues to be in regular contact with the lender regarding disposition and loan servicing.
275. **Property Management.** On October 22, 2024, the Receivership team visited 925 W. Marion to assess damage following Hurricanes Helene and Milton. The Receiver deployed a licensed general contractor to address any necessary repairs.
276. **Asset Disposition or Further Action.** The Receiver provided a sale proposal to the lender and lender's counsel and is awaiting response.

ii. Residential Properties

277. Below are material updates to the residential properties that the Receiver is evaluating and determining the appropriate disposition or further action:

a. 751 W. Retta Esplanade FL, LLC, Punta Gorda, FL

Owner	Address
751 W. Retta Esplanade FL, LLC	751 W. Retta Esplanade Punta Gorda, FL 33950

278. **Overview.** 751 W. Retta Esplanade FL, LLC, a Receivership Entity, is the recorded owner of 751 W. Retta Esplanade ("751 W. Retta") in Punta Gorda, Florida. The residential home is 4,280 square feet, consisting of five bedrooms and three baths. The home was built in 1993 and sits on 0.45 acres.
279. **Lender Communications.** Upon contacting the mortgage lender, Regions Mortgage, Inc. ("Regions"), the Receiver was informed that a foreclosure action had been initiated on January 24, 2024. The Receiver promptly coordinated with Counsel to issue a stay letter, halting the foreclosure process. On February 26, 2024, and March 18, 2024, Counsel and members of the Receivership Team met with Regions to discuss 751 W. Retta's financials and future steps. On August 2, 2024, Regions filed motions to intervene in the SEC action to seek an amendment of the Receivership Order and Stay to protect its security interests, requesting that the Court add Regions and 751 W. Retta Esplanade FL, LLC to the list of Excluded Entities and Excluded Properties, allowing Regions to foreclose on its collateral and remit excess funds to the Receiver. As of November 12, 2024, the Court approved a stipulation [ECF No. 261] to modify the Asset Freeze on 751 W. Retta, permitting Regions to proceed with foreclosure. Per the stipulation, any net proceeds from the foreclosure sale, after Regions' lien is satisfied, will be turned over to the Receiver, and Regions will provide an accounting report to the Receiver upon completion of the foreclosure sale.



280. **Property Maintenance.** On October 22, 2024, the Receivership team visited 751 W. Retta to assess damage following Hurricanes Helene and Milton. Accompanied by two licensed general contractors, the team inspected the property to evaluate structural damage and other concerns.
281. **Asset Disposition or Further Action.** The Receiver is coordinating with the lender to proceed with the foreclosure and disposition of the property, as approved by the Court.

b. 11751 North Black Point Road, Syracuse, IN

Owner	Address
Jonathan Larmore	11751 North Black Point Road Syracuse, IN 46567

282. **Overview.** Black Point Rd, LLC, a Receivership Entity, originally held the title for 11751 North Black Point Road, in Syracuse, Indiana (“Black Point Road”). The property is located on Lake Wawasee in Syracuse, Indiana, and is 7,154 square feet with seven bedrooms. The residential property was purchased in September 2018. In 2020, Jonathan Larmore transferred the property to himself, according to the Kosciusko County Auditor. Jonathan Larmore refinanced the property in 2020 with Wintrust Mortgage (“Wintrust”). The Receiver is aware of a notice of encumbrance filed by Mr. Larmore dated January 18, 2023 that the property is leased to Leisuretown Rentals, LLC.
283. **Lender Communications.** The Receiver is engaged with the mortgage holder’s counsel regarding the property. Wintrust has expressed interest in proceeding with foreclosure and has inquired about the possibility of a stipulation to facilitate this process. The Receiver is coordinating with interested parties to assess rights and interests in the property.
284. **Property Maintenance.** The Receiver has not been notified of any property conditions requiring attention.
285. **Asset Disposition or Further Action.** At the direction of the Receiver, the Receivership Team is in the process of evaluating and assessing the ownership of Black Point Road and the rights of the Receivership. The Receiver is actively working toward determining the next steps in assessing the validity of the Leisuretown Rentals, LLC lease.

c. 567 Mountain Village Blvd., Units 114-6 and 115-1, Telluride, CO

Owner	Address
FK Telluride LLC	567 Mountain Village Blvd, Unit 114-6 Telluride, CO, 81435
FK Telluride LLC	567 Mountain Village Blvd, Unit 115-1 Telluride, CO, 81435



286. **Overview.** FK Telluride LLC, a Receivership entity, is the recorded owner of a 5% fractional interest in Units 114-6 and 115-1 at 567 Mountain Village Boulevard in Telluride, Colorado. Each unit spans 1,677 square feet, featuring three bedrooms and three bathrooms.
287. **Lender Communications.** There is no active mortgage on either timeshare unit.
288. **Property Maintenance.** The Receiver has not been notified of any property conditions requiring attention.
289. **Asset Disposition or Further Action.** The Receivership Team consulted with a broker to evaluate the timeshare interest in each unit.

d. 1001 West Marion Avenue, Unit 21, Punta Gorda, FL

Owner	Address
Spike Holdings LLC	1001 West Marion Avenue, Unit 21 Punta Gorda, FL 33950

290. **Overview.** Spike Holdings LLC is the recorded owner of the 1001 West Marion Avenue, Unit 21 condominium in Punta Gorda, Florida. This single-family residence is 998 square feet with two bedrooms and two baths. The condominium is situated across the street from Fishermen's Village.
291. **Lender Communications.** There is no active mortgage on the unit.
292. **Property Maintenance.** On October 22, 2024, the Receivership Team visited 1001 West Marion, Unit 21, to assess damage following Hurricanes Helene and Milton. The Receiver has deployed a licensed general contractor to address any necessary repairs.
293. **Asset Disposition or Further Action.** The Receiver is currently addressing the property damage resulting from the hurricanes and will subsequently assess a disposition strategy, subject to Court approval.

e. 880 West Marion Avenue and 150 Shreve Street, Punta Gorda, FL

Owner	Address
Spike Holdings LLC	880 West Marion Avenue, Punta Gorda, FL 33950
Spike Holdings LLC	150 Shreve Street, Punta Gorda, FL 33950

294. **Overview.** Spike Holdings LLC is the recorded owner of both the 880 West Marion Avenue ("880 West Marion") and 150 Shreve Street ("150 Shreve") properties in Punta Gorda, Florida. 880 West Marion is a residential home spanning 1,041 square feet with two bedrooms and two baths. The property sits on 0.31 acres of land. 150 Shreve is a vacant plot of land, situated adjacent to 880 West Marion.
295. **Lender Communications.** The Receiver continues to be in regular contact with the mortgage holders.



296. **Property Maintenance.** On October 22, 2024, the Receivership Team visited 880 West Marion to assess damage following Hurricanes Helene and Milton. The Receiver has deployed a licensed general contractor to address any necessary repairs.
297. **Asset Disposition or Further Action.** At the direction of the Receiver, the Receivership Team has engaged with the respective mortgage holders for these two properties. The Receiver will determine the next steps for disposition.

f. 8150 East Highland View Drive, Syracuse, IN

Owner	Address
HV Gardens LLC	8150 East Highland View Drive, Syracuse, IN 46547

298. **Overview.** HV Gardens, LLC, subject to the Asset Freeze, is the recorded owner of 8150 East Highland View Drive in Syracuse, Indiana (“8150 East Highland”). The residence, spanning 1,350 square feet, comprises three bedrooms and one and a half baths. The property is situated on a 0.3-acre lot.
299. **Lender Communications:** The property does not have an active mortgage.
300. **Property Maintenance.** The Receiver has not been notified of any property conditions requiring attention.
301. **Asset Disposition or Further Action.** Mr. Larmore’s Counsel submitted a request to the Receiver’s Counsel for “*properties owned by Marcia Larmore that were purchased in the 1960s and 1990s that should be removed from the Receivership.*” The 8150 East Highland property was included in this request. At the direction of the Receiver, the Receivership Team conducted research including public records and open sources to verify ownership. Property taxes for 2022 and 2023 have not been paid. As the Receiver considers Mr. Larmore’s request, he has also consulted a broker to evaluate the property.

g. 10507 North Grand Boulevard, Syracuse, IN

Owner	Address
Morrison Island LLC	10507 North Grand Boulevard, Syracuse, IN, 46567

302. **Overview.** Morrison Island LLC, subject to the Asset Freeze, is the recorded owner of 10507 North Grand Boulevard in Syracuse, Indiana (“North Grand”). The residence, spanning 3,296 square feet, comprises three bedrooms and one and a half baths. The property is situated on 0.22 acres of land.
303. **Lender Communications.** The property does not have an active mortgage.
304. **Property Maintenance.** The Receiver has not been notified of any property conditions requiring attention.



305. **Asset Disposition or Further Action.** Mr. Larmore’s Counsel submitted a request to the Receiver’s Counsel for “*properties owned by Marcia Larmore that were purchased in the 1960s and 1990s that should be removed from the Receivership.*” The North Grand property was included in this request. At the direction of the Receiver, the Receivership Team conducted research including public records and open sources to verify ownership. Property taxes for 2022 and 2023 have not been paid. As the Receiver considers Mr. Larmore’s request, he has also consulted a broker to evaluate the property.

h. 11227 NE Wawasee Drive South, Syracuse, IN

Owner	Address
Northeast Wawasee LLC	11227 NE Wawasee Drive South Syracuse, IN 46557

306. **Overview.** Northeast Wawasee LLC is the recorded owner of 11227 NE Wawasee Drive South (“11227 NE Wawasee”) in Syracuse, Indiana, situated on 1.36 acres of land.

307. **Lender Communications.** The property does not have an active mortgage.

308. **Property Maintenance.** The Receiver has not been notified of any property conditions requiring attention.

309. **Asset Disposition or Further Action.** The Receiver stipulated that it had investigated the facts and circumstances relating to 11227 NE Wawasee and determined that the property is appropriately excluded from the Receivership. The stipulation was approved as the SEC submitted it had no objection to a modification to the Asset Freeze to allow the property to be sold, provided that the portion of Mr. Larmore’s proceeds are placed in escrow and remain subject to the Asset Freeze. The Court approved the Stipulation [ECF No. 159]. As of October 31, 2024, 11127 NE Wawasee is listed for sale for \$2.1M.

i. 5324 E. Mariposa Street and 4450 N. 54th Street, Phoenix, AZ

Owner	Address
JMMAL Mariposa LLC	5324 E. Mariposa Street Phoenix, AZ 85018
4450 N. 54 th Street LLC	4450 N. 54 th Street Phoenix, AZ 85018

310. **Overview.** 5324 E. Mariposa Street (“Mariposa”) and 4450 N. 54th Street (“N. 54th Street”) are adjacent properties located in Phoenix, Arizona, occupying less than 2.5 acres of land. JMMAL Mariposa LLC is the recorded owner of Mariposa. Mr. Larmore and Michelle Larmore are the managers of JMMAL Mariposa LLC. JB Mariposa LLC is the sole member of JMMAL Mariposa LLC. Mr. Larmore is the manager of JB Mariposa LLC and his children, Jonathan R. Larmore and Bridget E. Larmore, are the members of this entity. JB Mariposa LLC is not a Receivership Entity. 4450 N. 54th Street LLC is the recorded owner



of N. 54th Street. Mr. Larmore is the Registered Agent and sole member and manager of 4450 N. 54th Street LLC.

- 311. **Lender Communications.** City National Bank holds the current mortgage on both properties. On July 3, 2024, City National Bank filed a Motion to Intervene [ECF. No. 184], requesting that the Mariposa and N. 54th Street properties be excluded from the Receivership Estate, allowing the bank to foreclose and recover outstanding loan amounts. On July 30, 2024, the Court entered an order approving the Stipulation for Order Modifying Asset Freeze as to (1) 5324 E. Mariposa St., Phoenix, Arizona and (2) 4450 N. 54th Street, Phoenix, Arizona, and Providing Related Relief, dated July 26, 2024 [ECF. No. 195].
- 312. **Property Maintenance.** The Receiver has not been notified of any property conditions requiring attention.
- 313. **Asset Disposition or Further Action.** The Receiver stipulated that Mariposa and 54th Street are not Receivership Assets, and the Receiver had no objection to a modification of the Asset Freeze to allow the properties to be sold, subject to the reservation of all rights of all parties. The SEC stipulated that it had no objection to the modification of the Asset Freeze to allow the properties to be sold, provided that the portion of Jonathan Larmore’s proceeds remain subject to the Asset Freeze, pending further order of the Court. The Court approved the Stipulation [ECF No. 196]. In October 2024, the Mariposa property closed. The N. 54th Street property continues to be listed for sale.

j. 3127 LaBalme Trail, Fort Wayne, IN

Owner	Address
Marcia Larmore	3127 LaBalme Trail Fort Wayne, IN 46804

- 314. **Overview.** 3127 LaBalme Trail in Fort Wayne, Indiana (“3127 LaBalme Trail”) is a residential home built in 1968. It encompasses 4,810 square feet, including a 1,972 square foot basement, and comprises seven bedrooms and four bathrooms.
- 315. **Lender Communications.** The property does not have an active mortgage.
- 316. **Property Maintenance.** The Receiver has not been notified of any property conditions requiring attention.
- 317. **Asset Disposition or Further Action.** Mr. Larmore’s counsel submitted a request to the Receiver’s Counsel for “*properties owned by Marcia Larmore that were purchased in the 1960s and 1990s that should be removed from the Receivership.*” The 3127 LaBalme Trail property was included in this request. At the direction of the Receiver, the Receivership Team conducted research including public records and open sources to verify ownership. The Receiver determined that 3127 LaBalme Trail is not owned by a Receivership Entity. According to county assessor records, the property is owned by Marcia Larmore. Further, the residence is currently vacant.



k. 7900 W. Jefferson Boulevard, #305, Fort Wayne, IN 46804

Owner	Address
Marcia Larmore	7900 W. Jefferson Boulevard, #305 Fort Wayne, IN 46804

318. **Overview.** 7900 W. Jefferson Boulevard, #305, in Fort Wayne, Indiana (“7900 W. Jefferson”) is a commercial space within a medical condominium complex, currently occupied by Lutheran Health medical offices.
319. **Lender Communications.** The unit does not have an active mortgage.
320. **Property Maintenance.** The Receiver has not been notified of any property conditions requiring attention.
321. **Asset Disposition or Further Action.** Mr. Larmore’s counsel submitted a request to the Receiver’s Counsel for “*properties owned by Marcia Larmore that were purchased in the 1960s and 1990s that should be removed from the Receivership.*” The 7900 W. Jefferson property was included in this request. At the direction of the Receiver, the Receivership Team conducted research in public records and open sources to verify ownership. The Receiver determined that 7900 W. Jefferson is not owned by a Receivership Entity. According to county assessor records, the property is owned by Marcia Larmore.

B. Other Assets

322. There are three watercraft which are or were property of the Receivership Estate. One that was in pre-Receivership arrest and dry dock in the Eastern District of Virginia (“Watercraft #1”), one that was significantly damaged, notwithstanding insurance claims that did not result in repair and restoration, and in dry storage in Indiana (“Watercraft #2”), and one in Punta Gorda, Florida (“Watercraft #3”).
323. Watercraft #1 was an 87-foot Cheoy Lee powerboat purchased by Mr. Larmore on December 9, 2022 for \$2.15 million and is owned in the name of AT LC 87, LLC. The seller, James F. Wilson Living Revocable Trust, financed \$1.0 million of the purchase price. Mr. Larmore caused monthly payments to be made to the seller up until, and including, the June 2023 payment. The seller filed suit on September 7, 2023 in the United States District Court for the Eastern District of Virginia (Norfolk Division) seeking to foreclose on the mortgage. The seller and a third-party entered into an Assignment of First Preferred Ship’s Mortgage on September 27, 2023 that transferred the mortgage from the James F. Wilson Living Revocable Trust to ST Liberty LLC.
324. The Receiver filed a motion to approve an abandonment agreement with respect to Watercraft #1 [ECF No. 176]. On June 27, 2024, the Court entered an order approving the abandonment agreement [ECF No. 181] and the sale shortly thereafter. By order of the Virginia Court, Watercraft #1 will be auctioned.



325. Watercraft #2 is a Nautique Paragon 23 purchased by Mr. Larmore on July 17, 2020 for \$264,760, with \$200,000 financed by a loan from Lake City Bank. The loan agreement called for payments of \$1,635 per month beginning July 17, 2020. Mr. Larmore made some payments to Lake City Bank before payments ceased. As of May 31, 2024, Mr. Larmore owes Lake City Bank approximately \$178,000 on the Watercraft #2 loan.
326. Upon his appointment, the Receiver observed that Watercraft #2 was severely damaged (though the Receiver is not aware of when the damage occurred) and had been transported to Indy Marine & Auto Body Inc. for a repair estimate and repair. The damage, and the fact that Watercraft #2 was used in saltwater, a purpose for which it was not intended, reduced the value of Watercraft #2 significantly. The Receiver negotiated an abandonment agreement with Lake City Bank, executed the agreement on August 8, 2024 and filed a motion seeking approval thereof [ECF No. 208].
327. Since the close of this reporting period, on November 12, 2024, the Court granted the Receiver's Motion to Approve the Abandonment Agreement by Order [ECF No. 257].
328. Watercraft #3 is a 28-foot Bull Dog A&M Tiki Boat purchased new by Mr. Larmore on July 31, 2023 for \$105,120. Mr. Larmore paid for Watercraft #3 on May 3, 2023 with money from a Spike Holdings bank account at KS State Bank that Spike Holdings received the prior day from a Glenrosa bank account at KS State Bank.
329. At the direction of the Receiver, Watercraft #3 is being serviced at a local marina so it can be prepared for sale.
330. The Receivership Team continues to identify other assets included in the ArciTerra Estate and to physically locate other known assets to bring them into the Receivership Estate.

VI. Claims

331. The Receiver is developing a process to identify claims. As the Receivership progresses, the Receiver will implement a mechanism to validate claims, determine their eligibility and compensate eligible claimants subject to Court approval of the filing and distribution process. In addition, the Receiver is working to identify potential claims to assets currently outside of the Receivership Estate, or against third parties.

A. Investor Claims

332. As reported in the Previous Status Reports, to confirm the identity and verify the amount of claims from investors, the Receivership Team implemented a three-pronged approach. It will allow the Receiver to



capture the scope of investor claims and communicate with claimants, verify claimants' identities and collect the appropriate information:

- a. **Identification and Analysis of Internal ArciTerra Information.** The first step is completed with the information available to the Receiver to date. To the extent that new information comes to the Receiver's attention, it will be reviewed and analyzed in a timely manner.
- b. **External Confirmation Through Third Parties.** Counsel has followed up on previous outreach when third parties were unresponsive to inquiries. The Receivership Team also had calls with broker dealers to confirm investor details.
- c. **Gather Information Directly from Investors – Proofs of Claim.** The Receivership Team is in the process of developing a web application for claimants to use via the Receiver's website where claimants can upload documentation and verify details of their claims.

B. Vendor Claims

333. The Receiver is in the process of:

- a. Identifying liabilities from the books and records of the Receivership Entities.
- b. Developing a web-based solution (like the solution the Receiver is developing for investors as discussed in paragraph 332 above) to intake claims related to vendors and other stakeholders.
- c. Evaluating potential additional liabilities.

C. Potential Liabilities to Creditors and Claims Against Parties

i. American Express

334. As discussed in the Second Status Report, the Receivership Team is in the process of analyzing AMEX statements located as of the date of this report. As part of this analysis, the Receivership Team reviewed statements for the Business Platinum AMEX card for ArciTerra Companies and determined that there is an unpaid outstanding pre-receivership balance on the Business Platinum card of \$293,466.

335. In general, to the extent expenses are not business related, the Receiver may seek to recover funds from the relevant parties as it relates to charges that should not be paid by ArciTerra.

ii. Claim to Airplane Proceeds

336. In the Second Status Report, the Receiver explained that the Receivership has a claim to a portion of the proceeds from a sale of a plane sold on August 18, 2023 (see Section VI.C.ii. of the Second Status Report). This claim is unchanged.



iii. Litigation Claims of the Receivership

337. The Receiver will bring actions and legal proceedings against various parties on behalf of the Receivership Estate in the future as allowed and contemplated for in the Receivership Order at paragraph 24, if warranted. The Receiver assesses the cost/benefit of asserting claims as investigations and litigation are costly endeavors and the Receiver does not intend to expend Receivership assets unless there is a supportable claim and a high likelihood of recovering funds.

VII. Future Actions and Recommendations

338. The Receiver's work continues in accordance with the duties laid out in the Receivership Order. The Receiver is managing the Receivership Assets and stabilizing cash flows from income-generating assets, paying real estate taxes and property vendors, and analyzing properties and assets for disposition or further action. The Receiver will continue to manage the real estate of the Receivership and will continue to entertain viable acquisition offers for all or part of the Receivership Assets.
339. The Receiver continues to assess potential additional entities or assets in which the Defendants or the Relief Defendants have an interest which are not currently part of the Receivership Entities or Receivership Assets, and where assets may have been commingled with investor funds. At the appropriate time, the Receiver may seek Court approval to modify the list of Receivership Entities.
340. The Receiver will continue to work to confirm the population of investors in Note Fund II, Note Fund III and other Investor Funds, as well as the total amount received from and paid to the investors, and the current capital balances and amounts due to the investors.
341. The Receiver will work with the retained accounting firm to prepare and file the necessary federal and state tax returns for the relevant Receivership Entities.
342. The Receiver continues his analysis of the Receivership Entities, including:
- a. Continuing to trace and analyze the Investor Funds and balances through books and records, including bank accounts to (1) continue to determine the degree to which investor funds were commingled and used for the last three remaining Investor Funds in the Receivership, (2) establish how much may be owed to investors, and (3) identify any funds related to improper transactions that the Receiver may potentially recover to address investor and creditor claims.
 - b. Locating records and analyzing general ledger support for fees paid to various Investor Fund managers, and their owner entities.
 - c. Determining the ultimate disposition of funds, if any, diverted from creditors and investors to other parties.



343. The Receiver intends to continue to seek Court approval of his actions going forward, as necessary and appropriate under governing law and the Receivership Order.
344. Based on the Receiver's work as described above, the Receiver recommends that the Receivership continue consistent with the Receivership Order. The reasons for continuing the Receivership include:
- a. **ArciTerra Operations.** The Receiver is actively managing ArciTerra and related entities and properties, as detailed above. The nature of the Receivership Entities requires the ongoing management of the properties and corporate entities to prevent them from regressing.
 - b. **Analysis to Determine Investor Obligations.** The Receiver conclusions concerning the pervasive commingling of so many Investor Funds entities through ASRA may affect the determination of how the Receivership Estate will satisfy future claims. The Receiver intends to make a proposal to address claims from creditors, investors and other parties.
 - c. **Asset Disposition.** The Receiver, in accordance with Paragraph 6(N) of the Receivership Order, will continue to prepare real property and other assets, as appropriate and approved by the Court, for sale or further action.
345. The Receiver reserves all rights to amend or supplement the information set forth herein and assert the rights of the Receivership as against any party, as appropriate.

Respectfully submitted,

November 20, 2024

A handwritten signature in blue ink, appearing to read "A. Applbaum".

Allen D. Applbaum
Receiver of ArciTerra Companies, LLC and Related Entities

EXHIBIT 1

Commercial Properties						
No.	Portfolio/Single Property	Portfolio Name or Asset Group	Owner (ArciTerra Entity)	Center Name	Address	Property Manager
1	Single Property	Glenrosa32	Glenrosa 32, LLC*	MorningStar	3200 E Glenrosa Ave. Phoenix, AZ 85018	N/A - Sold
2	Single Property	Mercado/Palencia	ATA Palencia St. Augustine FL, LLC*	Palencia	7440 US Highway 1 North St. Augustine, FL 32095	N/A - Sold
3	Single Property	Mercado/Palencia	ATA Mercado St. Augustine FL, LLC*	Mercado	155, 159, 163, 167 Palencia Village Dr. St. Augustine, FL 32095	N/A - Sold
4	Portfolio	REIT 3650	AT Auburn Plaza IN II, LLC AT Auburn Plaza Member, LLC	Auburn Plaza	506 North Grandstaff Drive Auburn, IN 46706	Cushman & Wakefield
5	Portfolio	REIT 3650	ATA Lanier Fayetteville GA II, LLC ATA Lanier Fayetteville Member	Main Street Building	320 W. Lanier Ave. Fayetteville, GA 30214	Cushman & Wakefield
6	Portfolio	REIT 3650	AT HL Burlington IA II, LLC AT HL Burlington Member, LLC	Burlington Plaza West	3351 Agency St. Burlington, IA 52601	Cushman & Wakefield
7	Portfolio	REIT 3650	AT Ville Platte LA II, LLC AT Ville Platte Member, LLC	Ville Platte	915 E. LaSalle St. Ville Platte, LA 70586	Cushman & Wakefield
8	Portfolio	REIT 3650	AT Altus Cumberland GA II, LLC AT ALTUS Cumberland Member, LLC	Cumberland Place	2997 Cumberland Cir. Atlanta, GA 30339	Cushman & Wakefield
9	Portfolio	REIT 3650	AT Sweden NY II, LLC AT Sweden Member, LLC	Sweden	1651 Nathaniel Poole Trl. Brockport, NY 14420	Cushman & Wakefield
10	Portfolio	REIT 3650	AT Eastman GA II, LLC AT Eastman Member, LLC	Eastman Shopping Center	970 Indian Dr. Eastman, GA 31023	Cushman & Wakefield
11	Portfolio	REIT 3650	AT New Lenox IL-Inline II, LLC AT New Lenox-IL Member, LLC	New Lenox	2021 East Laraway Rd. New Lenox, IL 60451	Cushman & Wakefield
12	Portfolio	REIT 3650	AT Longview TX II, LLC AT Longview Member, LLC	Longview	711 Estes Dr. Longview, TX 75602	Cushman & Wakefield
13	Portfolio	REIT 3650	AT Seven Hills Aurora CO II, LLC AT Seven Hills Aurora Member, LLC	Seven Hills Plaza	18511 E. Hampden Ave. Aurora, CO 80013	Cushman & Wakefield
14	Portfolio	REIT 3650	AT Mayodan NC II, LLC AT Mayodan Member, LLC	Mayodan	131 Commerce Dr. Mayodan, NC 27027	Cushman & Wakefield
15	Portfolio	REIT 3650	AT PT Danville IL II, LLC AT PT Danville Member, LLC	Pine Tree Plaza	22 West Newell Rd. Danville, IL 31082	Cushman & Wakefield
16	Portfolio	Rialto	5339 ELVIS PRESLEY BOULEVARD MEMPHIS TN, LLC**	Belvedere Commons	5339 Elvis Presley Boulevard Memphis, TN, 38116	SVN Elevate
17	Portfolio	Rialto	700 North Grand Avenue Mt. Pleasant IA, LLC**	Orscheln's Center	700 North Grand Ave. Mt. Pleasant, IA 52641	SVN Elevate
18	Portfolio	Rialto	8001 Vaughn Road Montgomery AL, LLC**	Festival Plaza	8001 Vaughn Road Montgomery, AL 36116	SVN Elevate
19	Portfolio	Rialto	601 Trenton Road McAllen TX, LLC**	McAllen Plaza	601 Trenton Road McAllen, TX 78504	SVN Elevate
20	Portfolio	Rialto	60 Colonial Promenade Parkway Alabaster AL, LLC**	Shoppes at Alabaster	60 Colonial Promenade Parkway Alabaster, AL 35007	SVN Elevate
21	Portfolio	Rialto	81 Jameson Lane Greenville AL, LLC**	Greenville Plaza	81 Jameson Lane Greenville, AL 36037	SVN Elevate
22	Portfolio	Rialto	752 South Andy Griffith Parkway Mt. Airy NC, LLC**	Wachovia Shops Plaza	752 S. Andy Griffith Parkway Mt. Airy, NC 27030	SVN Elevate
23	Portfolio	Rialto	1921 Gallatin Pike Nashville TN, LLC**	Men's Wearhouse	1921 Gallatin Pike North Madison, TN 37115	SVN Elevate
24	Portfolio	Rialto	5450 US Highway 80 East Pearl MS, LLC**	Office Depot Plaza	5450 US Highway 80 East Pearl, MS 39208	SVN Elevate
25	Portfolio	Rialto	412 Cross Oaks Mall Plainwell MI, LLC**	Plainwell Plaza	412 Cross Oaks Mall Plainwell, MI 49080	SVN Elevate
26	Portfolio	Rialto	2513 E. North Street Kendallville IN, LLC**	Kendallville Plaza	2513-2521 E North St. Kendallville, IN 46755	SVN Elevate

Commercial Properties						
No.	Portfolio/Single Property	Portfolio Name or Asset Group	Owner (ArciTerra Entity)	Center Name	Address	Property Manager
27	Single Property	Rialto	ATA Hiram Square GA, LLC**	Hiram Square	5157 Jimmy Lee Smith Parkway Hiram, GA 30141	SVN Elevate
28	Portfolio	National REIT/KS State Bank	ArciTerra FD Greeleyville SC, LLC	Available - Greeleyville (former Family Dollar)	10000 US Highway 521 Greeleyville, SC 29056	SVN Elevate
29	Portfolio	National REIT/KS State Bank	ArciTerra VN Clarksville TN, LLC	Angry Crab - Clarksville	2135 Lowes Dr. Clarksville, TN 37040	SVN Elevate
30	Portfolio	National REIT/KS State Bank	ArciTerra VN Dickson TN, LLC	Lowe's Outparcel - Dickson	100 Lowes Road Dickson, TN 37055	SVN Elevate
31	Portfolio	National REIT/KS State Bank	ArciTerra WG Milwaukee WI, LLC	Available - Milwaukee	8488 Brown Deer Road Milwaukee, WI 53223	SVN Elevate
32	Portfolio	National REIT/KS State Bank	ArciTerra FD Bowman SC, LLC***	Available - Bowman (former Family Dollar)	6711 Charleston Highway Bowman, SC 29018	N/A - Sold Pre-Receivership***
33	Single Property	StanCorp/REIT 1	Walcent Elk/IN, LLC**	Northfield Plaza	2719 Emerson Dr. Elkhart, IN 46514	Receiver
34	Single Property	StanCorp/Fishermen's Village	900 West Marion Avenue FL, LLC	900 W. Marion	900 W. Marion Ave Punta Gorda, FL	Receiver
35	Single Property	Bass Pro	ArciTerra BP Olathe KS, LLC	Bass Pro - Olathe	12051 S Renner Blvd. Olathe, KS 66061	Receiver
36	Single Property	Olathe Outlot 5	AT Olathe Outlot 5, LLC	Olathe Outlot 5 (Granite City Grill)	15085 W 119th St. Olathe KS 66602	Receiver
37	Single Property	New Lenox Outparcel	AT New Lenox IL-Outlots, LLC	New Lenox Outparcel	E. Laraway Rd. New Lenox, IL 60451	Receiver
38	Single Property	1000 W Marion	1000 WEST MARION PG FL LLC****	1000 W Marion	1000 W. Marion Avenue Punta Gorda, FL 33950	N/A - Sold
39	Single Property	925 W Marion/960 W Olympia	925 W. Marion/960 W. Olympia FL, LCC	925 W. Marion	925 W. Marion Ave. Punta Gorda, FL 33950	Receiver
40	Single Property	926 W Marion/960 W Olympia	925 W. Marion/960 W. Olympia FL, LCC	960 W. Olympia	960 W. Olympia Ave. Punta Gorda, FL 33950	Receiver

*The Receiver sold this property on August 9, 2024 through a Court-approved sale process.

**The Receiver conducted a Court-approved online auction process for this property, which concluded in the last week of October 2024.

***Property was sold at a pre-Receivership tax sale. The Receiver did not pursue any claim to unwind the pre-Receivership tax sale, as any attempt to reclaim this property would incur costs that exceed the amount of funds available to the applicable Receivership Entity.

****The Receiver sold this property on October 7, 2024 through a Court-approved sale process.

Residential Properties			
No.	Owner	Address	Property Type
1	751 W Retta Esplanade FL, LLC	751 W Retta Esplanade, Punta Gorda, FL 33950	Residential
2	Spike Holdings LLC	1001 West Marion Avenue, Unit 21, Punta Gorda, FL 33950	Residential; Condominium Unit
3	Spike Holdings LLC	880 West Marion Avenue, Punta Gorda, FL 33950	Residential
4	Spike Holdings LLC	150 Shreve Street, Punta Gorda, FL 33950	Vacant Land
5	Jonathan Larmore	11751 Black Point Road, Syracuse, IN 46567	Residential
6	HV Gardens LLC	8150 East Highland View Drive, Syracuse, IN 46547	Residential
7	Morrison Island LLC	10507 N. Grand Boulevard, Syracuse, IN 46567	Residential
8	Northeast Wawasee LLC	11227 NE Wawasee Drive South, Syracuse, IN 46567*	Residential
9	FK Telluride LLC	567 Mountain Village Blvd, Unit 114-6 Telluride, CO 81435	Residential; Timeshare Unit
10	FK Telluride LLC	567 Mountain Village Blvd, Unit 115-1, Telluride, CO 81435	Residential; Timeshare Unit
11	JMMAL Mariposa LLC	5324 E. Mariposa Street, Phoenix, AZ 85018*	Residential
12	4450 N 54th LLC	4450 N. 54th Street, Phoenix, AZ 85018*	Residential
13	Marcia Larmore	3127 LaBalme Trail, Fort Wayne, IN 46804	Residential
14	Marcia Larmore	7900 W. Jefferson Boulevard, Suite #305, Fort Wayne, IN 46804	Medical Condominium

*After evaluation, the Receiver has determined these properties are appropriately excluded from the Receivership.

EXHIBIT 2

Net Proceeds to the Receivership from Asset Dispositions					
Property	Sale Price	Debt Payoff	Closing Costs*	2022 & 2023 Property Taxes	Net Proceeds to Receivership
Glenrosa	\$28,250,000	(\$21,277,269)	(\$464,004)		\$6,508,727
Mercado	6,500,000	(1,789,444)	(351,591)	(151,707)	4,207,258
Palencia	4,175,000	(982,442)	(216,596)	(87,946)	2,888,016
1000 W. Marion	2,500,000	(2,198,621)	(26,876)	(54,848)	219,655
Total	\$41,425,000	(\$26,247,776)	(\$1,059,067)	(\$294,501)	\$13,823,656

*Closing Costs include prorations, commissions, bank fees, and a positive adjustment for excess cash at closing (excess cash adjustment for Glenrosa only).

EXHIBIT 3

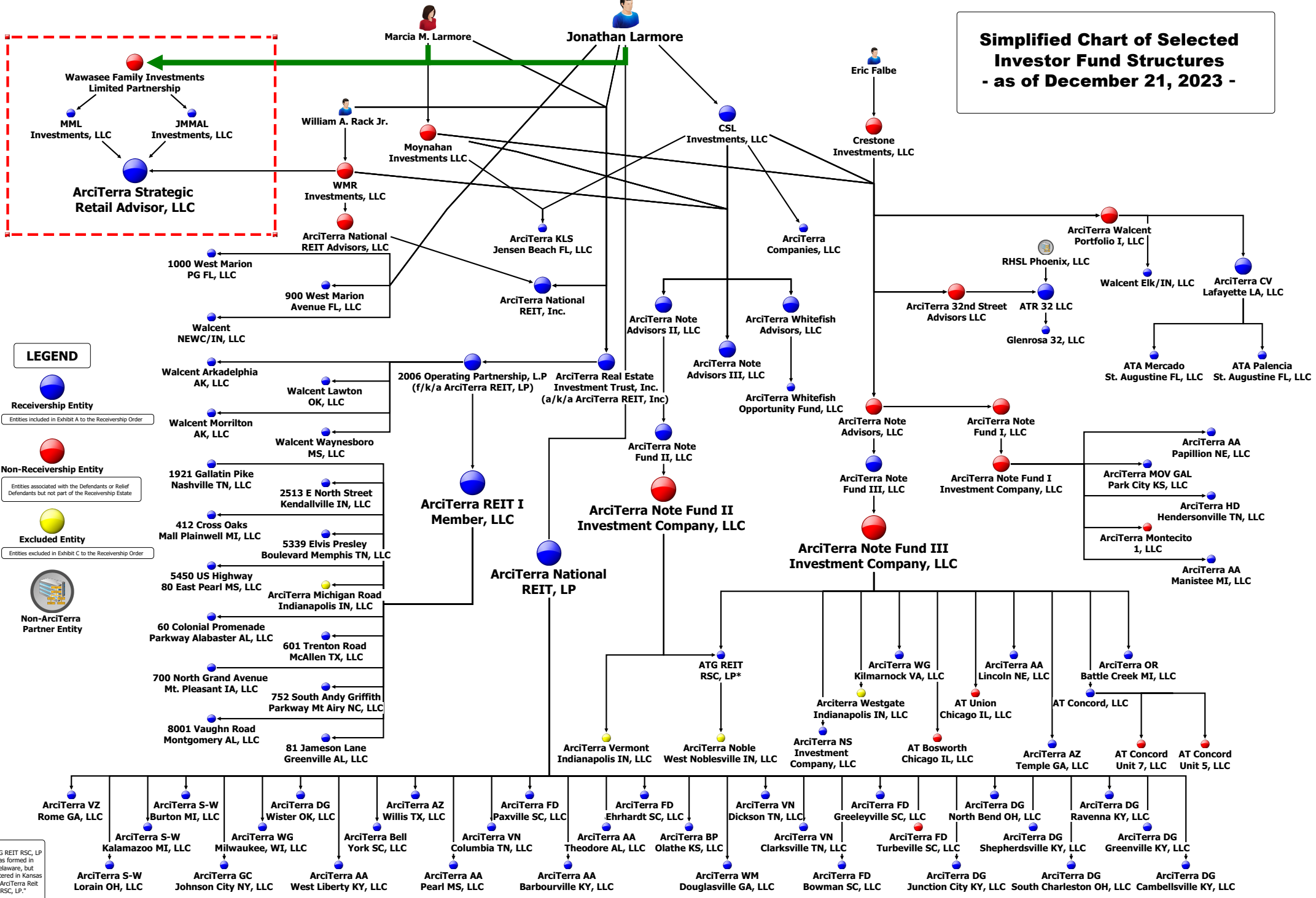
Summary of All Investor Funds			
Offering	Date of POM	Investor Count	Total Raised from Investors
ArciTerra Note Fund III, LLC	03/21/08	541	\$25,000,000
** ArciTerra REIT, Inc.	04/03/06	498	20,258,940
ArciTerra Note Fund II, LLC	11/17/06	449	20,000,000
** ArciTerra National REIT, Inc.	10/28/08	388	16,330,350
* Note Fund I	09/16/05	229	10,000,000
ASI Belleville Crossing IL, LLC	09/16/11	161	7,376,760
Whitefish Opportunity Fund, LLC	05/04/07	157	6,344,000
ASR Wheatland IL, LLC	03/01/15	112	5,254,834
* ASR Forum KY	11/28/12	59	5,046,882
* ASR Plaza OK	04/26/13	105	4,750,518
ASR Briargate & Linden IL, LLC	06/16/14	75	4,245,194
* ASR Roswell/Cumberland	09/10/10	73	3,050,000
ASR Plainfield Village IN, LLC	11/12/15	15	3,025,000
* ASR KY & GA	10/10/12	78	2,470,281
* ASR Echelon	02/22/11	63	2,205,000
* ASR Kiowa Village	03/21/11	41	2,173,333
* ASR Johns Creek	01/20/11	63	1,850,000
ASR Trinity Place TN, LLC	06/30/11	62	1,838,333
** ASR Centerville & Colony GA, LLC	11/30/15	7	1,210,869
Total		3,176	\$142,430,294

* These Investor Funds are not part of the current receivership scope. All of these Investor Funds have been closed with the exception of ASR Echelon and ASR Plaza OK.

** These Investor Funds are in scope, but review of the Investor Fund is in process as of this Third Status Report.

EXHIBIT 4

Simplified Chart of Selected Investor Fund Structures - as of December 21, 2023 -



LEGEND

Receivership Entity
 Entities included in Exhibit A to the Receivership Order

Non-Receivership Entity
 Entities associated with the Defendants or Relief Defendants but not part of the Receivership Estate

Excluded Entity
 Entities excluded in Exhibit C to the Receivership Order

Non-ArciTerra Partner Entity

* ATG REIT RSC, LP was formed in Delaware, but registered in Kansas as "ArciTerra REIT RSC, LP"

EXHIBIT 5

EXHIBIT 6

EXHIBIT 7

EXHIBIT 8

Chart of ArciTerra Entity “Closeness Centrality” for Select Time Periods, Normalized
(with ASRA Represented as a Dotted Blue Line Near the Top, and Secondary Entities in Greyscale)

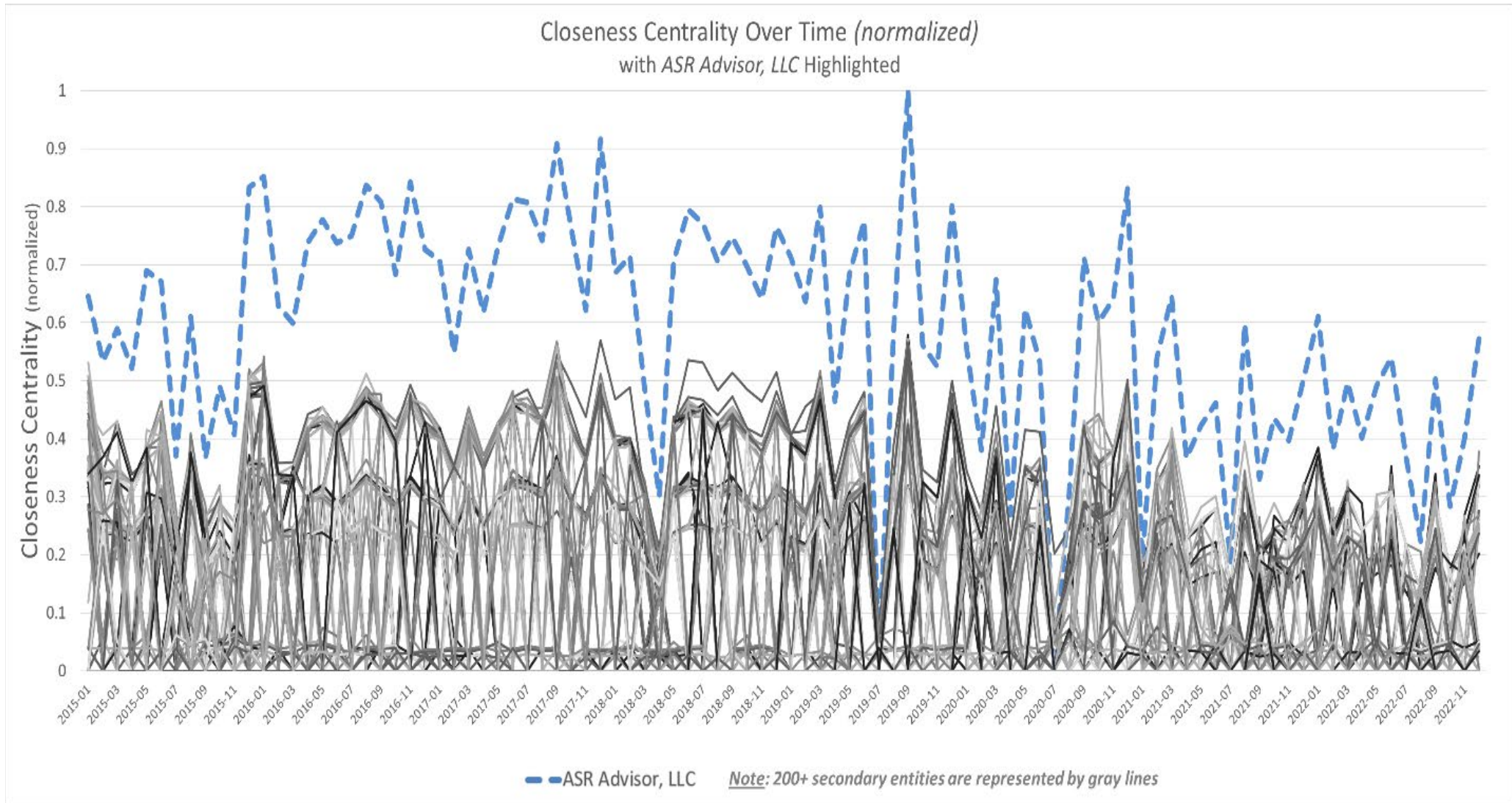
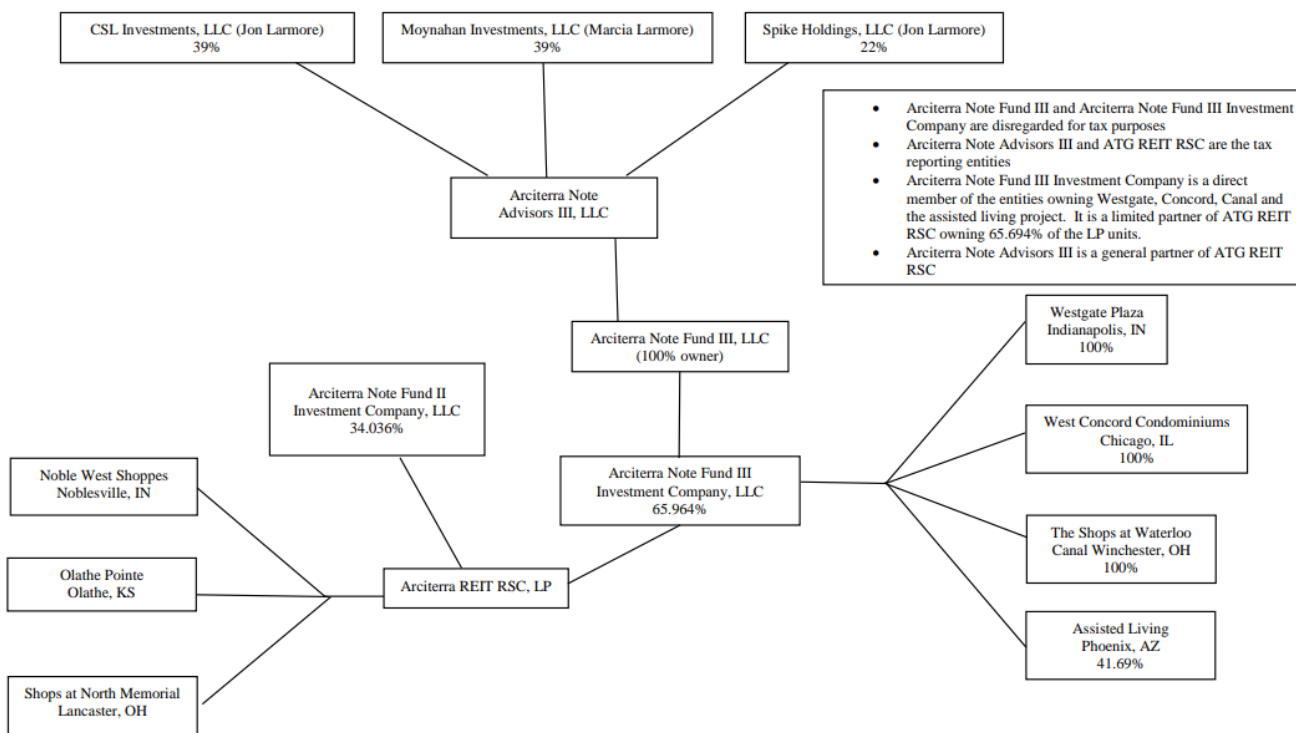


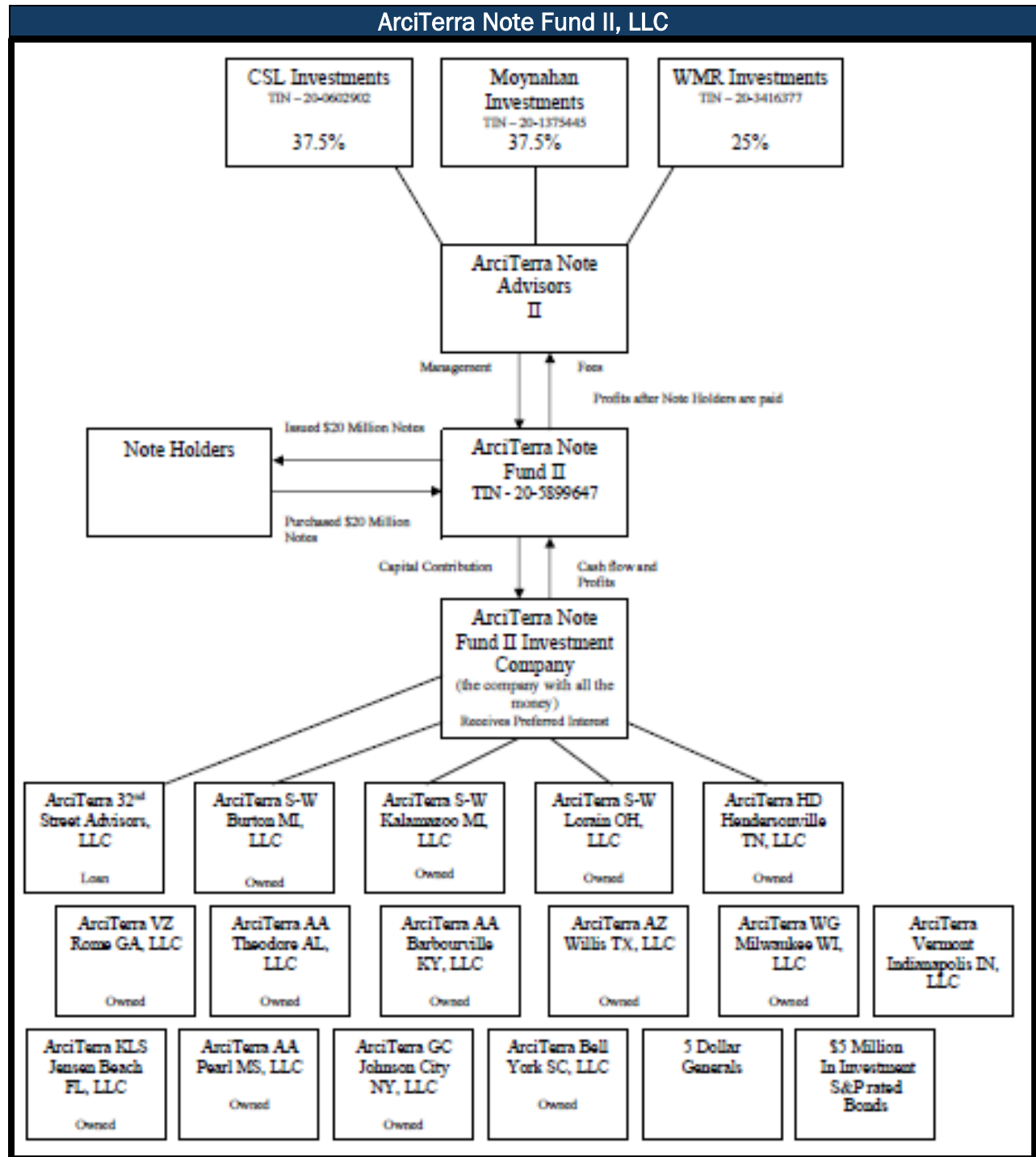
EXHIBIT 9

EXHIBIT 10

ArciTerra Note Fund III, LLC

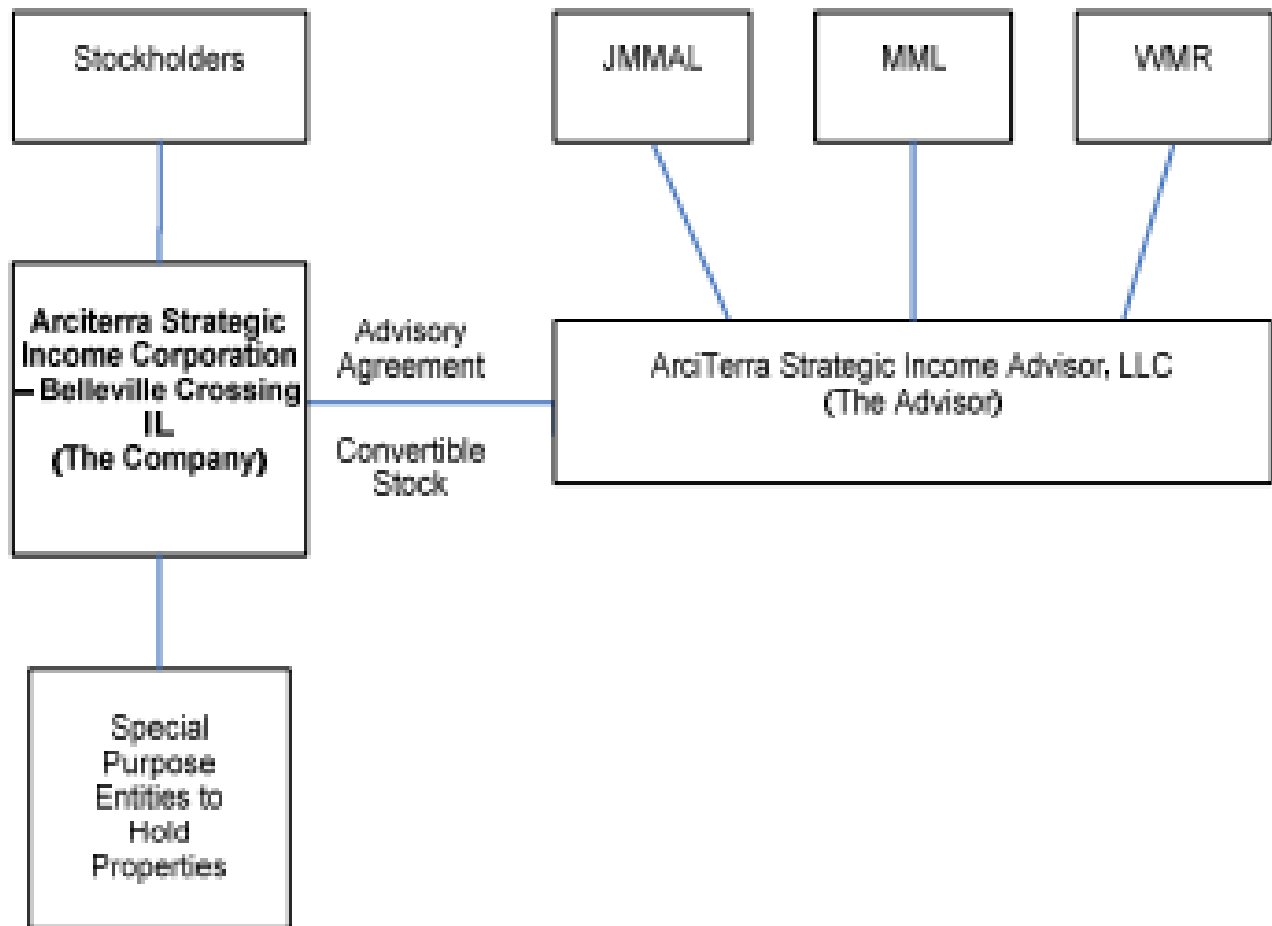


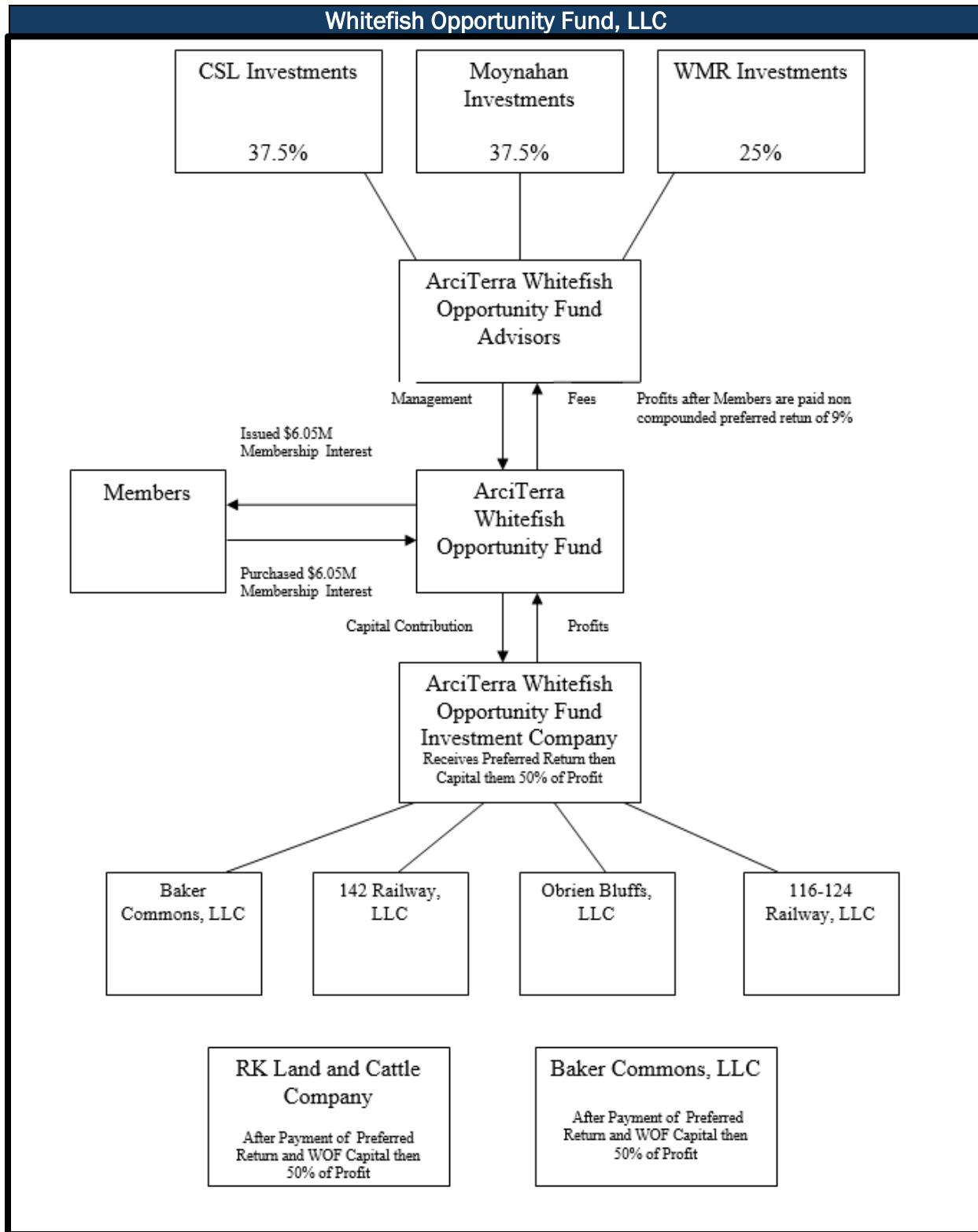
- ArciTerra Note Fund III and ArciTerra Note Fund III Investment Company are disregarded for tax purposes
- ArciTerra Note Advisors III and ATG REIT RSC are the tax reporting entities
- ArciTerra Note Fund III Investment Company is a direct member of the entities owning Westgate, Concord, Canal and the assisted living project. It is a limited partner of ATG REIT RSC owning 65.694% of the LP units.
- ArciTerra Note Advisors III is a general partner of ATG REIT RSC

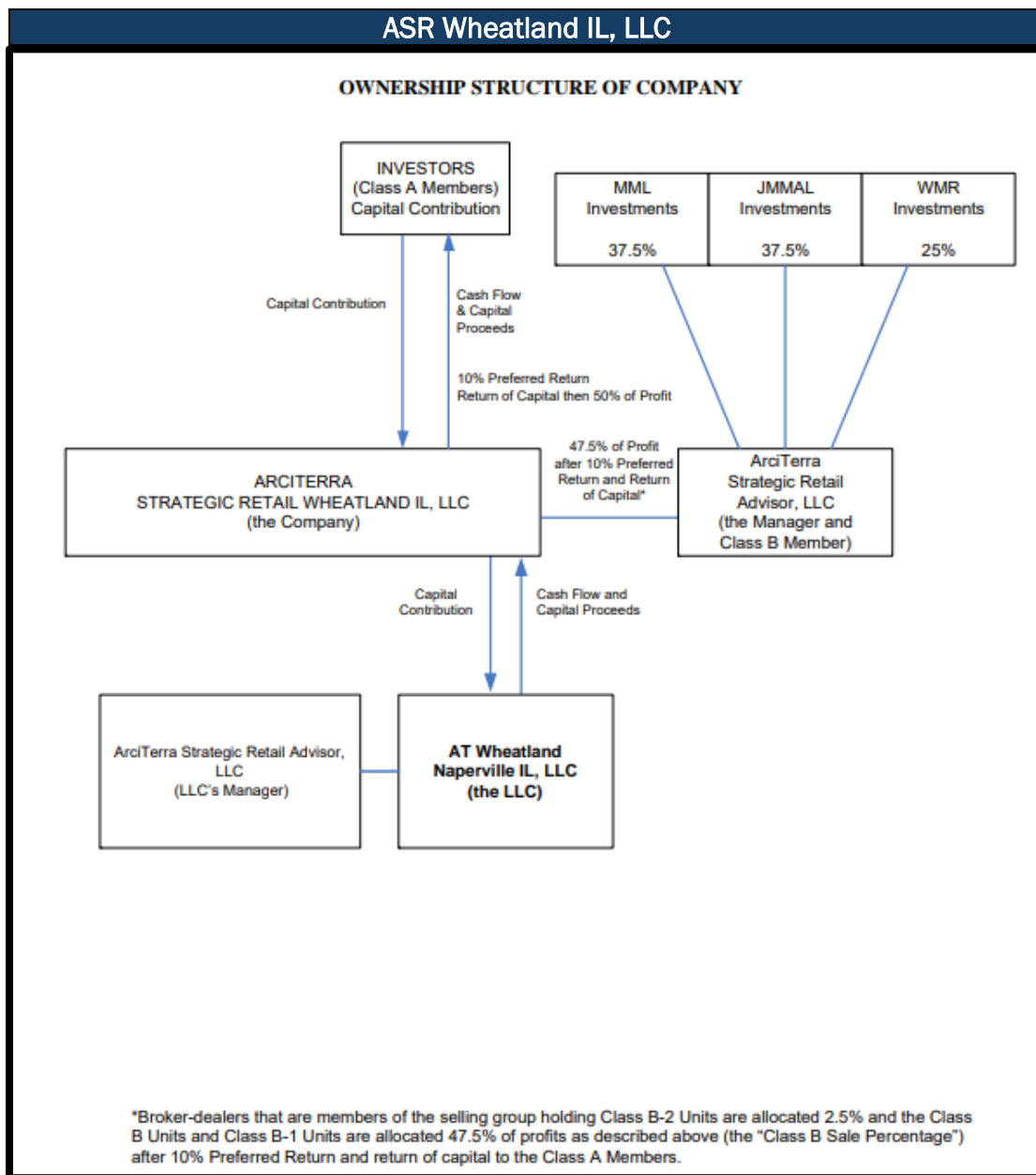


ASI Belleville Crossing IL, LLC

OWNERSHIP STRUCTURE OF THE COMPANY

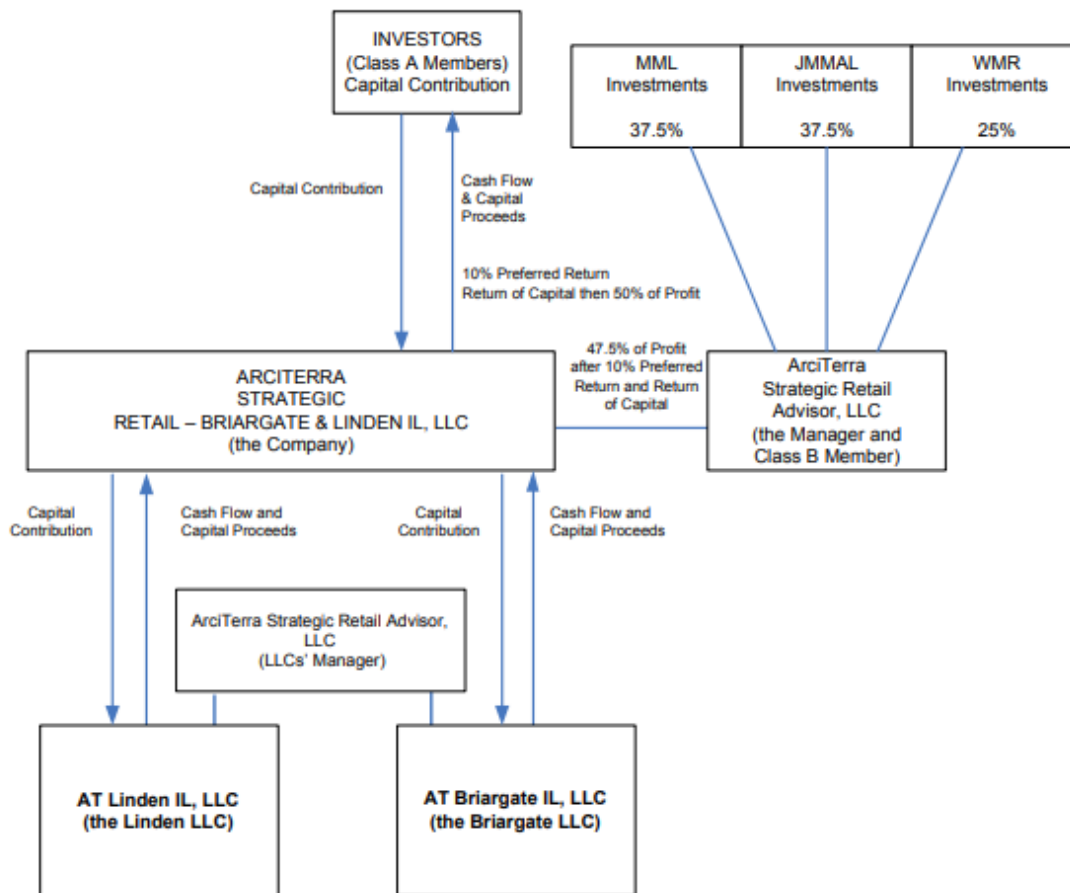






ASR Briargate & Linden IL, LLC

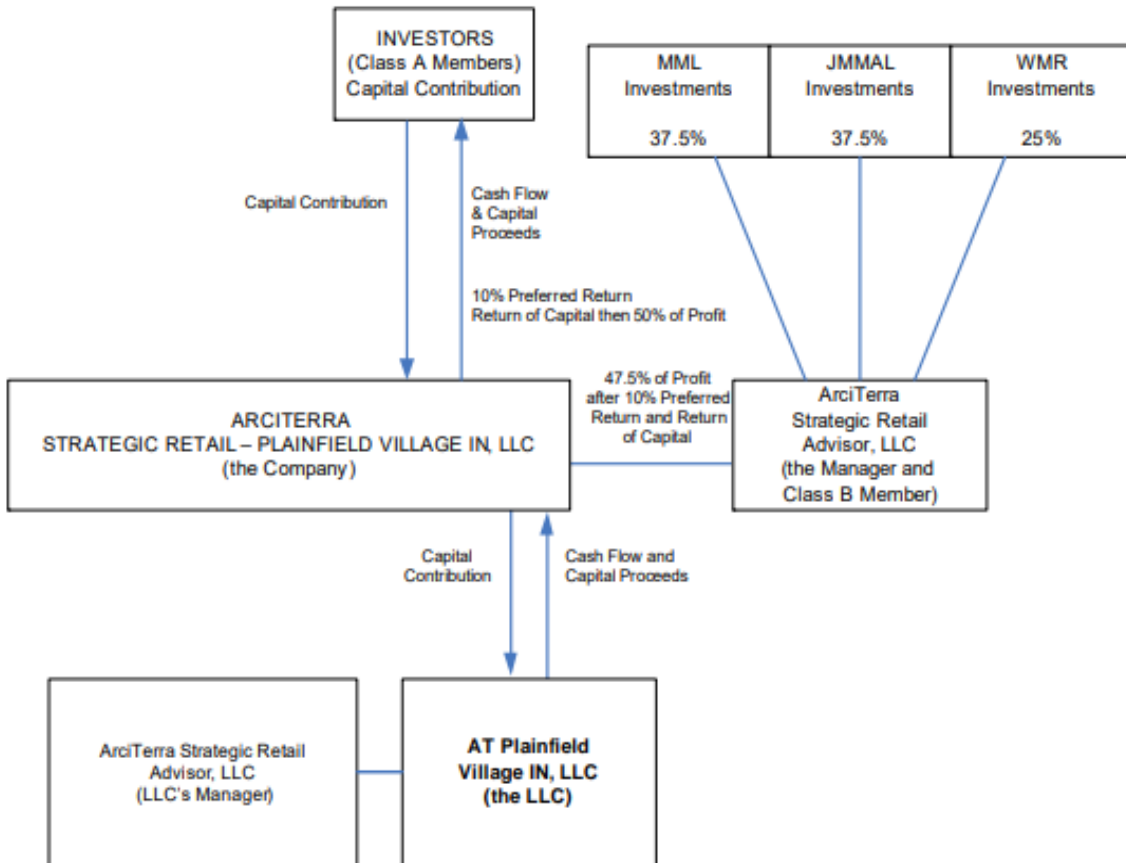
OWNERSHIP STRUCTURE OF COMPANY



Broker-dealers that are members of the selling group holding Class B-2 Units are allocated 2.5% and the Class B Units and Class B-1 Units are allocated 47.5% of profits as described above (the "Class B Sale Percentage") after 10% Preferred Return and return of capital to the Class A Members.

ASR Plainfield Village IN, LLC

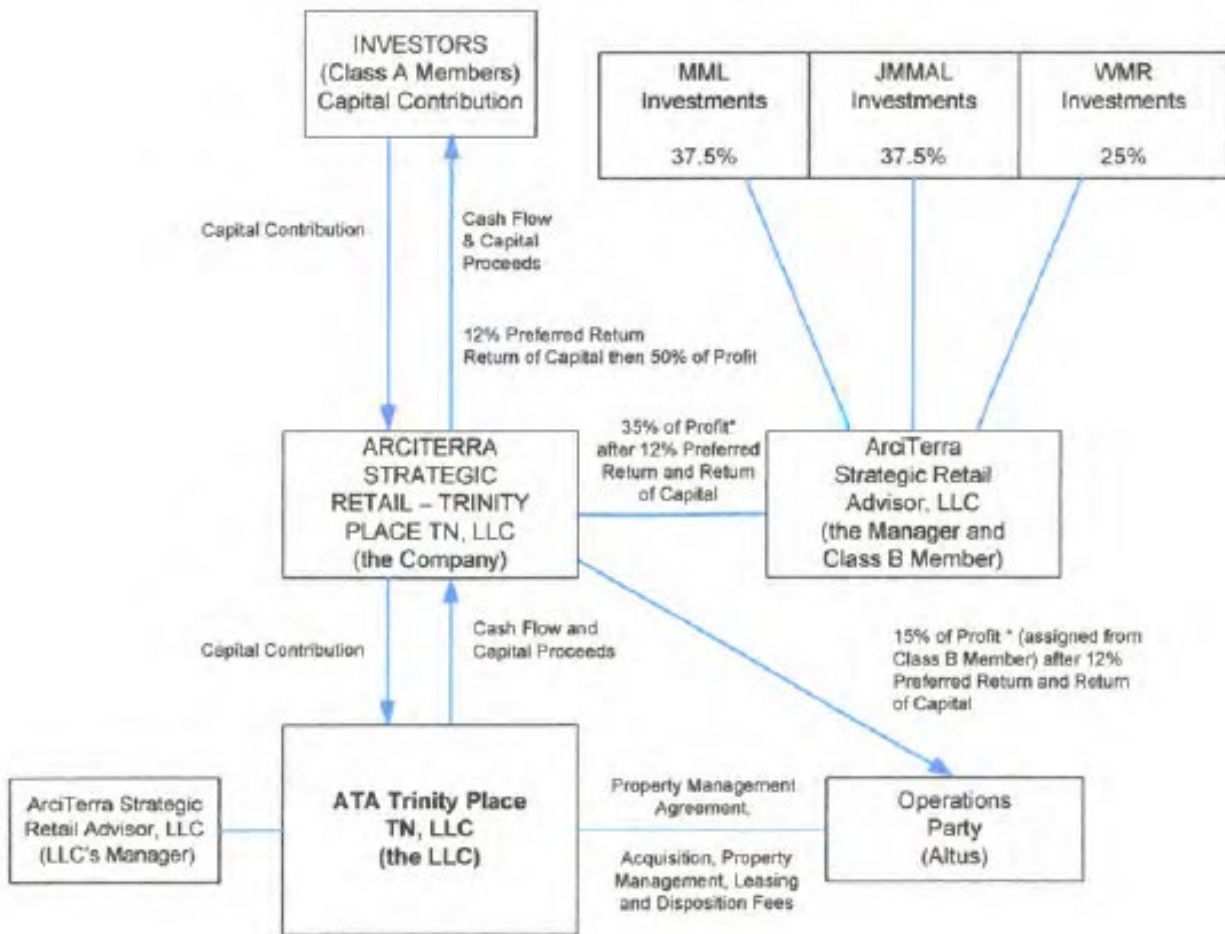
OWNERSHIP STRUCTURE OF COMPANY



Broker-dealers that are members of the selling group holding Class B -2 Units are allocated 2.5% and the Class B Units and Class B-1 Units are allocated 47.5% of profits as described above (the "Class B Sale Percentage") after 10% Preferred Return and return of capital to the Class A Members .

ASR Trinity Place TN, LLC

OWNERSHIP STRUCTURE OF COMPANY

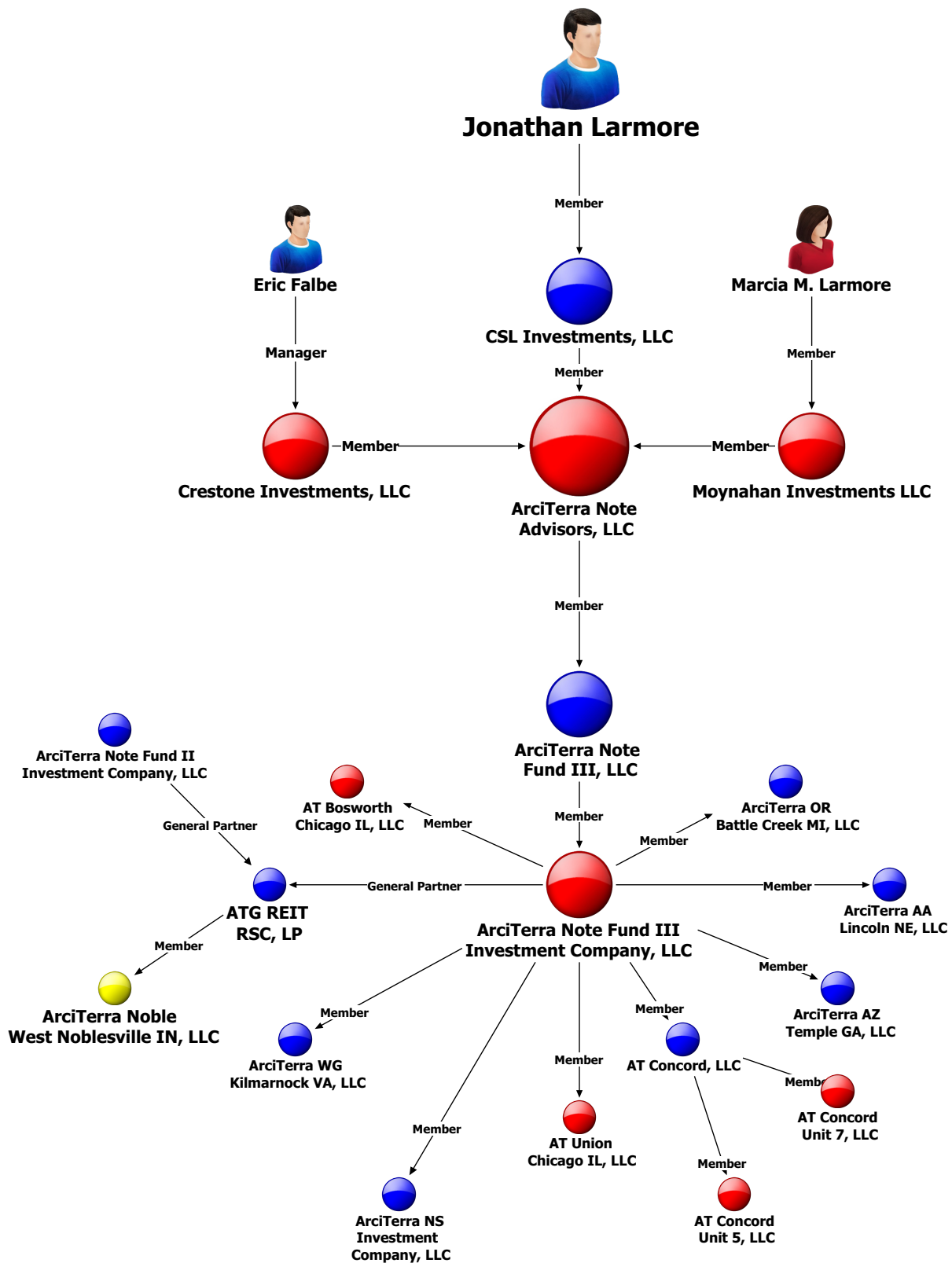


* The Operations Party percentage of profits increases from 15% to 20% and inversely the Manager and Class B Member percentage will drop from 35% to 30% if the annualized return on investment ("ROI") is 25% or greater. Such participation in profits by the Operations Party is subject to forfeiture for non performance of professional services.

EXHIBIT 11

Note Fund III

As of December 21, 2023



LEGEND

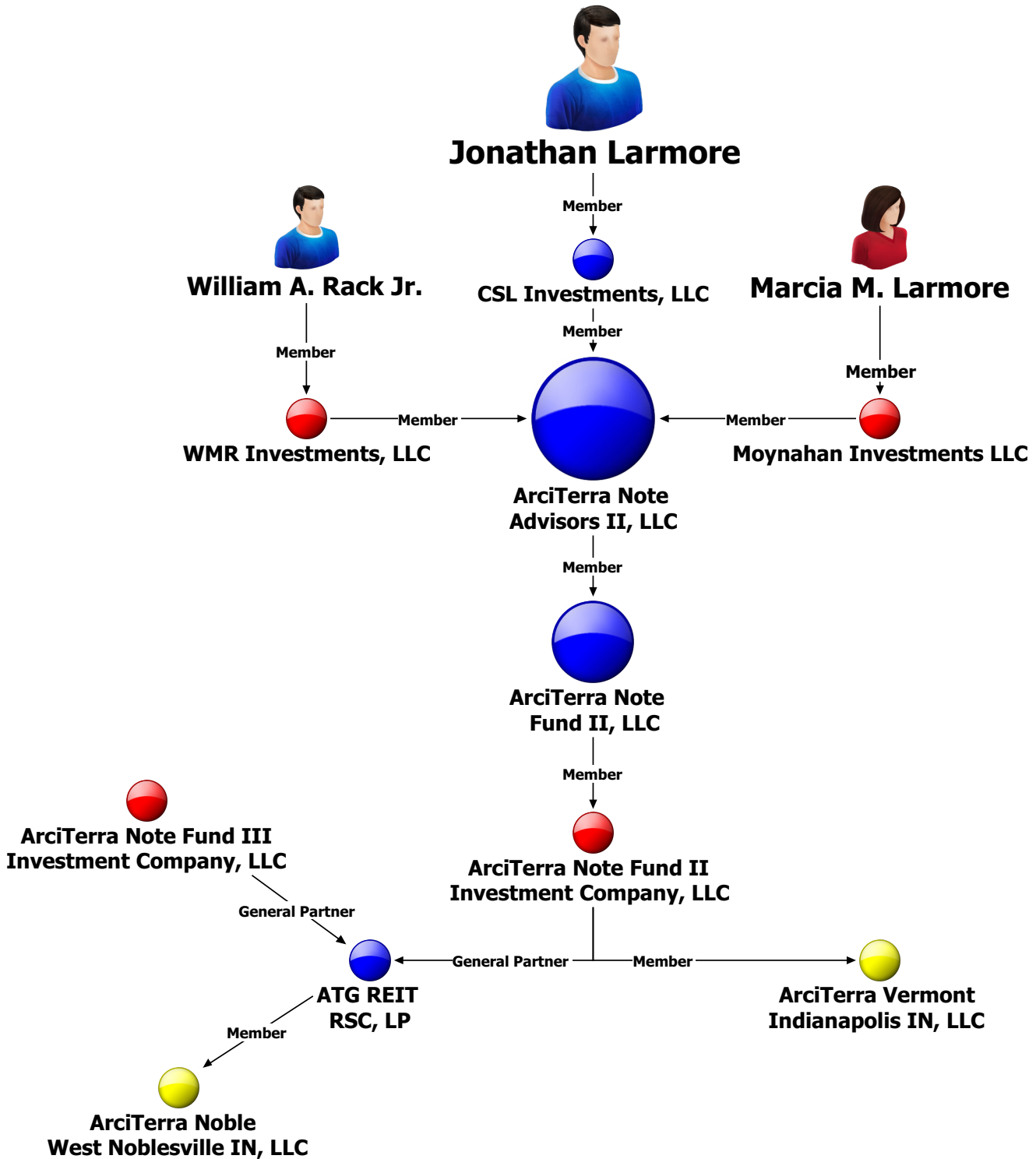
 **Receivership Entity ACTIVE**

 **Receivership Entity INACTIVE**

 **Excluded Entity**

Note Fund II

As of December 21, 2023



LEGEND

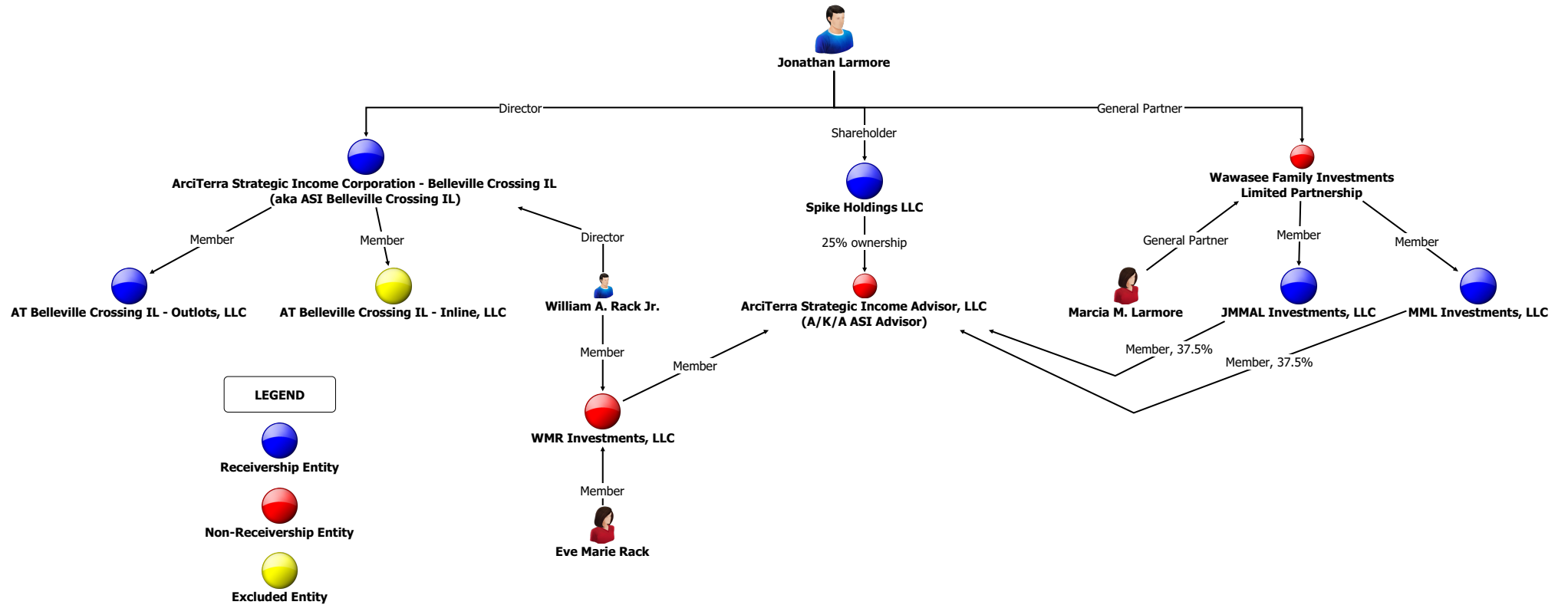
 Receivership Entity

 Non-Receivership Entity

 Excluded Entity

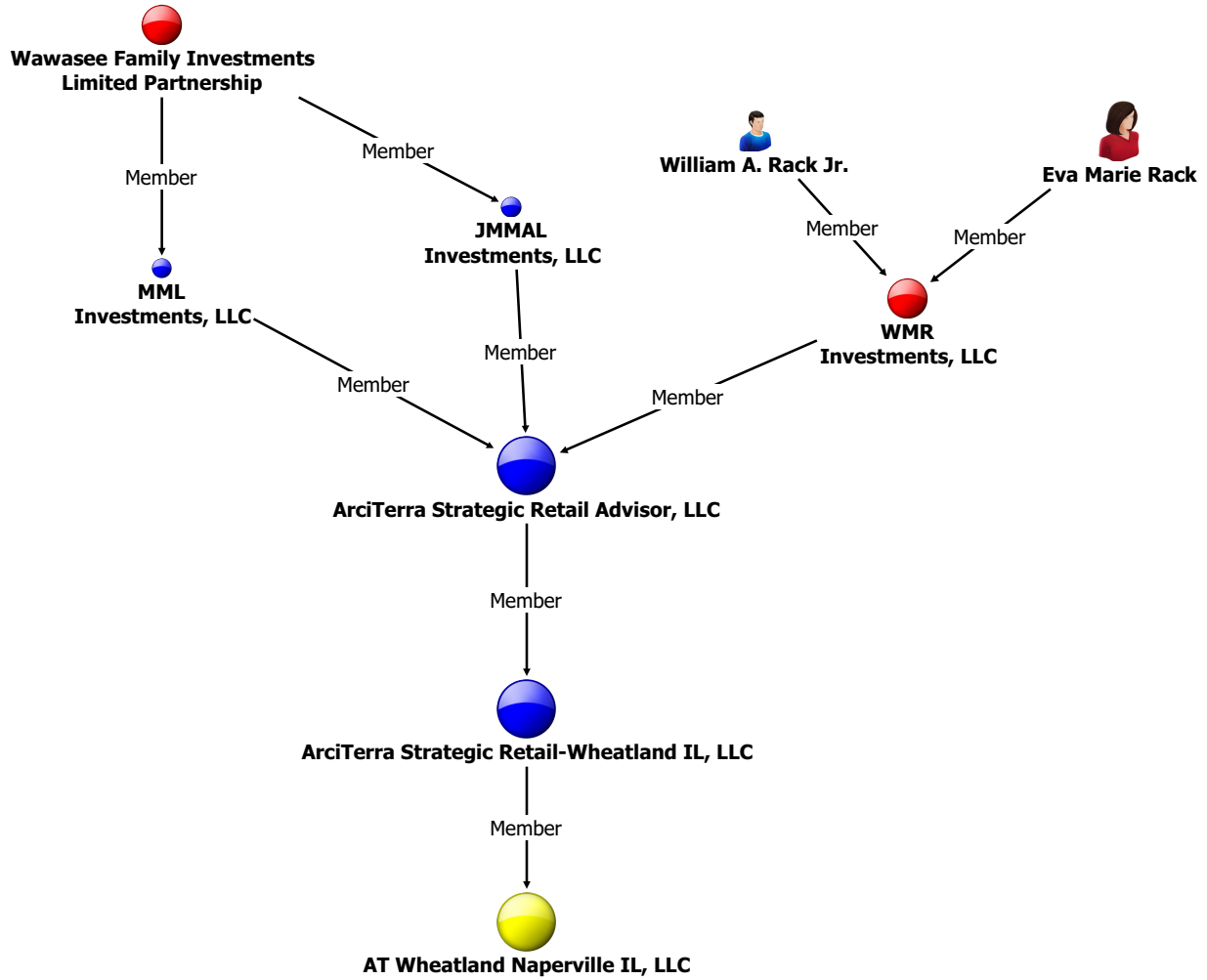
ArciTerra Strategic Income Corporation - Belleville Crossing IL

As of December 21, 2023



ArciTerra Wheatland

As of December 21, 2023



LEGEND



Receivership Entity



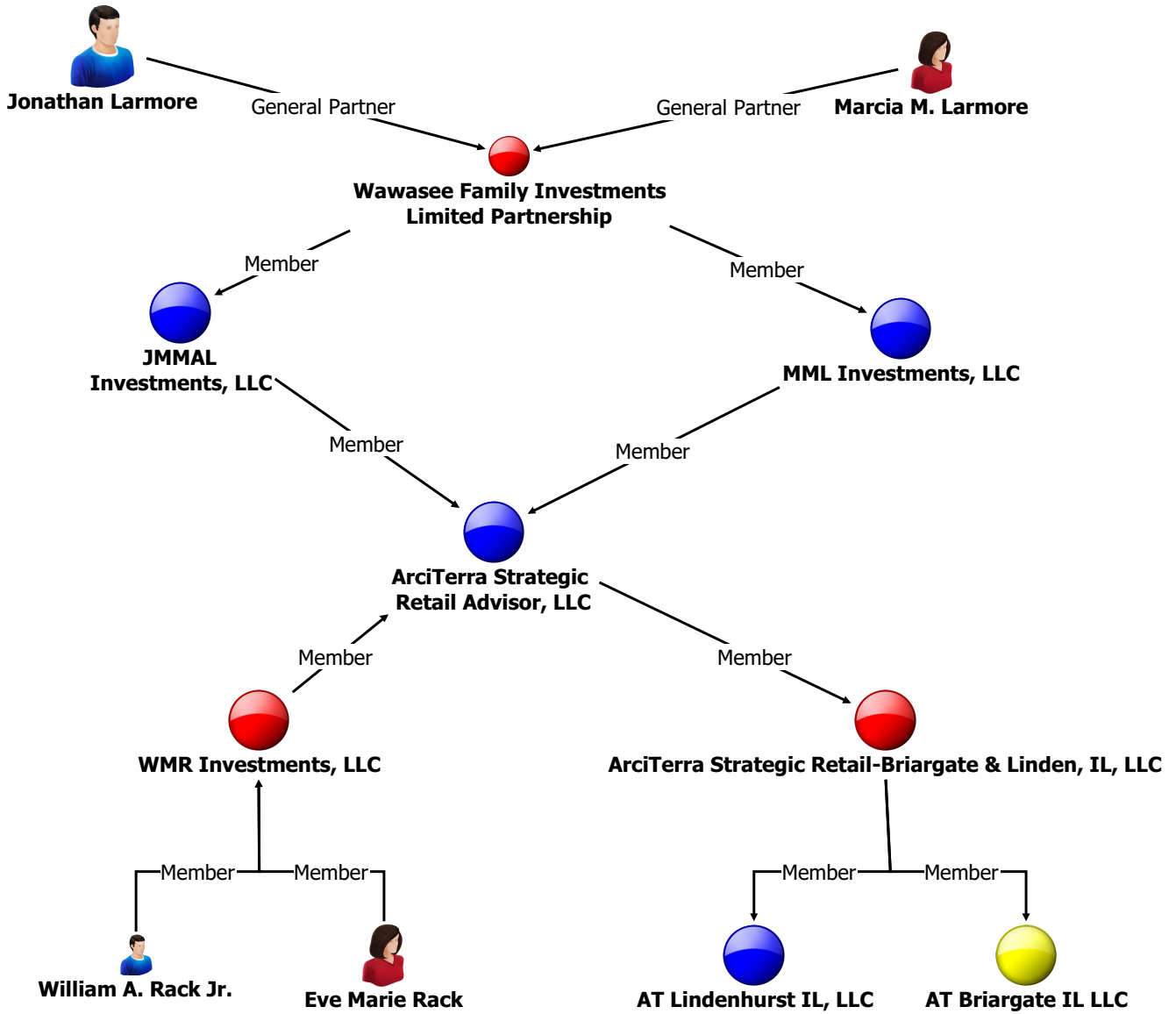
Non-Receivership Entity



Excluded Entity

ASR Briargate & Linden

As of December 21, 2023



LEGEND



Receivership Entity



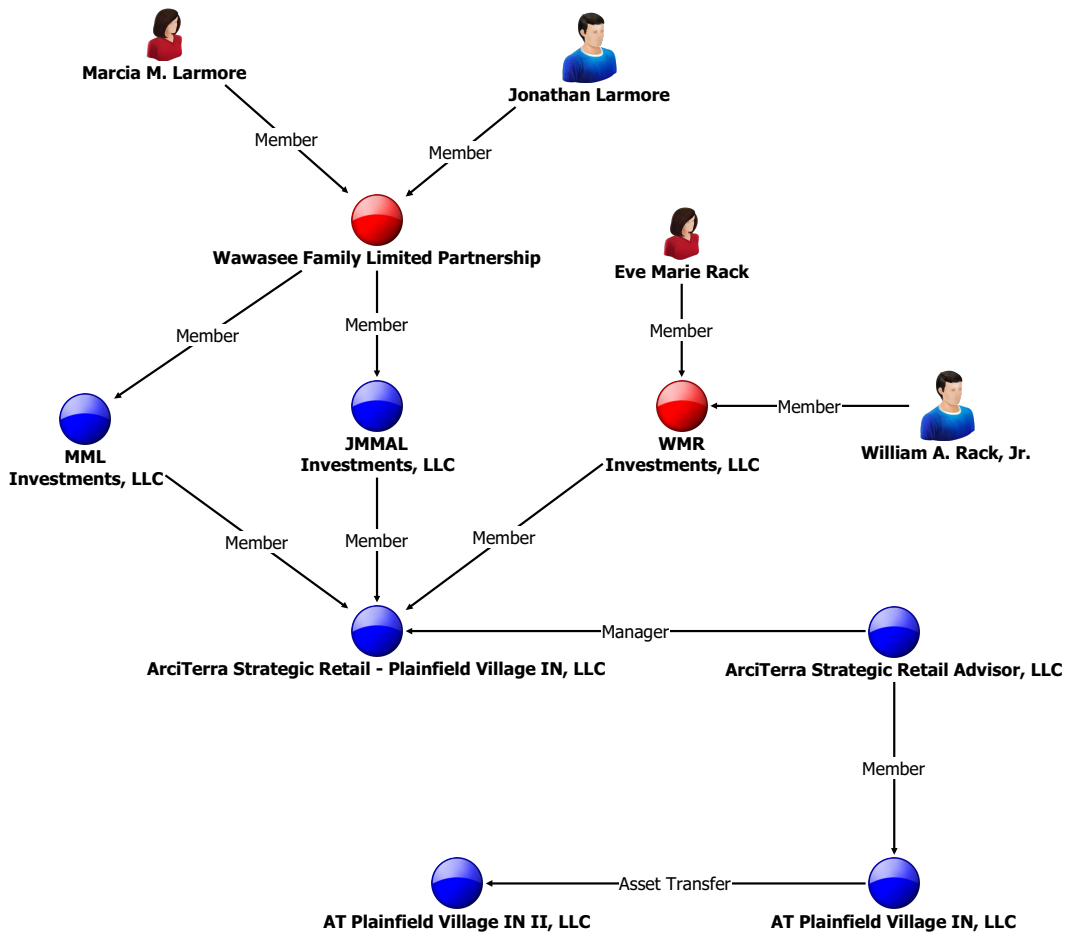
Non-Receivership Entity



Excluded Entity

ASR Plainfield

As of December 21, 2023



LEGEND



Receivership Entity



Non-Receivership Entity

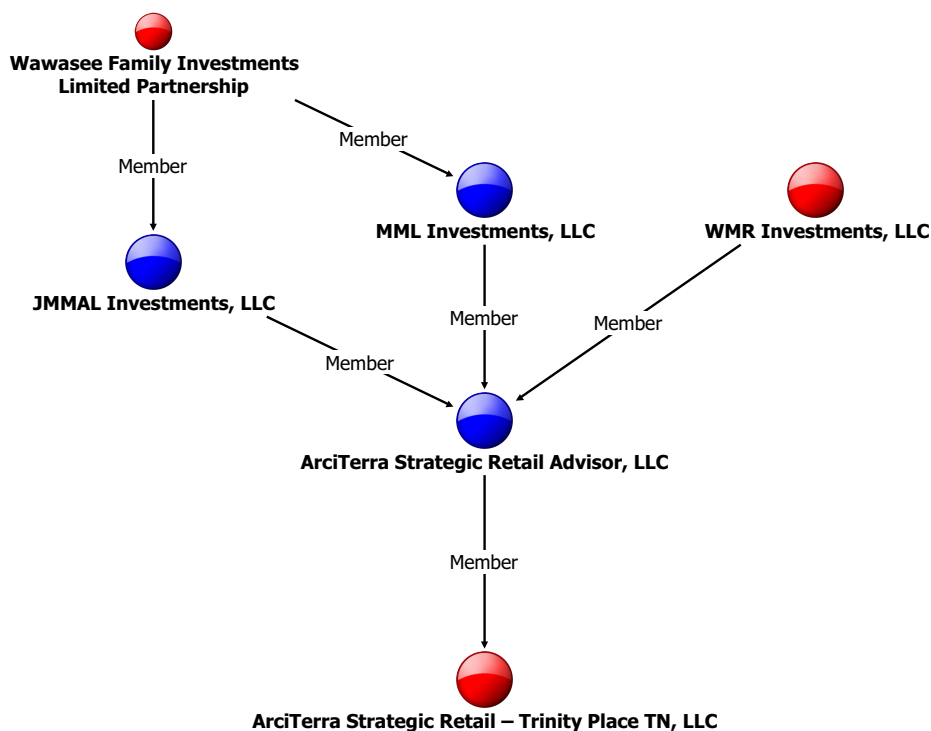


Excluded Entity

AT Plainfield Village IN, LLC Granted 160 Plainfield Village Drive, Plainfield, IN to AT Plainfield Village IN II, LLC on February 10, 2020

ArciTerra Strategic Retail – Trinity Place TN

As of December 21, 2023



LEGEND



Receivership Entity



Non-Receivership Entity

EXHIBIT 12

Cash/Capital Flows for Note Fund III and Note Fund III Investments from 2010 to 2022

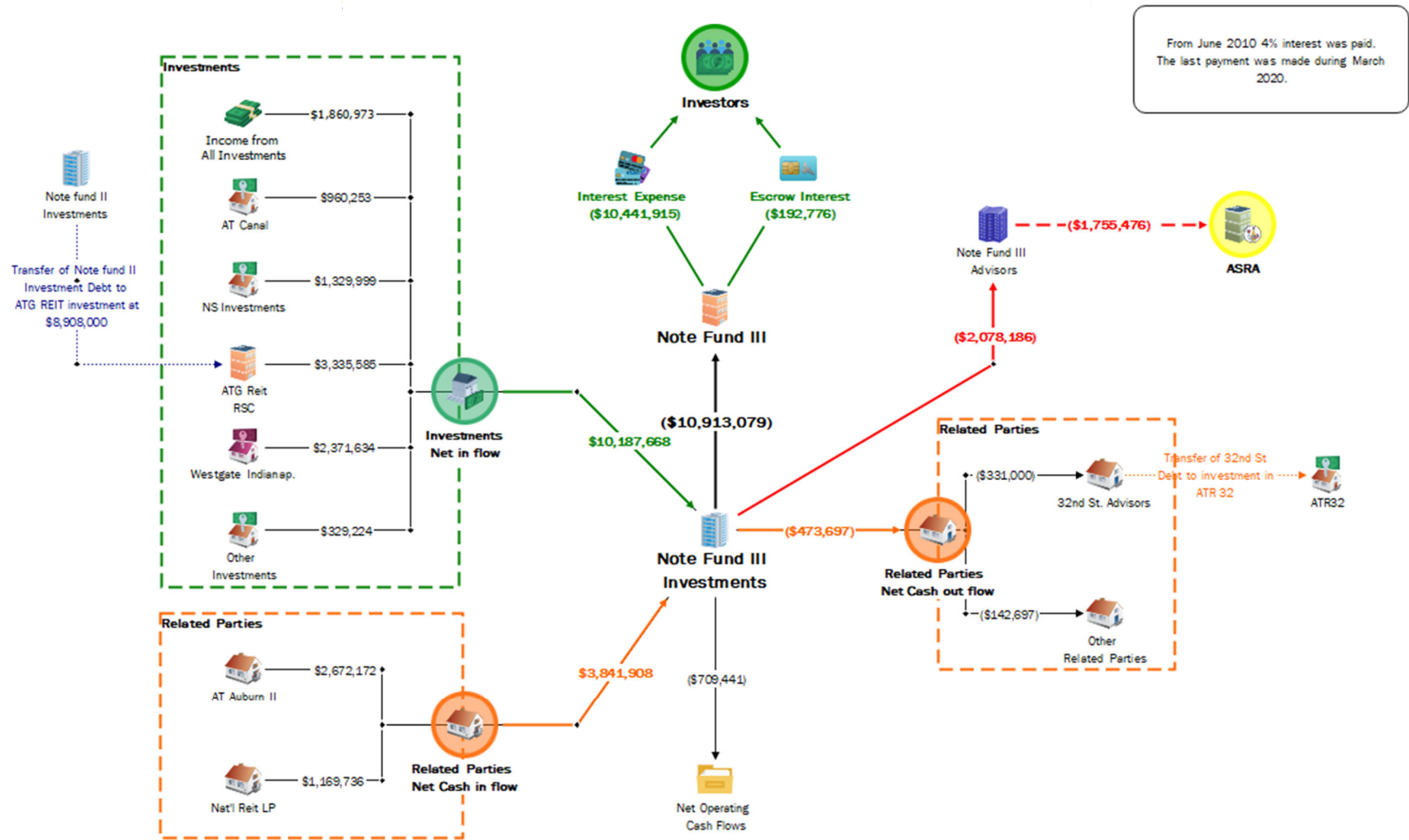


EXHIBIT 13

Cash/Capital Flows for Note Fund II and Note Fund II Investments from 2009 to 2023

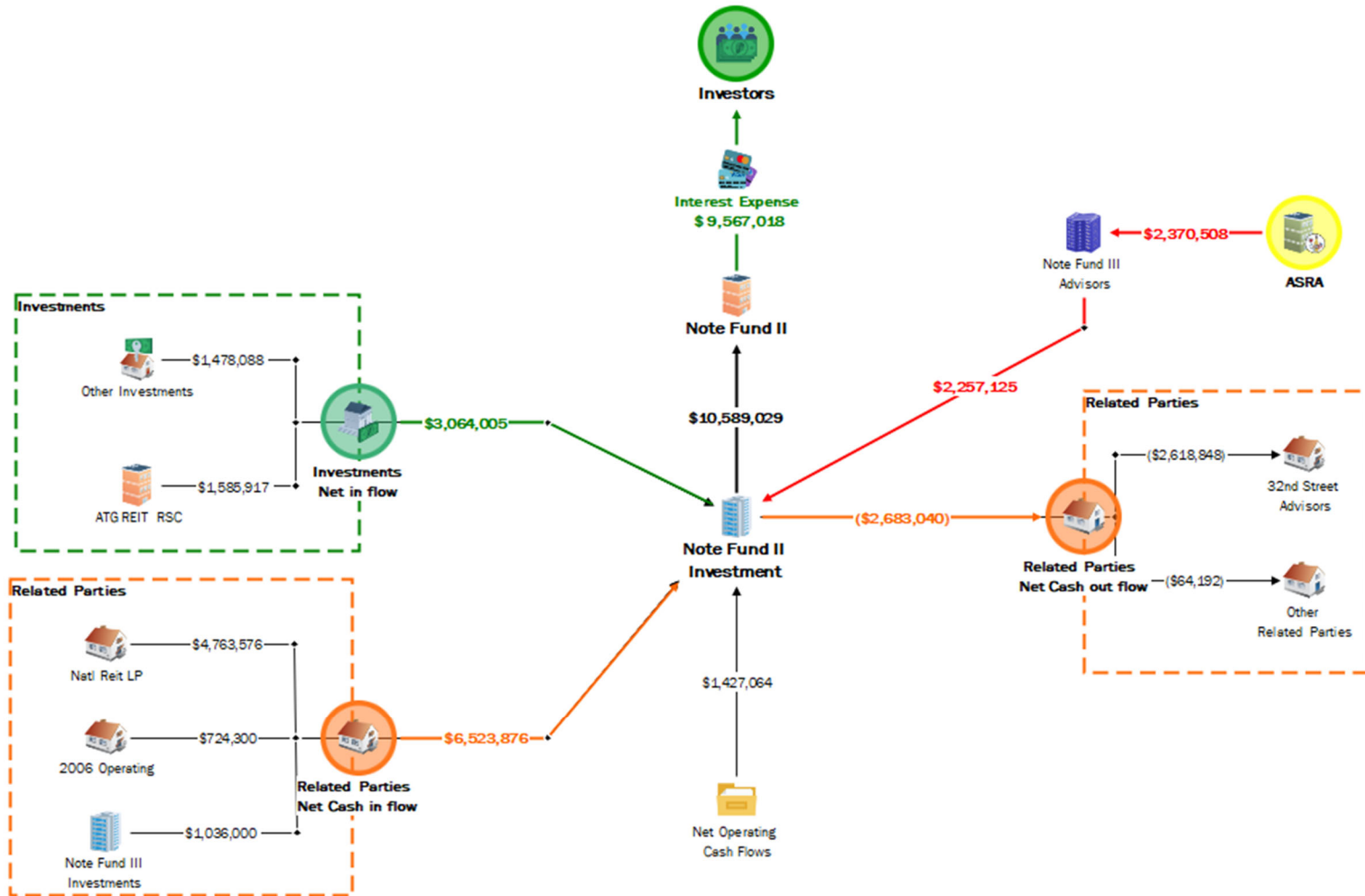


EXHIBIT 14

Summary of Change In Cash Balances - December 21, 2023 through October 31, 2024

Asset Group	Balance as of 12/21/2023	Net Change	Balance as of 10/31/2024
<i>Operating Businesses</i>			
Village Brewhouse	\$55,300	\$111,990	\$167,290
Simply Sweet	\$58,570	\$115,420	\$173,990
<i>Commercial Properties</i>			
Glenrosa*	\$556,500	(\$556,500)	\$0
REIT3650	\$186,400	\$656,170	\$842,570
Rialto	\$120,400	\$607,400	\$727,800
KS State Bank	\$0	\$0	\$0
Single Properties	\$66,200	\$633,160	\$699,360

*The Receiver sold the Glenrosa property and business on August 9, 2024 through a Court-approved sale process.