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**IN THE UNITED STATES DISTRICT COURT
FOR THE DISTRICT OF ARIZONA**

United States Securities and Exchange
Commission,

Plaintiff,

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.

No. CV-23-02470-PHX-DLR

**ORDER APPROVING
(A) THE ENGAGEMENT AND
COMPENSATION OF MARCUS &
MILLICHAP REAL ESTATE
INVESTMENT SERVICES AS
BROKER FOR THE SALE OF
REAL PROPERTIES SUBJECT TO
LOANS SERVICED BY RIALTO
CAPITAL ADVISORS, LLC; (B)
THE SALE AND AUCTION
PROCEDURES FOR THE SALE OF
THE PROPERTIES; AND (C)
GRANTING RELATED RELIEF**

The Court having considered the Receiver’s Motion for orders: (A) approving (i) the Receiver’s engagement and compensation of Marcus & Millichap Real Estate Investment Services (“Marcus & Millichap”) as broker for the sale of the eleven properties listed on Exhibit 1 to the Motion (each referred to herein as a “Property”, and collectively, the “Properties”), each of which is subject to a cross-collateralized secured loan serviced by Rialto Capital Advisors, LLC as the special servicer (“Rialto”), and (ii) the proposed sale and auction procedures (the “Sale Procedures”) for the sale of the Properties; (B) approving the sale of the Properties to a bidder or bidders who submit the highest and best offer for the Properties at an auction, free and clear of all liens, claims,

1 encumbrances and interests; and (C) granting related relief(the “Motion”)¹ (Doc. 230);
2 and upon consideration of any and all responses and replies relating to the Motion; and
3 upon due and sufficient notice of the Motion having been given and that no other or
4 further notice need be given; and after due deliberation; and it appearing that the relief
5 sought in the Motion is in the best interest of the Receivership Estate, its creditors, and
6 other parties in interest,

7 **IT IS HEREBY FOUND, DETERMINED, AND CONCLUDED THAT:**

8 1. This Court has jurisdiction over this matter, the above-captioned defendants
9 and relief-defendants, and over all property of the Receivership Estate.

10 2. Proper, timely, adequate, and sufficient notice of the Motion has been
11 provided, such notice was sufficient and appropriate under the particular circumstances,
12 and no other or further notice of the Motion or relief sought in the Motion is necessary or
13 required.

14 3. A reasonable opportunity to object or be heard regarding the requested
15 relief in the Motion and this Order has been afforded to all interested parties, including,
16 without limitation, all parties to this action and all persons or entities known to the
17 Receiver that have or may have an interest in any portion of the Properties.

18 4. The Receiver has the power and authority to sell the Properties, or any
19 portion of the Receivership Estate, at a public sale pursuant to and in accordance with the
20 Sale Procedures, free and clear of liens, claims, and encumbrances, with such liens,
21 claims, and encumbrances attaching to the proceeds of such sale with the same validity
22 and in the same order of priority.

23 5. Upon the Receiver’s appointment and after investigating the financial
24 condition of the Receivership Estate, the Receiver evaluated the real estate holdings of
25 the Receivership Estate and determined to undertake a comprehensive effort to solicit
26 interest from potential purchasers for the Properties.

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¹ Capitalized, undefined terms shall have the meanings ascribed to them in the Motion.

1 6. The Receiver’s entry into the M&M Agreement, and the underlying
2 retention of Marcus & Millichap, as a disinterested professional, is in the best interest of
3 the Receivership Estate and its creditors.

4 7. The Receiver’s existing and continued marketing efforts, combined with
5 the publication set forth herein is reasonable and sufficient.

6 8. The Receiver has demonstrated a sufficient basis and compelling
7 circumstances requiring the entry of this Order and the proposed sale of the Properties in
8 accordance with the Sale Procedures, and such actions: (a) are appropriate exercises of
9 the Receiver’s reasonable business judgment; (b) are in the best interest of the
10 Receivership Estate and its creditors; and (c) meet the requirements of and are consistent
11 with 28 U.S.C. §§ 2001 and 2002.

12 9. The Sale Procedures are reasonable, non-collusive, negotiated in good faith,
13 substantively and procedurally fair, and will enable the Receiver to obtain the highest
14 value for the Property.

15 10. The Receiver may sell the Properties in accordance with the Sale
16 Procedures.

17 **NOW, THEREFORE, BASED UPON THE FOREGOING FINDINGS AND**
18 **THE RECORD BEFORE THIS COURT,**

19 **IT IS HEREBY ORDERED** that the Motion is **GRANTED** as set forth in this
20 Order;

21 **IT IS FURTHER ORDERED** that any and all objections to the Motion
22 concerning the Sale Procedures and relief granted in this Order that have not been
23 withdrawn, waived, resolved, sustained, or settled, are expressly denied and overruled in
24 their entirety;

25 **IT IS FURTHER ORDERED** that the M&M Agreement as set forth in Exhibit A
26 to the Coxworth Declaration, is approved,

27 **IT IS FURTHER ORDERED** that the Sale Procedures, as set forth in Exhibit A
28 to this Order, are approved in their entirety;

1 **IT IS FURTHER ORDERED** that the Receiver may proceed to sell the
2 Properties, in accordance with the Sale Procedures;

3 **IT IS FURTHER ORDERED** that the Receiver may proceed to sell the
4 Properties free and clear of liens, claims, encumbrances, and other interests at a public
5 auction to be held on the RealINSIGHT Marketplace Auction Platform at
6 <https://rimarketplace.com> in accordance with, and subject to, the Sale Procedures with an
7 auction commencing on October 29, 2024 at 12:00 Noon (Eastern Standard Time) and
8 ending on October 31, 2024 at 12:00 Noon (Eastern Standard Time) (the “Auction”);

9 **IT IS FURTHER ORDERED** that the Sale Hearing shall be held via ZOOM
10 conference, on **November 13, 2024, at 10:00 a.m. (Phoenix Time)**;

11 **IT IS FURTHER ORDERED** that any objection on any basis to the proposed
12 sale of any of the Properties must be filed in writing with the Court no later than
13 **November 6, 2024, at 5:00 p.m. (Phoenix Time)** (the “Objection Deadline”) and served
14 on counsel to the Receiver, Archer & Greiner, P.C., Attn: Allen G. Kadish and Harrison
15 H.D. Breakstone, 1211 Avenue of the Americas, New York, New York 10036;

16 **IT IS FURTHER ORDERED** that the notice of sale attached as Exhibit B hereto
17 (the “Sale Notice”), is hereby approved;

18 **IT IS FURTHER ORDERED** that the Receiver shall cause service of the Sale
19 Notice, within five (5) business days of entry of this Order, by United States first class
20 mail on: (a) all known creditors of the Receivership Borrowers at the address set forth in
21 the Receivership Entities’ books and records or as updated pursuant to a request by a
22 creditor or by returned mail from the post office with a forwarding address; (b) Rialto and
23 any other party known or reasonably believed to have asserted any Lien and
24 Encumbrance or other interest in the Properties; (c) all parties to pending litigation
25 against the Receivership Borrowers (as of the date of entry of this Order); (d) any party
26 known or reasonably believed to have expressed an interest in acquiring the Property; (e)
27 the Securities and Exchange Commission, the United States Attorney for the Southern
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1 District of New York, the Internal Revenue Service and all local governmental units; and
2 (f) such additional persons and entities deemed appropriate by the Receiver;

3 **IT IS FURTHER ORDERED** that the Receiver shall cause the Sale Notice to be
4 published in general circulation publications in the counties where the Properties are
5 located once a week for at least four (4) weeks prior to the Sale, which publication shall
6 be deemed due, timely, good, and sufficient notice of the entry of this Order, the Sale
7 Order and all proceedings to be held in accordance with this Order;

8 **IT IS FURTHER ORDERED** that any person or entity seeking to participate as a
9 bidder at the Auction shall comply with the Sale Procedures;

10 **IT IS FURTHER ORDERED** that each bidder participating at the Auction will
11 be required to confirm that it has not engaged in any collusion with respect to the bidding
12 on or sale of the Property;

13 **IT IS FURTHER ORDERED** that under no circumstances shall any bidder or
14 prospective purchaser for the Property have any claims at law or equity against the
15 Receiver, his professionals or the Receivership Estate arising out of their participation or
16 involvement in the Auction or the purchase and sale of the Property;

17 **IT IS FURTHER ORDERED** that this Order shall become effective immediately
18 upon its entry; and

19 **IT IS FURTHER ORDERED** that this Court shall retain jurisdiction over any
20 and all matters or disputes arising from or related to this Order or its enforcement.

21 Dated this 17th day of October, 2024.

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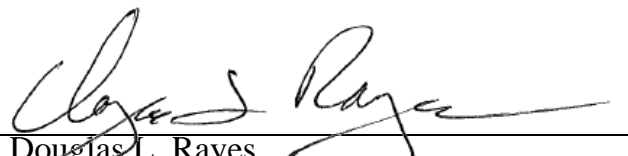

Douglas L. Rayes
Senior United States District Judge

EXHIBIT A

SALE PROCEDURES FOR:

[INSERT ADDRESS OF PROPERTY TO BE SOLD]

Securities and Exchange Commission v. Larmore, *et al.*
Case No. 23-CV-02470-DLR
United States District Court for the District of Arizona (the “Court”)

Allen D. Applbaum, as receiver (the “Receiver”) for ArciTerra Companies, LLC and related entities, submits the following sale and auction procedures (the “Sale Procedures”) for the sale of **[INSERT NAME OF PROPERTY]**, a multi-use retail center located in **[INSERT CITY AND STATE]** (the “Property”), and owned by Receivership Entity, **[INSERT NAME OF RECEIVERSHIP ENTITY]**. The sale of the Property shall be free and clear of all liens, claims, encumbrances and interests, and subject to the below auction procedures approved by the Court:

a. Auction Place and Time. There will be a public Auction to submit and accept bids for the Property held on the RealINSIGHT Marketplace Auction Platform at <https://rimarketplace.com> (the “Marketplace Auction Platform”) commencing on October 29, 2024 at 12:00 Noon (Eastern Standard Time) and ending on October 31, 2024 at 12:00 Noon (Eastern Standard Time).

b. Qualification to Bid. Any bidder interested in purchasing the Property must register to bid with the Marketplace Auction Platform at <https://rimarketplace.com> and submit financial information, including proof of funds. Bidders who register and provide sufficient information and proof of funds will receive an email confirming eligibility to bid.

c. Bidding at Auction and Selection of Successful Bidders. Upon the conclusion of the Auction and attaining the minimum reserve price, the Receiver will accept the bid from the bidder who submits the highest and best offer for the Property (the “Successful Bidder”).

d. Execution of the Purchase Agreement. The Successful Bidder will be required to execute the Purchase Agreement, substantially in the form approved by the Court, within two hours of being selected as the Successful Bidder.

e. Submission of Non-Refundable Deposit. No later than twenty-four hours after conclusion of the Auction, the Successful Bidder shall submit a non-refundable deposit of ten percent (10%) of the purchase price (the “Deposit”) to be held in escrow pending entry of the Order of the Court approving the sale and closing on the sale.

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2 f. Platform Fee. The Successful Bidder shall be obligated to pay the Platform
Fee due to Marketplace Auction Platform upon closing of the sale.

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4 g. Due Diligence. All bidders who execute confidentiality agreements will be
5 permitted to conduct due diligence on the Property, including via a review of the due
6 diligence materials prepared by Marcus & Millichap, prior to the Auction. Due diligence
7 materials will be made available by the Marketplace Auction Platform.

8
9 h. No Contingencies. The sale to the Successful Bidder shall not be subject to
10 any contingencies, including without limitation, for financing, due diligence, or inspection.

11
12 i. As Is/Where Is Purchase. The sale to the Successful Bidder shall be on an
13 “AS-IS, WHERE-IS” basis, with no representations or warranties made by the Receiver,
14 his professionals, or the Receivership Entities.
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EXHIBIT B

SALE NOTICE

**IN THE UNITED STATES DISTRICT COURT
FOR THE DISTRICT OF ARIZONA**

United States Securities and Exchange
Commission,

Plaintiff,

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.

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

NOTICE OF PUBLIC SALE OF:

**[INSERT NAME AND ADDRESS
OF PROPERTY TO BE SOLD]**

TO ALL PARTIES IN INTEREST:

Notice is hereby given that Allen D. Applbaum, as Receiver for ArciTerra Companies, LLC and related entities, intends to sell, through his broker, Marcus & Millichap Real Estate Investment Services (“Marcus & Millichap”), a multi-use retail center located in **[INSERT ADDRESS OF PROPERTY]**, and owned by **[INSERT RECEIVERSHIP ENTITY]** (the “Property”), free and clear of all liens, claims, interests and encumbrances (the “Sale”).

Pursuant to the Motion for Entry of an Orders: (A) approving (i) the Receiver’s engagement and compensation of Marcus & Millichap as broker for the sale of the Property, and (ii) the proposed sale and auction procedures for the sale of the Property (the “Sale Procedures”), including the scheduling of an Auction and Sale Hearing to consider the sale of the Property; (B) approving the sale of the Property to the bidders who submit the highest and best offers at a public auction to be conducted on RealINSIGHT

1 Marketplace Auction Platform at <https://rimarketplace.com> (the “Marketplace Auction
2 Platform”), free and clear of all liens, claims, encumbrances and interests; and (C) granting
3 related relief (the “Sale Motion”), the Receiver is soliciting higher and better offers for the
4 Property.

5 The Receiver is soliciting higher and better offers by means of an Auction to be
6 conducted on the Marketplace Auction Platform, which shall be governed by the terms and
7 conditions of the order establishing sale and auction procedures (the “Sale Procedures
8 Order”) approved by the Court on September __, 2024.

9 The Sale Motion and the Sale Procedures Order are on file with the United States
10 District Court for the District of Arizona, Sandra Day O’Connor U.S. Courthouse, 401 W.
11 Washington St., Suite 130, SPC 1, Phoenix, Arizona 85003-2118 (the “Court”), and are
12 available for review during regular business hours. **Copies of the Sale Motion, the Sale
13 Procedures Order, and the proposed Purchase Agreement to be executed by the
14 Successful Bidders are also available upon request from the undersigned or by
15 visiting the Receiver’s website at www.arciterrareceivership.com.**

16 OBJECTIONS, if any, to the relief requested in the Sale Motion or to final approval
17 of the proposed Sale of the Property must be filed in writing with the Clerk of the Court on
18 or before November __, 2024 at 5:00 p.m., Phoenix Time (the “Objection Deadline”). A
19 copy of the objection must also be served on all of the following so as to be received by
20 the Objection Deadline: counsel to the Receiver, Archer & Greiner, P.C., Attn: Allen G.
21 Kadish and Harrison H.D. Breakstone, 1211 Avenue of the Americas, New York, New
22 York 10036.

23 **Through this Notice, HIGHER AND BETTER OFFERS to purchase the**
24 **Property are hereby solicited.** The Auction will be held on the Marketplace Auction
25 Platform beginning on October 29, 2024 at 12:00 Noon (Eastern Standard Time) and
26 ending on October 31, 2024 at Noon (Eastern Standard Time). Instructions for attending
27 the Auction are available at: [at https://rimarketplace.com](https://rimarketplace.com).

28 A FINAL HEARING on the Sale Motion will take place on November __, 2024 at
__:00 a.m., Phoenix Time, at the United States District Court for the District of Arizona,
Sandra Day O’Connor U.S. Courthouse, 401 W. Washington St., Suite 130, SPC 1,
Phoenix, Arizona 85003-2118, before the Honorable Douglas L. Rayes.

Please be advised that any of the foregoing dates may be changed by the Court
without further notice.

If you have any questions regarding or would like copies of materials relating to the
information in this Notice, please make such request in writing to Counsel for the Receiver,

1 Archer & Greiner, P.C., 1211 Avenue of the Americas, New York, New York 10036 Attn:
2 Allen G. Kadish and Harrison H.D. Breakstone.

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