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10
11 **IN THE UNITED STATES DISTRICT COURT**
12 **FOR THE DISTRICT OF ARIZONA**
13

14 United States Securities and Exchange
15 Commission,

16 Plaintiff,

17 v.

18 Jonathan Larmore, et al.,

19 Defendants, and

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

25 Relief Defendants.
26

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

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

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 Fourth 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 Fourth Status Report*.
8

9 Dated: February 20, 2025

ARCHER & GREINER, P.C.

10 By: 
11 _____

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ArciTerra Receiver's Fourth Status Report

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

United States District Court for the District of Arizona

February 20, 2025



RECEIVER'S FOURTH 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 Fourth Status Report, covering the period from November 1, 2024 through January 31, 2025. 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").
- Third Status Report on November 20, 2024 [ECF No. 269] (the "Third Status Report").

The purpose of the Fourth 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 Fourth Status Report represents information for the period specified and as of the date submitted. This Fourth 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 the books, records, and accounts of ArciTerra and the Receivership Entities, 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, 17 of which the Receiver sold as of the date of this Fourth 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 in October 2024 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, including ArciTerra's pre-Receivership accounting firm, with rate structures and the expertise that aligns with the needs of the Receivership. The Receiver selected an accounting firm based on the firm's relevant experience, tax expertise, and proposed fees. The Court approved the retention of an accounting firm on behalf of the Receiver [ECF No. 264]. The accounting firm is in the process of transferring the data necessary to prepare the tax returns.
10. As of January 31, 2025, after the closing of certain property sales as described below, the Receiver actively manages 22 commercial properties, including:
 - a. Collecting delinquent and previously ignored rents, as well as current rents from approximately 99 tenants across 12 states. Prior to the closing of commercial property sales in late December 2024, the Receiver had actively managed 35 properties and collected rents from approximately 132 tenants across 14 states.
 - b. Attending to tenants' concerns and those of city, county, and local governmental authorities.
 - c. Obtaining, monitoring, and renewing 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 14 residential properties to determine the appropriate next steps. The Receiver has determined that three of these residential properties should not be included in the Receivership.

iii. Asset Disposition

12. Since the commencement of the Receivership, the Receiver worked to maximize the value of the real estate portfolio through the successful disposition of assets. In 2024, the Receiver successfully sold and closed 17 commercial properties, generating total gross sale proceeds of \$73,220,929. As part of the sales, the Receiver satisfied \$48,228,850 in senior debt obligations to financial institution creditors, resulting in over \$21,500,000 in net proceeds for the Receivership Estate.
13. Of the 17 properties sold, 11 were part of a Commercial Mortgage-Backed Securities (“CMBS”)⁴ portfolio. The CMBS portfolio consisted of 12 properties, including the 11 which were under the Receiver’s control and one under the control of the Indiana Receiver. While the Receiver was responsible for managing and disposing of 11 properties, the total sale price and satisfaction of senior debt obligations outlined above include all 12 properties due to their cross-collateralization⁵ within the CMBS loan structure. These figures accurately reflect the overall disposition of the portfolio, as the collective sales contributed to the full satisfaction of the loan. However, closing costs and net proceeds are reported solely for the 11 properties under the Receiver’s control. The disposition of this CMBS portfolio required close coordination with the Indiana Receiver, lender, and servicer to ensure a streamlined auction and sale process, with the goal of fully satisfying the loan. Fully satisfying CMBS loans in today’s challenging commercial real estate environment underscores the Receiver’s ability to navigate complex transactions to maximize value for the Receivership Estate.
14. The Receiver and Receivership Team continue to identify and locate assets, liabilities, creditors, and investors in the Receivership Assets to protect the value of such assets, to ultimately satisfy claims

⁴ Commercial Mortgage-Backed Securities are investment products backed by commercial real estate loans, where the loan payments are pooled together and securitized into bonds sold to investors.

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.



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

15. 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 all 11 Investor Funds in scope (see, Section II.E for the defined scope). Based on the Receiver’s analysis, he has concluded 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.
16. 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. The Receiver will determine whether it would be appropriate to seek Court approval for consolidation, for purposes of distribution.
17. 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 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.
18. 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 and 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.

19. 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. As a result of his analysis, the Receiver intends to seek Court approval to modify the list of Receivership Entities.

II. Actions Taken by the Receiver During the Reporting Period

A. Website/Ongoing Communications

20. 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

21. 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

22. 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

23. 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 ⁶	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, LLC⁷ • 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 ⁸	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, LLC⁹ • 900 West Marion FL, LLC¹⁰
Solo Lot/Land		
<ul style="list-style-type: none"> • 1000 West Marion PG FL LLC¹¹ • 925 W. Marion/960 W. Olympia FL, LLC 		
Operating Business Entities		
Village Brewhouse	Simply Sweet	Glenrosa ¹²
<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

⁶ The Receiver sold these properties on December 23 and 24, 2024 through a Court-approved sale process.

⁷ 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.

⁸ The Receiver sold these properties on August 9, 2024 through a Court-approved sale process.

⁹ The Receiver sold these properties on December 23 and 24, 2024 through a Court-approved sale process.

¹⁰ The Receiver assessed and determined to sell, conducted a process, and following the close of this reporting period, the Court approved the Motion for Sale of 900 W. Marion [ECF No. 303], confirming that the Stalking Horse Bidder’s offer was the highest and best and that the sale was in the best interest of the Receivership Estate and its creditors. The sale is scheduled to close before the end of March 2025.

¹¹ The Receiver sold this property on October 7, 2024 through a Court-approved sale process.

¹² The Receiver sold these properties on August 9, 2024 through a Court-approved sale process.



24. The Receiver actively manages commercial properties and operating businesses. The Receiver has sold 17 properties as of January 31, 2025. Additionally, one property in the KS State Bank Portfolio, ArciTerra FD Bowman SC, LLC¹³ (“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 available to the applicable Receivership Entity. After the disposition of 17 properties and the Receiver’s determination on the Bowman property, there were 22 commercial properties and 2 operating businesses. Of the 22 active commercial properties in the Receivership Estate, 6 are single, or stand-alone, assets and 16 properties are cross-collateralized and syndicated with CMBS within multi-property portfolios. Below is a list of the 22 active 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 ¹⁴	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

¹³ 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. 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.

¹⁴ 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
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
13	KS State Bank	ArciTerra FD Greeleyville SC, LLC	10000 US Highway 521 Greeleyville, SC 29056
14	KS State Bank	ArciTerra VN Clarksville TN, LLC	2135 Lowes Drive Clarksville, TN 37040
15	KS State Bank	ArciTerra VN Dickson TN, LLC	100 Lowes Road Dickson, TN 37055
16	KS State Bank	ArciTerra WG Milwaukee WI, LLC	8488 Brown Deer Road Milwaukee, WI 53223
17	Single Property	900 West Marion Avenue FL, LLC	900 W. Marion Avenue Punta Gorda, FL
18	Single Property	ArciTerra BP Olathe KS, LLC	12051 S Renner Boulevard Olathe, KS 66061
19	Single Property	AT Olathe Outlot 5, LLC	15085 W 119th Street Olathe KS 66602
20	Single Property	AT New Lenox IL-Outlots, LLC	E. Laraway Road New Lenox, IL 60451
21	925 W. Marion / 960 W. Olympia	925 W. Marion/960 W. Olympia FL, LLC	925 W. Marion Avenue Punta Gorda, FL 33950
22	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

25. 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.

b. Commercial Properties

26. In prior reporting periods, the Receiver successfully sold the following four commercial properties through Court-approved sale processes: Glenrosa 32, LLC ("Glenrosa"), which closed on August 9,



- 2024; ATA Palencia St. Augustine FL, LLC (“Palencia”) and ATA Mercado St. Augustine FL, LLC (“Mercado”), which both closed on August 9, 2024; and 1000 West Marion PG FL, LLC (“1000 W. Marion”), which closed on October 7, 2024. For further details regarding these property sales, see Section V.A.i below. A summary of these transactions is provided in **Exhibit 2**.
27. ATA Hiram Square GA, LLC (“Hiram Square”) is a multi-tenant commercial retail property in Hiram, Georgia. The Receiver assessed and determined to sell the property through a public online auction process and filed a motion [ECF No. 202] seeking approval for the proposed procedures for the sale of Hiram Square. The Court approved the Receiver’s sale of Hiram Square for \$5,525,000 on November 22, 2024 [ECF No. 270], and the transaction closed on December 23, 2024.
 28. The Rialto portfolio comprises 12 properties, 11 of which the Receiver managed, while the remaining property was under the control of the Indiana Receiver. The Receiver and Indiana Receiver collaborated to coordinate a simultaneous Court-approved public online auction process for all properties in the portfolio. The Receiver filed a motion [ECF No. 230] seeking approval for the sale procedures of the 11 properties under the Receiver’s control. The Court approved the Receiver’s sale of the 11 properties for a total of \$21,765,929 on November 22, 2024 [ECF No. 271-281]. The 11 transactions closed on December 23 and 24, 2024.
 29. Walcent Elk/IN, LLC (“Walcent”) owned and operated Northfield Plaza, a multi-tenant commercial retail property in Elkhart, Indiana. The Receiver assessed and determined to sell the property through a public online auction process and filed a motion [ECF No. 234] seeking approval for the proposed procedures for the sale of Walcent. The Court approved the Receiver’s sale of Walcent for \$1,605,000 on November 22, 2024 [ECF No. 282], and the transaction closed on December 23, 2024.
 30. The REIT 3650 portfolio comprises 14 properties, 12 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 and remains in communication with the Indiana Receiver to coordinate efforts and align with her on the most effective strategy for the portfolio’s sale. 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.
 31. The KS State Bank portfolio comprises five properties, three of which are vacant; the remaining two are single-tenant properties. One of the properties was sold at a tax sale prior to the commencement of the Receivership. The Receiver is actively planning for disposition of the remaining properties in the KS State Bank portfolio, subject to Court approval.



32. 900 West Marion Avenue FL, LLC (“900 W. Marion”) is a multi-tenant commercial property offering office/museum space in Punta Gorda, Florida. The Receiver assessed and determined to sell, conducted a process and, following the close of this reporting period, filed a motion [ECF No. 286] seeking approval for the sale of the 900 W. Marion property for \$3,050,000. The Court approved the Receiver’s Motion for Sale [ECF No. 303] on February 5, 2025. The Receiver expects the sale to close before the end of March 2025, pursuant to the Sale Order.
33. ArciTerra BP Olathe KS, LLC owns a stand-alone, single tenant property which is occupied by Bass Pro Shops (“Bass Pro”). The Receiver is in communication with Bass Pro regarding the disposition of the property, subject to Court approval.
34. AT Olathe Outlot 5, LLC owns a single-tenant retail building in Olathe, Kansas. The property is currently unoccupied. The Receiver assessed and determined the property presents no value to the Receivership Estate. The Receiver and lender are in communication regarding the abandonment of the property, subject to Court approval.
35. As of the close of this reporting period, the Receiver is evaluating appropriate next steps for 925 W. Marion/960 W. Olympia.

ii. Cash Management

36. 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 14 properties in the REIT 3650 portfolio, 12 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 12 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 12 properties in the Rialto portfolio, 11 were managed by the Receiver prior to closing on December 23 and 24, 2024 and subject to the following cash management process, while one property was under the control of the Indiana Receiver. This section focuses exclusively on the cash management responsibilities for the 11 properties within the Receiver's control. 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 were used to pay ongoing operating expenses through the sale closings. The Receiver is in the process of completing final post-closing reconciliations.
- c. *KS State Bank*. Tenants of the occupied KS State Bank properties remit rent directly to the lender 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. *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.
- e. *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.



37. 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

38. 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. Before the sale of the Rialto properties, this process applied to both groups, and it continues to apply to REIT 3650. 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 a sufficient description 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

39. 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 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.



40. 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.
41. 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].
42. SAX, LLP, the Receiver, and CLA are working together to transfer relevant data between the accounting firms so that tax returns can be prepared in the first half of 2025.

b. 2023 Corporate and State Business Registration Filings

43. ArciTerra did not make annual corporate business registration filings and the associated registration fee payments in 2023 for certain ArciTerra-related corporate entities. 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 Operations¹⁵

44. 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

45. 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’

¹⁵ See **Exhibit 1** for a detailed list of all commercial and residential properties, including sold properties.



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

46. As reported in the Third Status Report, Hurricanes Helene and Milton severely damaged the Tiki Bar, which is Village Brewhouse's "satellite" bar on the beach area of Fishermen's Village. The Tiki Bar rebuild is underway and is expected to be complete by April 2025.

c. Commercial Property Dispositions

47. 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.
48. Since filing its Third Status Report, the Receiver closed the sale of 13 properties, including 11 properties in the Rialto Portfolio, which are located across multiple regions in the United States, as well as Hiram Square in Hiram, GA, and Walcent in Elkhart, IN. The Court approved the sales of all 13 properties on November 22, 2024.
49. As summarized in the table below and in **Exhibit 2**, the disposition of the seventeen properties, after paying off the mortgage and other secured debt, and closing costs, resulted in net proceeds to the Receivership of \$21,684,533.

Net Proceeds to the Receivership from Asset Dispositions				
Property	Sale Price	Debt Payoff	Closing Costs**	Net Proceeds to Receivership
<i>Properties Sold in Prior Reporting Periods (Before October 31, 2024)</i>				
Glenrosa	\$28,250,000	(\$21,277,269)	(\$464,004)	\$6,508,727
Mercado	\$6,500,000	(1,789,444)	(503,298)	\$4,207,258
Palencia	\$4,175,000	(982,442)	(304,542)	\$2,888,016
1000 W. Marion	\$2,500,000	(2,198,621)	(81,724)	\$219,655
Total	\$41,425,000	(\$26,247,776)	(\$1,353,568)	\$13,823,656
<i>Properties Sold in Current Reporting Period (Ending January 31, 2025)</i>				
Rialto Portfolio*	\$24,665,929	(17,142,884)	(761,520)	\$5,869,874
Hiram Square	\$5,525,000	(3,659,140)	(497,250)	\$1,697,874
Walcent	\$1,605,000	(1,179,050)	(164,920)	\$293,130
Total	\$31,795,929	(\$21,981,074)	(\$1,423,690)	\$7,860,877
Grand Total	\$73,220,929	(\$48,228,850)	(\$2,777,258)	\$21,684,533

* Sale price and cross-collateralized debt payoff figures include the Indiana Receiver's property, while closing costs and net proceeds to the Receivership reflect only the 11 properties under the Receiver's control.

**Closing costs include prorations, commissions, bank fees, escrow and title charges, property taxes, and liens, where applicable. Closing costs also reflect the inclusion of auction rebate fees for properties sold over \$1 million.



d. Residential Property Operations

50. 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

51. Since issuing the Receiver's Third 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. As of the close of this reporting period, property management services are no longer active for properties that have been sold, but remain in place for those still under the Receiver's control. 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.
52. Other key commercial property management activities undertaken since the Receiver's Third Status Report include:
- a. **Receivership Team Site Visits.** At the direction of the Receiver, the Receivership Team conducted site visits to certain commercial and residential 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, excessive trash dumping, 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. The Receiver is in the process of renewing general liability and property insurance for the commercial and residential properties that remain active in the Receivership as of the close of this reporting period.
- e. **Leasing Activity.** The Receiver has engaged, and is in the process of engaging, leasing brokers for properties in the 3650 portfolio to support leasing efforts. Leasing activity across the portfolio remains ongoing as the Receiver continues to assess opportunities to maximize stability and occupancy.

D. Record Preservation and Review

53. 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.
54. 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

55. 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.

56. The Receivership Assets include 11 private investment vehicles through which capital was raised from third-party investors¹⁶ (referred to throughout this Report as "Investor Funds"), generally through brokers. As the Receiver previously reported, his review focused on 11 of the 16 Investor Funds in the Receiver's scope.¹⁷
57. In **Figure 1** below is a table of all Investor Funds, including those not within the Receiver's scope, which contains details about the number of investors, amounts raised, amounts paid, and the date the Investor Fund ceased operations, if applicable. The Receiver substantially completed the review of the 11 Investor Funds in **Bold** in **Figure 1**, subject to the scope discussed above. Eight of the 11 Investor Funds listed below have been previously reported on in the Third Status Report at **Section E.2.b**. The remaining three Investor Funds are discussed in detail below, beginning at paragraph 77. The Receiver is in the process of determining the amounts owed to investors (either Note Holders or Equity Holders). Consequently, the Receiver is not representing, nor should one conclude, that the difference between the total amount raised from investors (column E in the table below) and the total paid to investors to date (column F in the table below) equals the total amount owed to investors.

¹⁶ The term "investors," as referred to in this Fourth Status Report and Previous Status Reports, includes both equity holders and note holders and members who own units in the various Investor Funds.

¹⁷ The Receiver identified a total of 19 Investor Funds, of which 16 of the Investor Funds are part of the Receiver's scope and 11 of which were the focus of the Receiver's Investor Fund analysis to date. A comprehensive list of the Investor Funds is provided at **Exhibit 3**.



Figure 1: Summary of Investor Funds in the Receiver's Scope

<i>Summary of Investor Funds</i>							
A	B	C	D	E	F	G	H
No.	Offering	Date of POM	Number of Investors	Total Raised from Investors	Total Paid to Investors ¹⁸	Full Cycle/ Ceased Operations	Investors
1	ArciTerra Note Fund III, LLC	03/21/08	541	\$25,000,000	\$13,564,765	n/a	Note Holders
2	ArciTerra REIT, Inc.	04/03/06	498	20,258,940	6,039,462	n/a	Equity Holders
3	ArciTerra Note Fund II, LLC	11/17/06	449	20,000,000	12,571,822	n/a	Note Holders
4	ArciTerra National REIT, Inc.	10/28/08	388	16,330,350	12,905,069	n/a	Equity Holders
5	ASI Belleville Crossing IL, LLC	09/16/11	161	7,376,760	4,315,732	n/a	Equity Holders
6	Whitefish Opportunity Fund, LLC	05/04/07	157	6,344,000	-	02/15/13	Equity Holders
7	ASR Wheatland IL, LLC	03/01/15	112	5,254,834	1,628,513	n/a	Equity Holders
8	ASR Forum KY, LLC	11/28/12	59	5,046,882	11,170,184	09/11/17	Equity Holders
9	ASR Plaza OK, LLC	04/26/13	105	4,750,518	1,131,309	n/a	Equity Holders
10	ASR Briargate & Linden IL, LLC	06/16/14	75	4,245,194	1,337,777	n/a	Equity Holders
11	ASR Roswell/Cumberland, LLC	09/10/10	73	3,050,000	5,109,556	12/31/19	Equity Holders
12	ASR Plainfield Village IN, LLC	11/12/15	15	3,025,000	3,886,299	12/31/19	Equity Holders
13	ASR KY & GA, LLC	10/10/12	78	2,470,281	2,785,597	12/31/17	Equity Holders
14	ASR Echelon, LLC	02/22/11	63	2,205,000	905,184	n/a	Equity Holders
15	ASR Trinity Place TN, LLC	06/30/11	62	1,838,333	2,940,224	09/01/19	Equity Holders
16	ASR Centerville & Colony GA, LLC	11/30/15	7	1,210,869	65,229	n/a	Equity Holders
Total			2,843	\$128,406,961	\$80,356,721		

58. 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.

59. 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.

¹⁸ Total paid to investors as of the inception of the Receivership (December 21, 2023) includes interest payments, dividend payments, and capital reimbursements, or a combination thereof.



60. For each of these Investor Funds, the Receiver has been and is in the process of analyzing:
 - a. The ownership structure and hypothetical waterfall calculations provided for in the POMs.
 - b. The specific investment strategy and/or planned acquisitions.
 - c. The calculation and payment of fees to managers and other parties.
 - d. The timing and amount of funds raised.
 - e. How ArciTerra deployed and invested investor money.
 - f. Potential distributions, interest or dividends paid or owed.
 - g. Outstanding loans and/or other debt.
 - h. Outstanding loans payable and/or receivable.
 - i. Current investor capital balances and amount due to investors.
 - j. Identification of guarantees provided and source of guarantees.
61. 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, and Palencia and Mercado, to which properties were transferred out of entities subject to Investor Funds.
62. In certain circumstances, the Receiver's analyses are subject to various bank records and other information not readily accessible.
63. 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.
64. 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. As a result of his analysis, the Receiver intends to seek Court approval to modify the list of Receivership Entities.

i. Pervasive Commingling of Investor Funds

a. Summary of Observations from Previous Status Reports

65. 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.

66. 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 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 were located with contemporaneous organizational charts that lay 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.
67. In the Second and Third Status Reports 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.
68. As of this Fourth Status Report, the Receiver has not found:
 - 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. 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.
69. This analysis, combined with the determination of income and profit distribution or liquidation “waterfalls” from the various investment structures, will assist the Receiver in formulating a proposed 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.



70. 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.
71. 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***
72. The Receiver confirmed the commingling observations made in the Second and Third Status Reports, 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. The Receiver reaffirms these conclusions confirmed by the results of the work performed since the issuance of the Previous Status Reports.
73. 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.
74. Because of the pervasive use of, and reliance on ASRA as a conduit and pass through for many 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, Section II.F of the Second Status Report, Section II.E of the Third Status Report and additional analyses and findings described below.



75. Based on the Receiver's analysis and conclusions to date, 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.
76. 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 cash flows should have been allocated to which Investor Fund. As the Receiver has substantially completed his review of the three remaining in-scope Investor Funds, which were the focus of the analysis, it is apparent that such allocation cannot be reliably completed in a cost-effective manner. The Receiver will consider whether it would be appropriate to seek Court approval for consolidation, for purposes of distribution.

ii. Summary of Status of Investor Funds Analyses and Observations

a. Analysis of Investor Funds

77. The Receiver substantially completed the review of three additional Investor Funds subject to the scope discussed above. The Receiver is currently in the process of analyzing additional real estate investment structures, such as the REIT 3650, Rialto and KS Bank portfolios.
78. The Receiver's continued analysis of the Investor Funds and the selected illustrative transactions below (as well as those discussed and illustrated in Previous Status Reports) consistently demonstrate that ArciTerra management:
 - a. Used funds from investors in one Investor Fund to pay those in other Investor Funds.
 - b. 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.
 - c. 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.
79. 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.



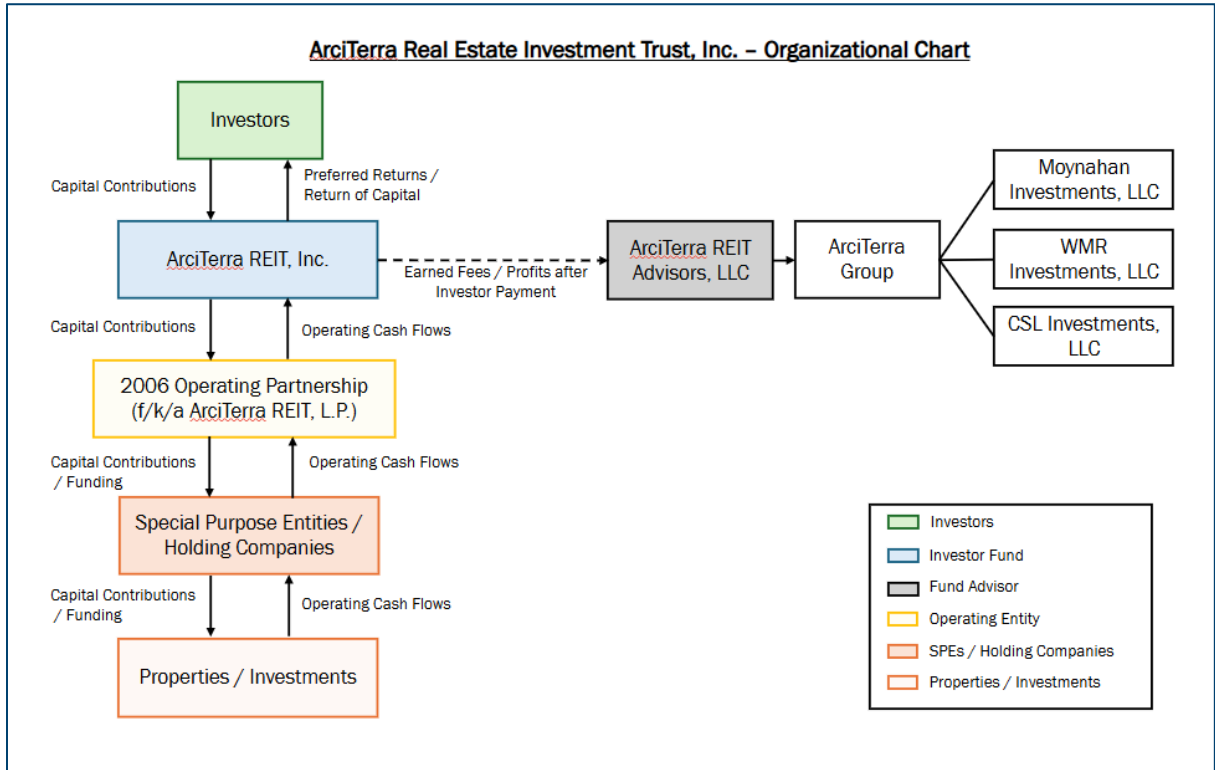
I. ArciTerra Real Estate Investment Trust, Inc.

ArciTerra Real Estate Trust, Inc.	
Date of Private Offering	April 3, 2006
Approx. Number of Investors	498
Total Raised from Investors	\$20,258,940
Fund Manager / Advisor	ArciTerra REIT Advisors, LLC (“REIT Advisor”)
Investments / Special Purpose Entities	See Figure 3 below for details

80. ArciTerra Real Estate Trust, Inc (“ArciTerra REIT”) was formed April 3, 2006, and amended on August 16, 2006, to acquire, operate, and hold for lease certain commercial property. A total of \$20,258,940 was raised from approximately 498 investors between April 2006 and September 2007.
81. ArciTerra REIT’s interest in the commercial properties was initially acquired and held through an operating partnership originally called ArciTerra REIT, LP and later renamed 2006 Operating Partnership (“Operating Partnership”). In 2013, ArciTerra REIT’s interest in the investment properties was transferred to ArciTerra REIT I Member, LLC (“REIT I Member”). ArciTerra REIT was the sole general partner of the Operating Partnership until in or around May 2013 when a new entity was formed, ArciTerra REIT GP, LLC (“ArciTerra REIT GP”), to serve as general partner of the Operating Partnership. The Operating Partnership is the sole member of REIT I Member and Mr. Larmore is the manager.
82. ArciTerra REIT Advisors, LLC (“REIT Advisor”) is an affiliate of ArciTerra REIT and the sole limited partner of the Operating Partnership. The sole manager of REIT Advisor is ArciTerra Group, LLC, which is owned by CSL Investments, LLC, Moynahan Investments, LLC, and WMR Investments, LLC. **Figure 2** below represents the organizational structure of ArciTerra REIT.



Figure 2: ArciTerra Real Estate Investment Trust, Inc. – Organizational Chart



ArciTerra REIT Investments

83. Documentation related to ArciTerra REIT’s investments made prior to 2009 is limited. From reviewing the account opening balances of ArciTerra REIT in the 2008 financial statements, the Receiver determined that funding received from investors in ArciTerra REIT totaled \$20,258,940 and that between 2006 and 2008, ArciTerra REIT invested \$17,137,845 into the Operating Partnership. The money transferred to the Operating Partnership was primarily used to make investments in the Special Purposes Entities (“SPEs”) that would own the investment properties.
84. Based on investor communications, the Receiver identified a total of 19 properties in which ArciTerra REIT had an interest, and that can be broken into two groupings:
 - a. *Rialto Portfolio (“Rialto”)*: Twelve of the properties are encumbered by a single loan which was originated by Wachovia Bank (“Wachovia”).
 - b. *Walcent Portfolio (“Walcent”)*: Seven of the properties are individually financed.
85. **Figure 3** below represents a list of all investment SPEs.



Figure 3: Investment SPEs

No	Group	Investment SPE
1	Rialto	1921 Gallatin Pike Nashville TN, LLC
2	Rialto	2513 E North Street Kendallville IN, LLC
3	Rialto	412 Cross Oaks Mall Plainwell MI, LLC
4	Rialto	5339 Elvis Presley Boulevard Memphis TN, LLC
5	Rialto	5450 US Highway 80 East Pearl MS, LLC
6	Rialto	60 Colonial Promenade Parkway Alabaster AL, LLC
7	Rialto	601 Trenton Road McAllen TX, LLC
8	Rialto	700 North Grand Avenue Mt. Pleasant IA, LLC
9	Rialto	752 South Andy Griffith Parkway Mt Airy NC, LLC
10	Rialto	8001 Vaughn Road Montgomery AL, LLC
11	Rialto	81 Jameson Lane Greenville AL, LLC
12	Rialto	ArciTerra Michigan Road Indianapolis IN, LLC
13	Walcent	ArciTerra Mov Gal Goddard KS*
14	Walcent	Walcent Elk/IN LLC
15	Walcent	Walcent Lawton OK LLC*
16	Walcent	Walcent Morrilton AR LLC*
17	Walcent	Walcent Newc/IN LLC*
18	Walcent	Walcent Waynesboro MS LLC*
19	Walcent	Walcent Arkadelphia AK LLC

*The properties owned by these SPEs were foreclosed upon or sold between 2011 and 2019.

Rialto Portfolio:

86. The Rialto properties were cross-collateralized and were encumbered by a single loan obtained from Wachovia in 2006, which originally had a principal balance of \$13,535,000. The Wachovia loan went into maturity default at the end of the recession due to an inability to refinance the loan in the difficult lending environment. Following Wells Fargo's acquisition of Wachovia, ArciTerra REIT negotiated several forbearance agreements with Wells Fargo which permitted the 12 Rialto properties under the Wachovia loan to be refinanced with Rialto Capital Advisors ("Rialto Capital") in 2014. As a result, Rialto Capital is the special servicer with respect to the loan with an original principal amount of \$19,730,000.
87. In addition, at the time of the refinancing with Rialto Capital, the Operating Partnership received a \$2,360,000 loan from ArciTerra National REIT, LP ("National REIT"), which the Operating Partnership repaid the following year. The refinancing resulted in the satisfaction of the prior loans for properties within the Rialto portfolio and therefore did not generate significant upside value. The total net value



extracted after the refinancing and repayment of the \$2,360,000 loan from National REIT amounted to \$101,156.

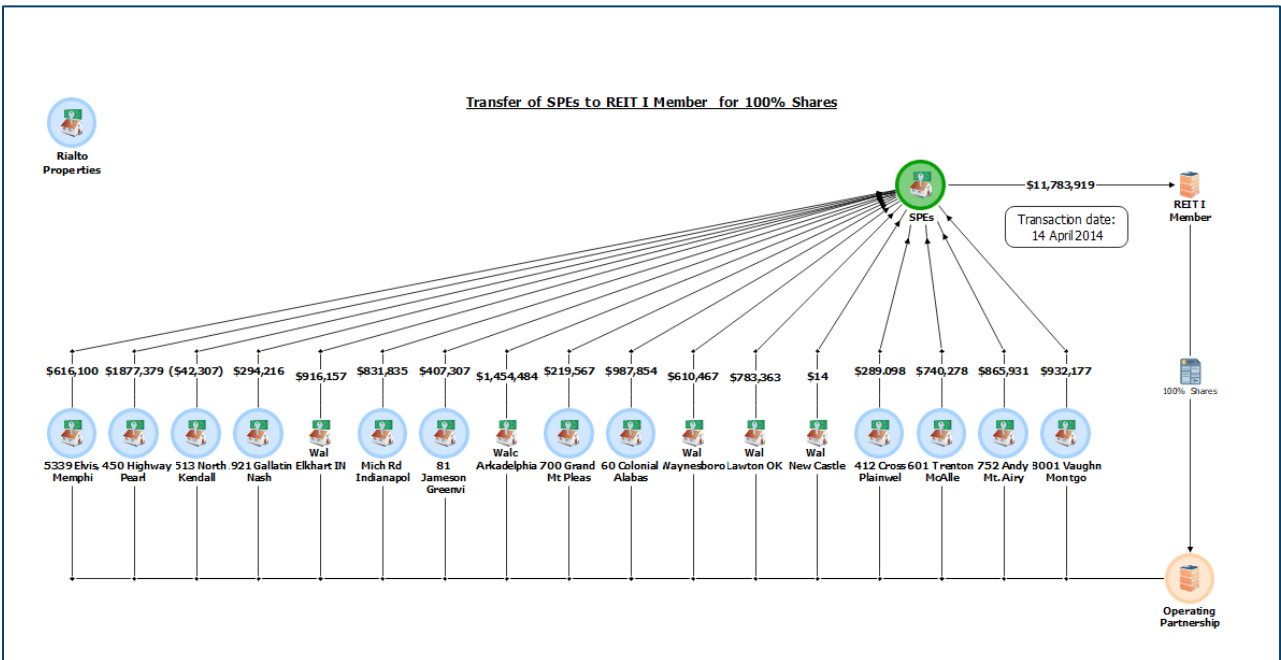
Walcent Properties:

- 88. ArciTerra REIT paid cash for or separately financed through various Wachovia loans the seven Walcent properties, and all but two of them were sold or foreclosed upon between 2011 and 2019. The two remaining investment SPEs under the Walcent portfolio include Walcent Elk/IN, LLC, and Walcent Arkadelphia AK, LLC.

Transfer of the SPEs within the ArciTerra REIT Investor Fund Structure:

- 89. In 2014, after the Rialto refinancing, the Rialto and Walcent SPEs held in the Operating Partnership were transferred to REIT I Member, as depicted in **Figure 4**, below (also see **Exhibit 4** for a larger view of this chart). The Operating Partnership is the sole equity member of REIT I Member. According to general ledger records from 2006, the Operating Partnership’s investments and interests in the SPEs were transferred to REIT I Member, though no cash flowed between the entities. The values in the chart represent the book values of the SPEs at the time of the transfer in 2014.

Figure 4: Transfer of SPEs to REIT I Member for 100% Shares





Investor Fund Cash Flows and Payments to Investors

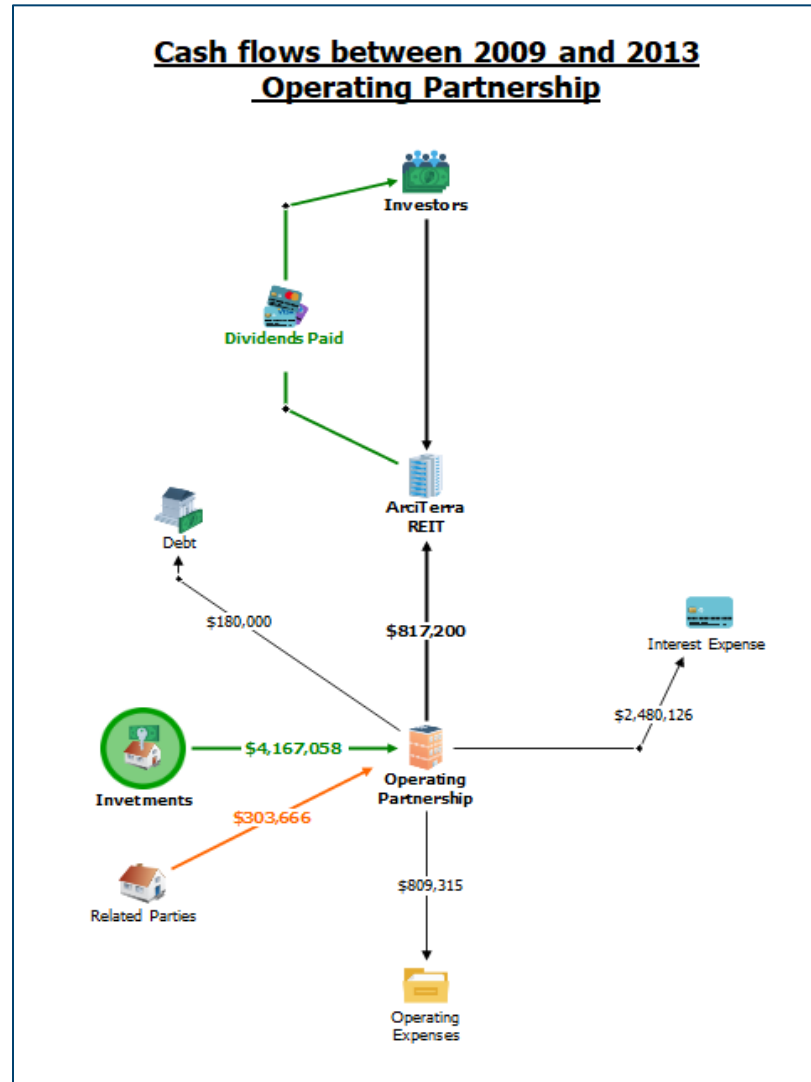
90. ArciTerra REIT investors received dividends beginning in late 2006 at a rate of 7.75%. According to an update to investors in June 2010, ArciTerra REIT reduced investor dividends to 4.0% in anticipation of the cost associated with leasing vacant space and renewing loans. ArciTerra REIT last paid dividends to investors in 2011.
91. The Receiver analyzed the cash flows over the period 2009 to 2023 to understand how the ultimate dividend payments to investors were funded. The cash flow analysis presents the inflows and outflows of the Operating Partnership and ArciTerra REIT, as well as the cash flow from REIT Advisor ultimately to ASRA where the funds were commingled with those of other Investment Funds.

The Operating Partnership Cash Flows:

92. The Receiver divided its analysis of the Operating Partnership's cash flows into two periods: 2009 to 2013 (prior to the Rialto refinancing), and 2014 to 2023.
93. From 2009 to 2013, inflows into the Operating Partnership totaled \$4,470,724, including \$4,167,058 received from investment properties, and \$303,666 from related parties, of which \$245,500 came from National REIT. Net outflows totaled \$3,469,441, including \$817,200 transferred up to ArciTerra REIT, \$2,660,126 of debt service, and \$809,315 of operating expenses. See **Figure 5** below for an illustration of 2006 Operating Partnership's cash flows between 2009 and 2013.



Figure 5: Operating Partnership Cash Flows between 2009 and 2013

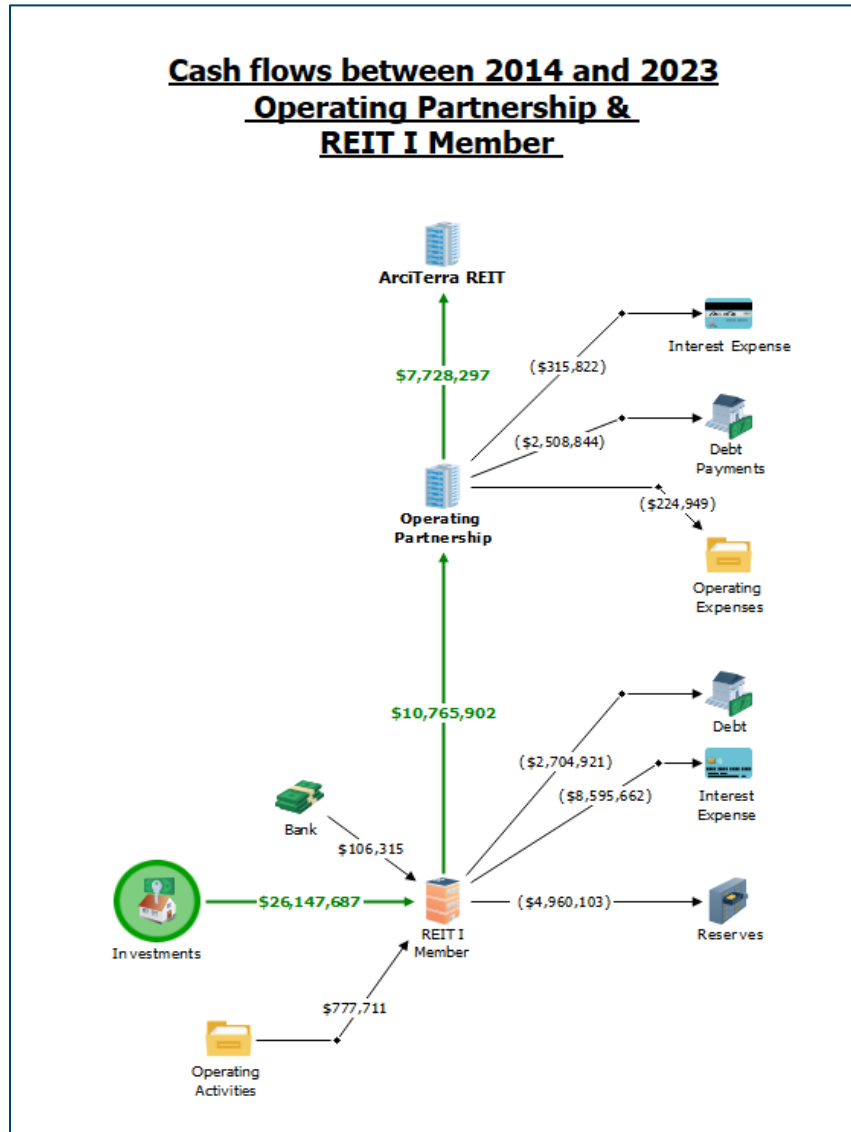


94. Subsequent to the Rialto transaction, from 2014 to 2023, the Operating Partnership transferred a total of \$7,728,297 to ArciTerra REIT. Over the period, inflows into the Operating Partnership from REIT I Member amounted to \$10,765,902.
95. During that same period from 2014 to 2023, REIT I Member received cash inflows of \$27,031,713, of which \$26,147,687 came from investments held, \$777,711 from operating activities and \$106,315 from other sources. Outflows from REIT I Member included transfers to the Operating Partnership totaling \$10,765,902, and another \$11,574,201 to repay debt, interest and tax expenses and



operating expenses. See **Figure 6** below for an illustration of the Operating Partnership's cash flows between 2014 to 2023.

Figure 6: Operating Partnership and REIT I Member Cash Flows Between 2014 and 2023



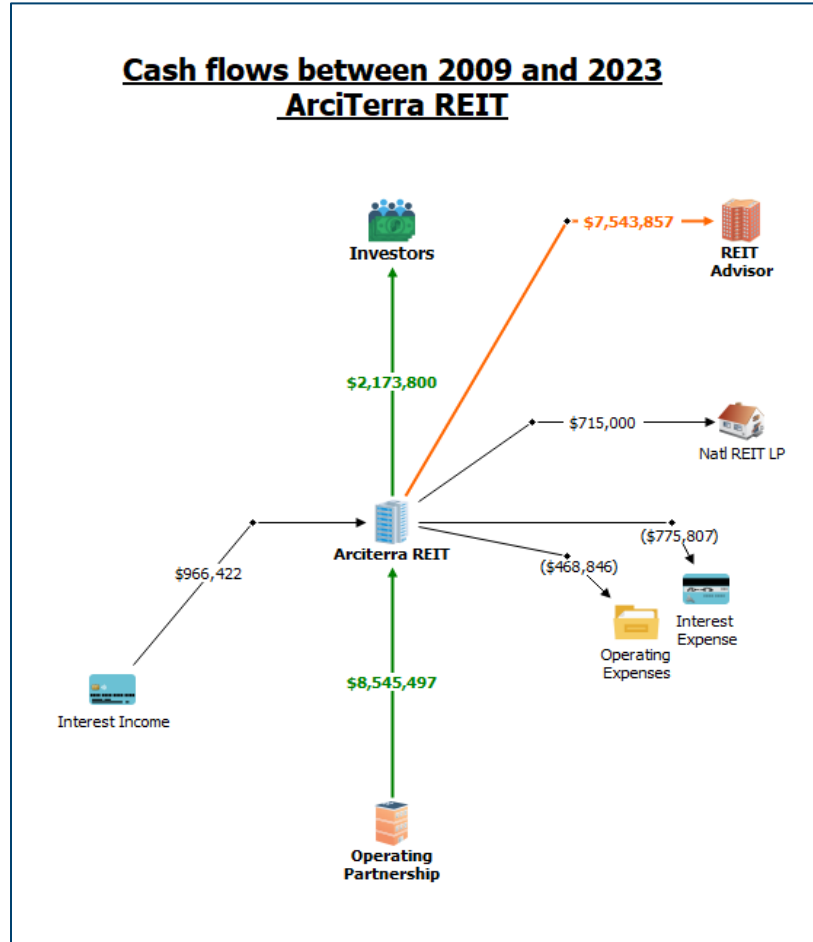
ArciTerra REIT Cash Flows:

- ArciTerra REIT received \$8,158,689 between the period of 2009 to 2023 from the Operating Partnership, which appears to have originated from cash flow generated by the investment properties.



Of this \$8,158,689, ArciTerra REIT paid \$2,173,800 as dividends to investors, and \$7,543,857 to REIT Advisor. See **Figure 7** below illustrating these cash flows from 2009 to 2023.

Figure 7: ArciTerra REIT Cash Flows between 2009 and 2023



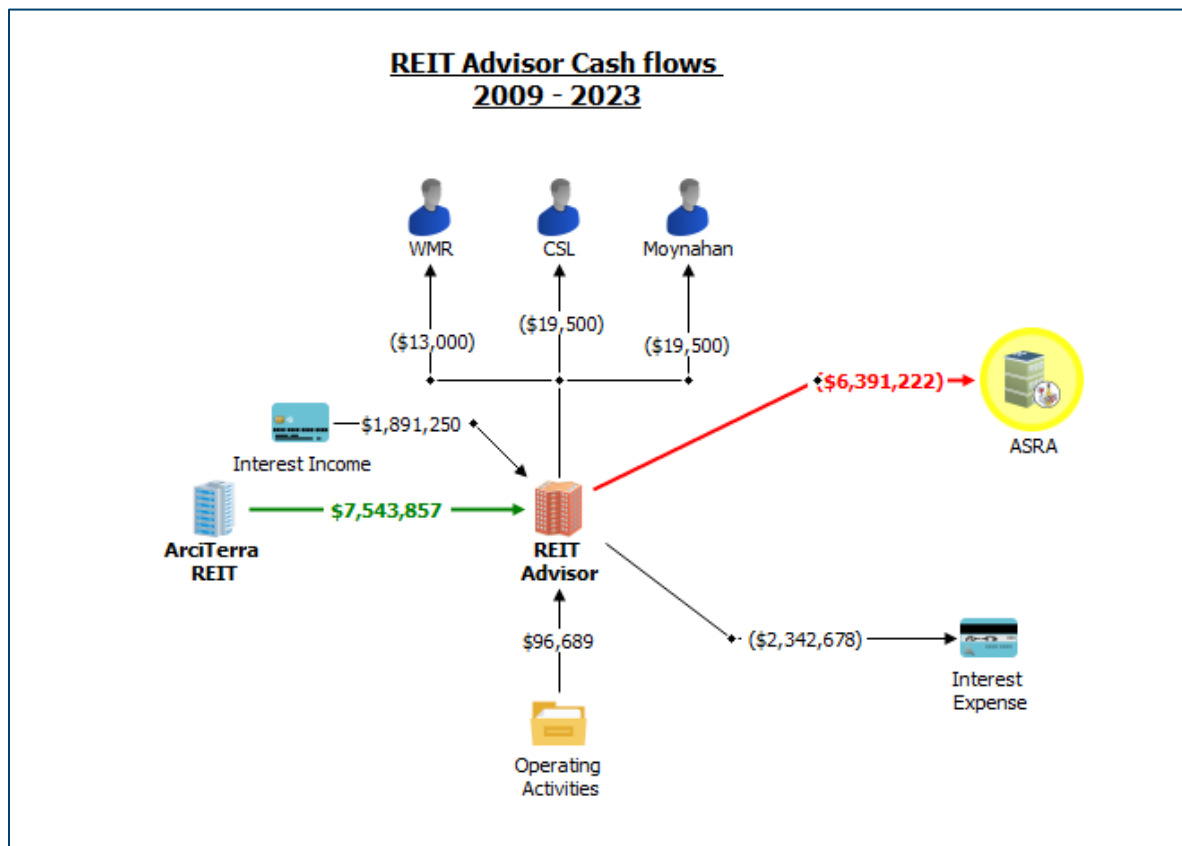
REIT Advisor to ASRA:

- Over the period 2009 to 2023, REIT Advisor received cash inflows of \$8,852,479, including \$6,864,540 from ArciTerra REIT and interest income related to ASRA of \$1,891,250. In addition to the transfers to ASRA, there were also transfers out totaling \$2,394,678, of which \$2,342,678 related to interest expenses and \$52,000 represented payments to REIT Advisor’s shareholders (WMR, CSL, and Moynahan).



98. Even though ASRA was not part of the Investor Fund, ArciTerra REIT, similar to what the Receiver observed with Note Fund II and Note Fund III, it received significant funds from REIT Advisor. Over the period 2009 through 2023, REIT Advisor transferred a total of \$6,391,222 to ASRA and the Receiver observed that ASRA often transferred the money received from REIT Advisor to entities unrelated to ArciTerra REIT. As one example, REIT Advisor transferred \$500,000 on August 25, 2020 to ASRA and ASRA immediately transferred \$25,000 to Spike, a total of \$210,000 to ArciTerra KLS Warsaw IN, LLC, which immediately transferred the money to ATA Fishville Management, ATA Fishville Retail, and ATA Fishville Marina (entities associated with Fishermen’s Village in Punta Gorda, FL), and \$220,000 to ArciTerra Companies, LLC (“ArciTerra Companies”), which ArciTerra immediately used to make a \$226,796 payment to American Express.
99. See **Figure 8** below illustrating these cash flows during the period of 2009 – 2023.

Figure 8: REIT Advisor to ASRA Cash Flows Between 2009 and 2023



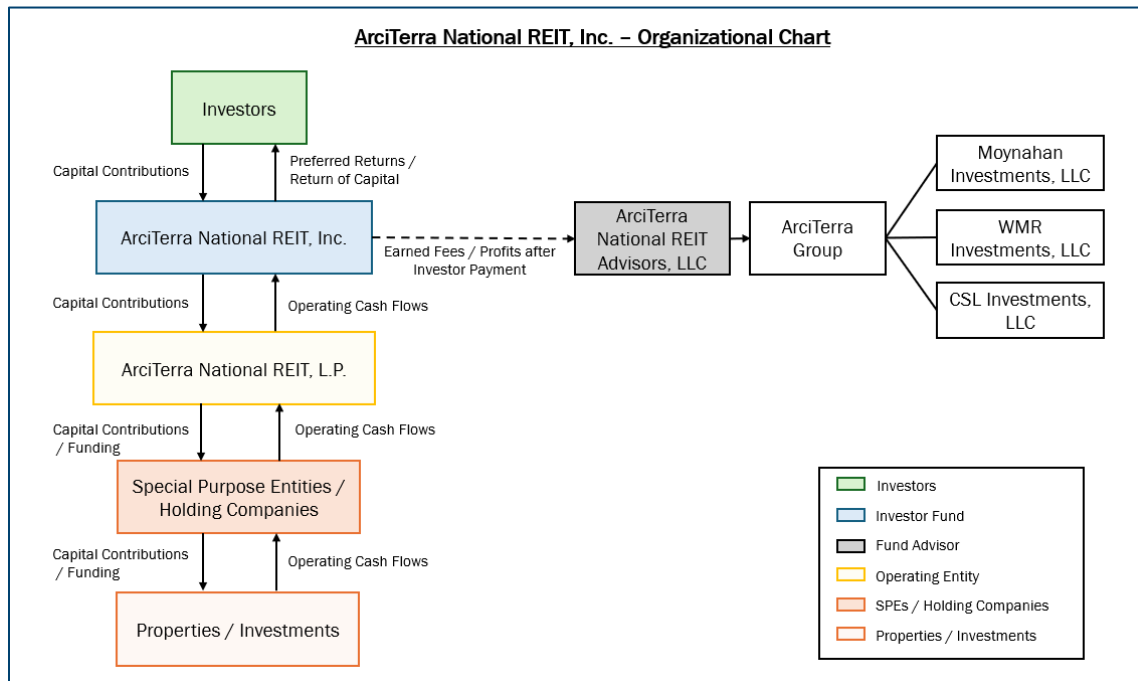


II. ArciTerra National REIT Inc.

ArciTerra National REIT Inc.	
Date of Private Offering	October 28, 2008
Approx. Number of Investors	388
Total Raised from Investors	\$16,330,350
Fund Manager / Advisor	ArciTerra National REIT Advisors, LLC
Investments / Special Purpose Entities	ArciTerra National REIT, LP initially acquired 38 properties from other entities in the ArciTerra group. Over time the properties were sold and only 6 were still held by 2023 (discussed below).

100. ArciTerra National REIT, Inc (“National REIT”) was formed in July 2008 primarily to acquire, operate, and hold for lease certain commercial real estate through ArciTerra National REIT, LP (“National REIT LP”). A total of \$16,330,350 of principal was raised from third party investors between November 2008 and June 2010. The cash raised was \$12,571,350 and remaining \$3,759,000 represented units issued in exchange for notes held by investors in Note Fund I, LLC (“Note Fund 1”).
101. The manager of National REIT LP is ArciTerra National REIT Advisors, LLC (“National REIT Advisors”). National REIT Advisors is owned and controlled by CSL Investments, LLC, Moynahan Investments, LLC, and WMR Investments, LLC. **Figure 9** below represents the organizational structure of National REIT.

Figure 9: ArciTerra National REIT, Inc. – Organizational Chart





National REIT Investments

102. Subsequent to the formation of National REIT, National REIT LP acquired 20 properties from other Investor Funds, including from Note Fund I Investments, LLC (“Note Fund I Investments”), Note Fund II Investments, LLC (“Note Fund II Investments”), Note Fund III Investments, LLC (“Note Fund III Investments”) and ArciTerra REIT (collectively, the “Sellers”). In consideration for the sale of the properties, the Sellers of the properties were to be paid from the funds raised from investors in National REIT. There is no indication whether these properties transferred by the Sellers to National REIT LP were transferred at a fair value and it cannot be confirmed, therefore, that the Sellers (and the investors in the Investor Funds that comprise the Sellers) received equivalent value for these transfers.
103. As the consideration for the sale of the properties was to be paid from the funds raised, the Sellers received Series A Preferred Limited Partnership Units in National REIT, at an anticipated annual rate of return of 8%. The Sellers, apart from Note Fund II Investments, redeemed, either for cash or by offsetting against other loans, the Preferred Limited Partnership Units. Note Fund II Investments redeemed only a portion of its initial Preferred Limited Partnership Units and during 2010 contributed further properties to National REIT, bringing the total Limited Partnership Units held by Note Fund II Investments to \$3,521,000 by 2018.
104. At the beginning of 2011, National REIT held interests in 38 properties, but by 2022, 32 properties had been sold leaving in this portfolio of investments the six following properties:
- a. FD Bowman
 - b. FD Greeleyville
 - c. VN Clarksville
 - d. VN Dickson
 - e. WG Milwaukee
 - f. BP Olathe Pointe

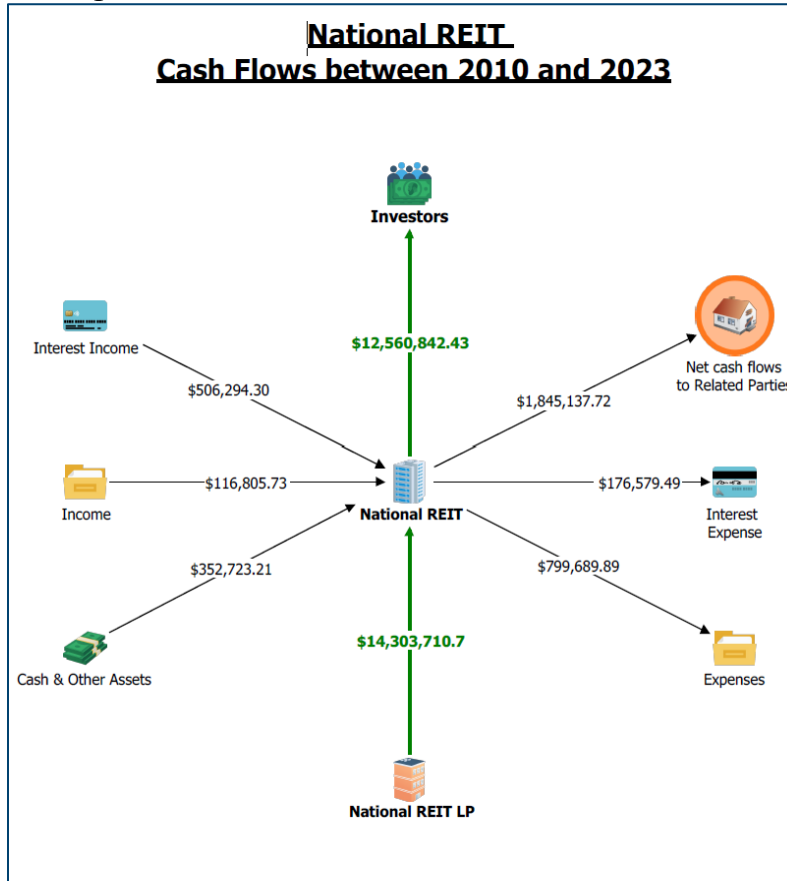
Investor Fund Cash Flows and Payments to Investors

Payments to Investors:

105. National REIT investors received quarterly dividend payments from commencement of the investment until October 15, 2019, at a rate of 8% per annum as National REIT LP generated sufficient funds to cover the full dividend payments to investors. However, from 2020 to 2023 National REIT LP only transferred \$67,245 to National REIT. No further dividends were paid to unitholders in this period. The inflows and outflows of funds of National REIT for the period 2010 to 2023 are reflected in **Figure 10** below.



Figure 10: National REIT Cash Flows between 2010 and 2023

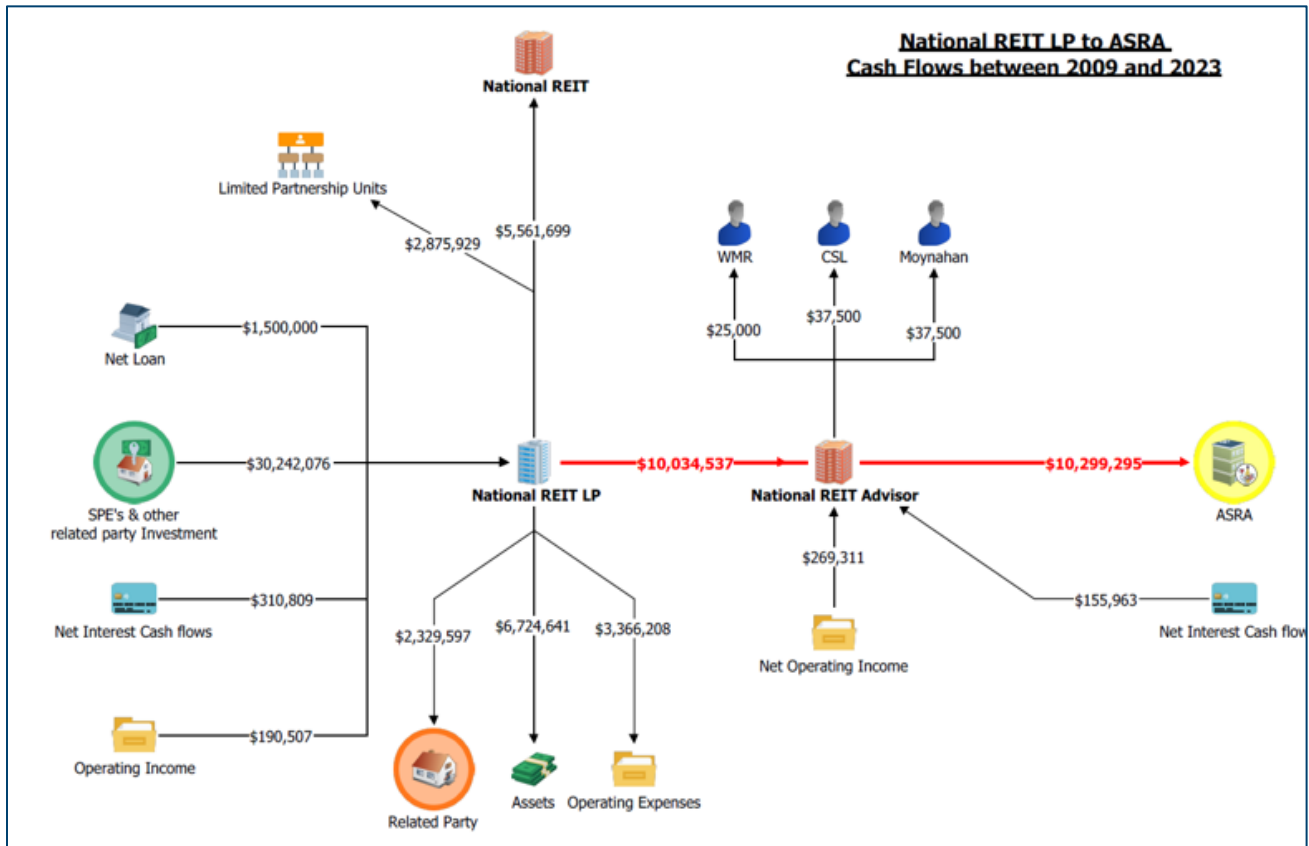


Cash Flows Between National REIT LP and ASRA:

106. As discussed above, National REIT sold its interests in 32 properties between 2011 and 2022. According to investor update correspondence, the funds received from the sale of properties were used to pay off the lender and to make short term loans generating returns of between 12% to 15%. National REIT’s financial records show that it made loans to related entities ASR Park Lee, LLC, KLS Warsaw, ASI Belleville, CV Lafayette, ASR Trinity Place, and CSL Investments; these loans were repaid or satisfied by 2015.
107. From 2015, National REIT LP advanced cash received (including from the repayment of the above-mentioned loans) to National REIT Advisor. National REIT Advisor in turn transferred these funds to ASRA. The inflows and outflows of funds of National REIT LP for the period 2009 to 2023 are reflected in **Figure 11** below.



Figure 11: National REIT LP to ASRA Cash Flows between 2009 and 2023



108. This graph demonstrates that National REIT LP used the funds received from the SPEs (whether generated from operating activities or realized from the sales of the SPEs or underlying properties) to, *inter alia*, make payments to National REIT Advisor. Initially the funds received by National REIT LP were transferred to various related parties as loans, but these were repaid by 2015. Between 2015 and 2023 these funds were ultimately transferred via National REIT Advisor to ASRA for a total of \$10,034,537. These amounts were recorded as “Due to Natl REIT LP” in National REIT Advisors GL. These amounts also do not represent fees paid to National REIT Advisor, as fees paid were included under Expenses in National REIT LP’s financial statements.

109. National REIT Advisor, in turn, advanced funds equal to a similar amount to ASRA. The net amount in Interest Income/Interest Expense in both National REIT LP and National REIT Advisor, supports the contention that funds were continuously advanced and repaid between entities, in this case National REIT Advisor advanced funds to ASRA and received Interest Income thereon. However, National REIT



Advisor received these funds from National REIT LP, and therefore had to pay interest to National REIT LP, resulting in an Interest Expense equal to the Interest Income. The Receiver has not found evidence that when loans were extended between entities, ArciTerra evaluated whether the borrowing entity had the wherewithal to reimburse the lender.

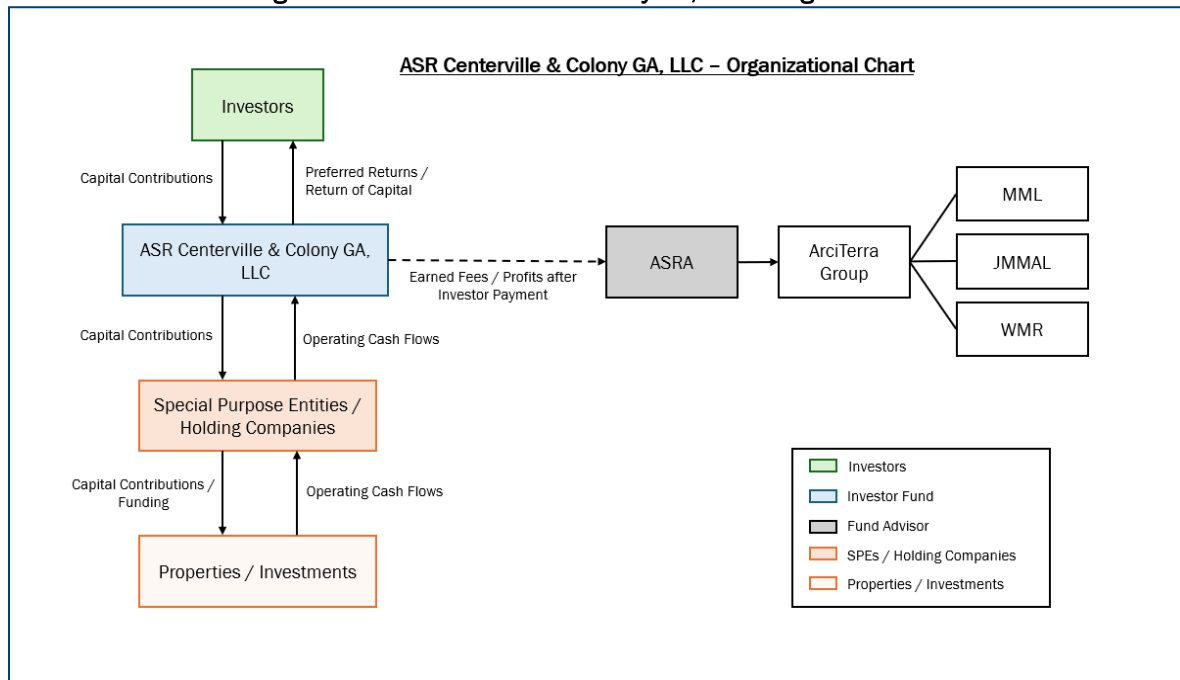
110. ASRA was therefore the recipient of more than \$10 million from 2015 even though it was not part of the National REIT Inc Investment Fund structure and these funds were commingled with those of other Investment Funds.

iii. ASR Centerville & Colony GA, LLC

<i>ASR Centerville & Colony GA, LLC</i>	
Date of Private Offering	November 30, 2015
Approx. Number of Investors	7
Total Raised from Investors	\$1,210,869
Fund Manager / Advisor	ASR Advisor, LLC ("ASRA")
Investments / Special Purpose Entities	AT Centerville GA, LLC AT Colony Fitzgerald GA, LLC

111. The ASR Centerville & Colony GA, LLC ("ASR Centerville") Investor Fund was established on November 30, 2015, to acquire, own, operate, and hold for lease Centerville Crossing and Colony Square. ASR Centerville raised \$1,210,869 from approximately 7 investors between December 2015 and July 2016.
112. The manager of ASR Centerville was ASRA; ASRA is owned and controlled by JMMAL, MML, and WMR Investments. **Figure 12** below represents the organizational structure of ASR Centerville.

Figure 12: ASR Centerville & Colony GA, LLC – Organizational Chart



ASR Centerville Investments

113. ASR Centerville's interests in the properties were held in SPEs AT Centerville GA, LLC ("AT Centerville") and AT Colony Fitzgerald GA, LLC ("AT Colony"). The Centerville and Colony properties were acquired from third parties prior to the ASR Centerville offering for \$2,544,000 and \$1,675,000, respectively, and purchased with a mix of cash and bank financing.
114. The Colony property was sold in September 2016 and AT Colony received \$979,349 in net proceeds. The funds appear to have been paid over to ASR Centerville in the amount of \$975,000. The general ledger of ASR Centerville reflects that \$975,000 was received and on the same day, a payment to ASRA for the same amount was made. It is unclear why the amount was paid to ASRA as according to the terms of the operating agreement of ASR Centerville, the sale of the Colony property should have resulted in a distribution to investors in the fund.
115. The Centerville property was sold in November 2023 and AT Centerville received \$566,614 in net proceeds. According to the operating agreement of ASR Centerville, the sale of the Centerville Property should have resulted in a distribution to the investors of the fund. We noted that approximately \$566,614 was received on December 5, 2023, into a Park National account of AT Centerville. Following receipt of the funds, \$165,971 was transferred to another account at Park National Bank in the name



of AT Lindenhurst; AT Lindenhurst is a SPE that holds property in unrelated Investor Fund, ASR Briargate and Linden, LLC. From the remainder of the proceeds, the Receiver has observed that \$277,131 of checks addressed to ASR Centerville investors were issued prior to the Receivership. The Receiver continues to investigate.

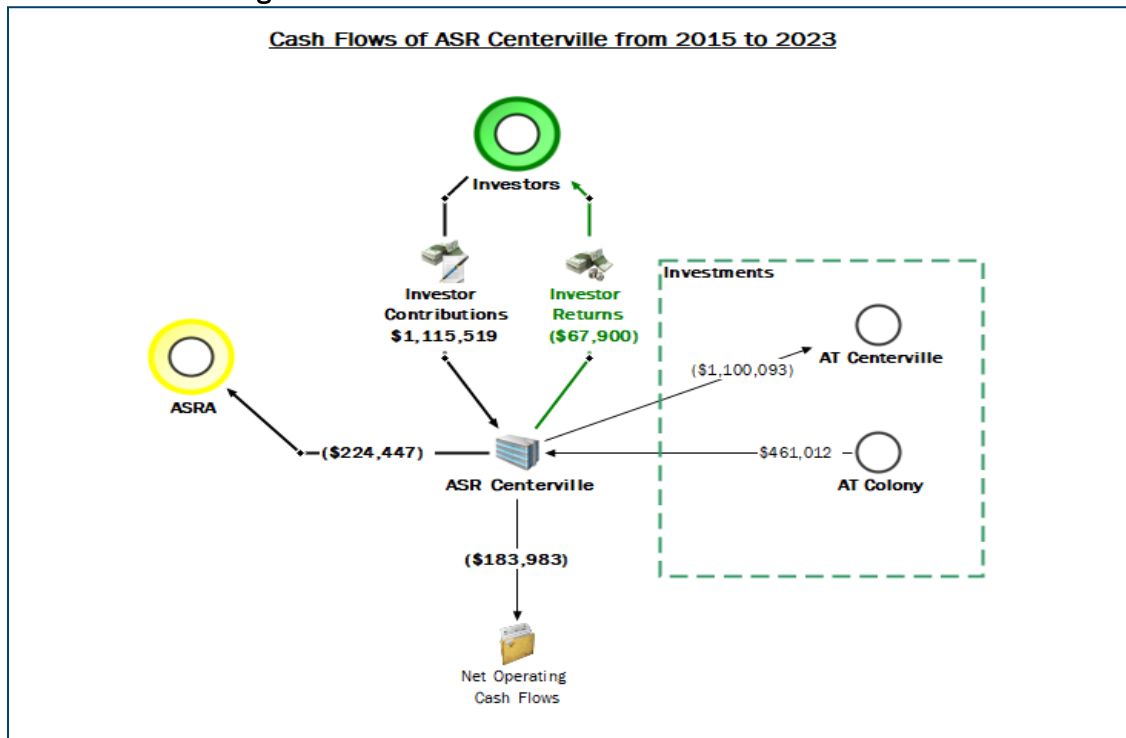
Investor Fund Cash Flows and Payments to Investors

116. Although the ASR Centerville POM anticipated a rate of return of 12%,¹⁹ investor communications suggest that no further distributions were made after August 2017, due to vacancy issues.
117. The review of ASR Centerville's cash flows showed that beginning in 2017, ASR Centerville had insufficient cash flow from AT Centerville to cover the distributions paid to investors during 2017. The Receiver also observed that ASRA funded the shortfall without which ASR Centerville could not have paid dividends during 2017.²⁰
118. **Figure 13** below illustrates the cash flows of ASR Centerville from 2015 to 2023.

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

²⁰ It should be noted that during the period 2015 – 2023, ASR Centerville made net payments to ASRA.

Figure 13: ASR Centerville Cash Flows Between 2015 and 2023



119. The ASR Centerville 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 Centerville, the investors would not have received distributions, even at a reduced rate.
120. The practice of commingling funds through ASRA, is confirmed further by the fact that the funds ASRA sent ASR Centerville to make dividend payments most likely included funds from other unrelated entities, including other Investor Fund entities.
121. The Receiver notes that one of the investors provided bridge financing for the acquisition of the Centerville Property through ASRA around April 2015. Such bridge loan, amounting to \$1,100,000, was reimbursed by ASRA in July 2015. This investor contributed \$543,000 to ASR Centerville as well. It appears that Spike²¹ entered into a loan agreement²² with this investor around November 2017, whereby he pledged his units in ASR Centerville to receive \$650,000. The funds that Spike used to pay this “loan” came from ASRA (\$450,000), and ASR Suffolk VA LCC (\$100,000). A contemporaneous

²¹ Mr. Larmore is the sole member and 100% owner of Spike.

²² The executed loan agreement has not been located at this time.



preferred return calculation spreadsheet dated March 2020, prepared by ArciTerra, no longer showed the \$543,000 capital contribution made by this investor (whereas the investor was still listed in the December 2017 version of the spreadsheet). Instead, there was a note indicating that “Spike - \$543,000,” which suggest that Spike may have substituted the investor. It is not clear whether the value of the investment at the time of the loan was sufficient to provide sufficient collateral protection for Spike. The funds used by Spike to extend this loan came mostly from commingled funds in ASRA, the source of which cannot be determined but likely included other investors’ funds. The remaining investors in ASR Centerville did not receive any distributions until the sale of ASR Centerville in November 2023.

b. Fees Charged to the Investor Funds

122. As reported in the First through Third Status Reports, the Receiver is performing an analysis of certain Investor Funds to understand how the payment of management fees occurred compared to the allowable management fees per the POMs and how the management fees were recorded in the books and records of various entities, including investments, funds, and managers. As stated in prior status reports, the POMs included provisions for the payment of various management fees, including “Acquisition Fees,” “Finance Fees,” “Guarantee Fees,” “Asset Management Fees,” “Property Management Fees,” “Lease Coordination Fees,” “Tenant Improvement/Construction Management Fees,” “Special Disposition Fees,” “Subordinated Participation in Distribution Fees,” among others. While performing an analysis of the POMs, the Receiver observed that the Fund Manager / Advisor was typically entitled to the management fees, which was often identified as ASRA according to POMs.
123. The Receiver analyzed a sample of the Investment Funds with an objective to: (1) assess the management fees contemplated in the POMs; (2) calculate or estimate the maximum possible fees which could be earned and paid based on the terms in the POMs and available property information; (3) identify fees paid to the managers or other third parties in the general ledger accounts of the relevant Investor Fund entities; (4) trace such payment of fees to the managers’ general ledgers; and (5) verify the movement of cash in the general ledgers through the bank statements of the entities on a sample basis. The entities in the sample selected (when general ledgers were available during the lifespan of the entities) included the following: ASR Centerville & Colony GA, LLC; ASR Plainfield Village IN, LLC; ArciTerra National REIT, Inc; Note Fund II, LLC; and Note Fund III, LLC.
124. The Receiver calculated the expected fee based on the POMs. Examples of these fee calculations include: “Acquisition Fees” – based on a defined percentage of the contract price; “Financing Fees” – based on a defined percentage of the principal debt; “Property Management Fees” – based on a percentage of gross revenue (i.e., rent received); “Asset Management Fee” – based on a percentage of



the gross asset value; among others. The Receiver identified certain instances of contemporaneous internal spreadsheets that appeared to calculate management fees.²³

125. The general ledger accounts were generally labeled to reflect various types of management fees recorded in the general ledgers of the investments, investor funds, and managers. The Receiver was able to identify categories of management fees paid in the investments (e.g., SPEs) and Investment Funds' general ledgers based on the account descriptions, which were generally consistent with the fees contemplated in the POMs. The Receiver recalculated certain fees, on a sample basis, according to the terms of the relevant selected POMs,²⁴ which were received in the selected Investment Fund's manager's general ledger (e.g., ASRA) and related bank statements, when available.
126. However, the Receiver has not made any determination as to whether the managers of the selected Investment Funds were entitled to such fees, and while the Receiver could trace, on a sample basis, certain fees paid up to the manager level from the properties, the reverse is not possible because of ArciTerra management's bookkeeping practices and lack of oversight. Although ASRA's general ledger includes the same management fee account categories, the fee transactions, as recorded, do not include sufficient detail and documentation, as would be expected, to identify from which Investor Fund the fees emanate (except for some acquisition fees). The bank statements for the ASRA account do not include details of transactions as well. Therefore, because of insufficient bookkeeping and lack of documentation, the Receiver is not able to perform a holistic, top-down analysis to confirm the various management fees were properly recorded from the many properties and entities managed by ASRA over time in a cost-efficient manner.

I. ASRA Fees Recorded

127. While the Receiver is unable to identify from which Investment Fund ASRA received the fees in ASRA's general ledger, the Receiver was able to aggregate the total amount of fees received based on the management fee accounts in ASRA's general ledger. According to ASRA's general ledger (traced to

²³ The Receiver could not locate these spreadsheets for every entity sampled, and for those spreadsheets located, they did not contain each type of management fee paid. It's unclear to which extent and for what purpose ArciTerra management used or relied upon the spreadsheets, who calculated the fees in the spreadsheets, and when and how often the spreadsheets were updated or whether they were reliable.

²⁴ The Receiver observed certain fees contemplated in the POMs were not paid for certain Investor Funds. As an example, tenant improvement and construction management fees would not be paid if such activities did not occur. In another example, special disposition fees from the gross sales price of an investment was subordinated to unpaid preferred return and unrecovered capital contributions of the members; therefore, such fees would not be paid if no additional proceeds from the sale remained.

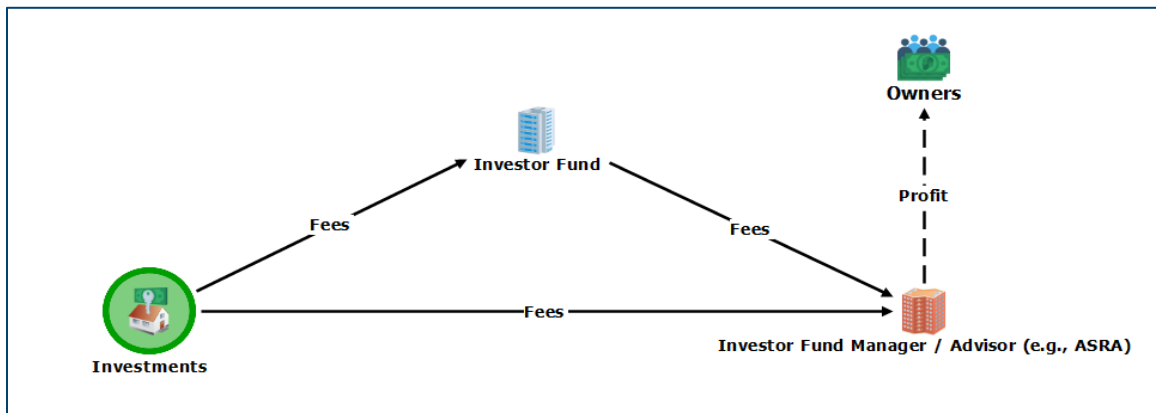


ASRA's bank statements on a sample basis), ASRA received net management fees of approximately \$9.562 million from various investments and entities from 2010 to 2023.²⁵

<i>ASRA Net Management Fees Received</i>	
Fee Type	Amount
Acquisition Fees	\$4,991,006
Asset Management Fees	1,796,198
Finance Fee Income/Loan Fee Income	1,490,270
Property Management Fees	908,080
Profit Participation Fee/Special Disposition Fees	222,915
Lease Coordination Fees	153,825
Total	\$9,562,294

128. The flow of management fees from the investments and investor funds to ASRA as observed in the analysis of fees for the sample selected is reflected in the simplified below **Figure 14**.

Figure 14: Flow of Management Fees to ASRA



II. ArciTerra Companies, LLC Fees Recorded

129. The Receiver noticed the payment of unusual (i.e., large, rounded dollar amounts) and unsupported “Property Management Fees” from certain properties to ArciTerra Companies, LLC (“ArciTerra Companies”), which was managed by Mr. Larmore. For example, several investments within ATG REIT,

²⁵ The Receiver included fees identified as the listed management fees based on the general ledger account description and those that included a corresponding debit/credit to the bank based on the cash basis of accounting used by the companies.



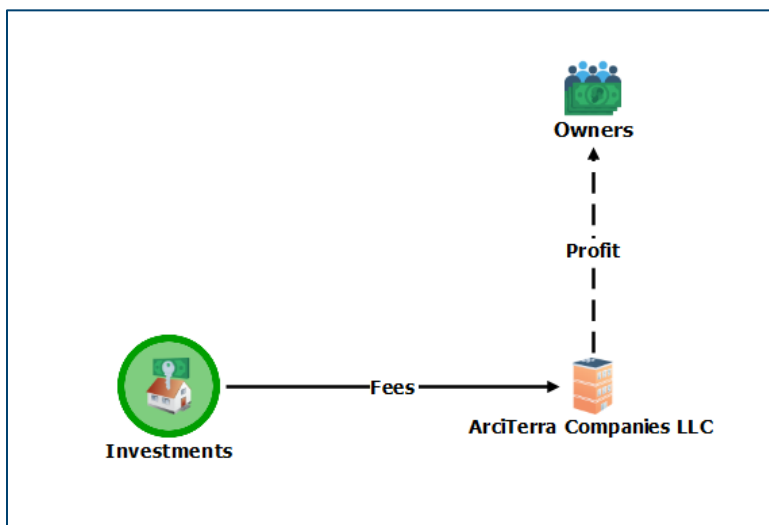
ArciTerra Noble West Noblesville IN, LLC and ArciTerra Olathe Pointe Olathe KS, LLC, which does not have a POM, were managed by third party property managers beginning in at least 2010. For the period April 2020 through October 2021, the investments in ATG REIT paid large, rounded dollar “Property Management Fees” to ArciTerra Companies, LLC. The total “Property Management Fees” paid to third parties for these investments from 2010 through early 2020, a ten-year period, was approximately \$368,000. However, from April 2020 through October 2021, or roughly a year and a half, the total “Property Management Fees” paid to ArciTerra Companies was approximately \$1.825 million.

130. Based on this observation, the Receiver aggregated the total amount of management fees ArciTerra Companies received and recorded in the management fee accounts in the ArciTerra Companies’ general ledger. Similar to what the Receiver observed in ASRA’s general ledger management fee accounts, there is insufficient detail and documentation to identify from which Investment Fund ArciTerra Companies’ fees emanate; the bank statements did provide some insight into management fee transactions. The Receiver aggregated fees recorded to the ArciTerra Companies’ general ledger (and traced to its bank statements on a sample basis). The chart below details that ArciTerra Companies received net management fees of approximately \$3.737 million from various investments from 2018 to 2023. Of the approximately \$3.16 million in “Property Management Fees,” \$3.14 million, or 99%, was received between April 2020 and October 2021.

<i>ArciTerra Companies Net Management Fees Received</i>	
Fee Type	Amount
Property Management Fees	\$3,159,819
Loan Fees (Acquisition and Refinance)	526,878
Construction Oversight Fees	36,764
Lease Coordination Fees	13,779
Total	\$3,737,240

131. The flow of management fees from investments to ArciTerra Companies for the sample selected is reflected in the simplified below **Figure 15**.

Figure 15: Flow of Management Fees to ArciTerra Companies



132. The Receiver also observed a pattern whereby fees received by ArciTerra Companies from the investments in ATG REIT, ArciTerra Noble West Noblesville IN, LLC and ArciTerra Olathe Pointe, Olathe KS, LLC, which the Receiver noted above were unsupported, were identical in amount (or nearly identical) to transfers immediately sent from ArciTerra Companies to ASRA. For example, ArciTerra Companies received on April 13, 2021 a total of \$471,878 from the investments in ATG REIT for acquisition and refinance loan fees. That same day following receipt of the fees, ArciTerra Companies sent \$470,000 to ASRA. In another example, ArciTerra Companies received on October 12 and October 13, 2021 a total of \$83,000 and \$135,000, respectively, from these investments for property management fees. On those same dates, ArciTerra Companies sent \$83,000 and \$134,000, respectively, to ASRA. The ArciTerra Companies April and October 2021 bank statements confirm these observations.

iii. Additional Observations

a. Palencia and Mercado

133. The Receiver 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.

III. Financial Status

134. 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

135. The following is a summary of the net change in operating cash balances²⁶ by Asset Group for the period December 21, 2023 through January 31, 2025. This table is also attached as **Exhibit 5**.

Summary of Change In Operating Cash Balances December 21, 2023 through January 31, 2025				
Asset Group	Balance as of 12/21/2023	Net Change	Balance as of 1/31/2025	Cash Availability
<i>Operating Businesses</i>				
Village Brewhouse	\$55,300	\$168,517	\$223,817	Dedicated
Simply Sweet	\$58,570	\$170,740	\$229,310	Dedicated
<i>Commercial Properties</i>				
Glenrosa [1]	\$556,500	(\$556,500)	\$0	Restricted
REIT 3650	\$186,400	\$1,262,766	\$1,449,166	Restricted
Rialto [2]	\$120,400	\$788,500	\$908,900	Restricted
Single Properties (Sold) [3]	\$40,600	\$226,300	\$266,900	Other
Single Properties (Not Sold) [4]	\$26,000	\$601,300	\$627,300	Other

[1] The Receiver sold the Glenrosa property and business on August 9, 2024 through a Court-approved sale process.
[2] The Receiver sold these properties on December 23 and 24, 2024, through a Court-approved sale process.
[3] The Receiver sold single properties, including Mercado, Palencia, Walcent, and Hiram Square, through Court-approved sale processes.
[4] The Receiver continues to actively manage remaining single properties, including Bass Pro and 900 W. Marion.

²⁶ These values represent the operating cash balances, and do not include and are not intended to include the sale proceeds of the assets.



B. Schedule of Receivership Estate Fund Receipts and Disbursements

136. The cash balance of the Receivership Fund as of January 31, 2025 was \$16,452,311.41. The following is a schedule of the Receivership Fund's Receipts and Disbursements from November 1, 2024 through January 31, 2025:

Receivership Fund Receipts and Disbursements November 1, 2024 through January 31, 2025	
Beginning Balance, November 1, 2024	\$11,187,295.55
<u>Receipts</u>	
REIT 3650 carve-out for Receivership Fees & Expenses	33,333.00
Interest earned on bank cash balances	11,402.00
Vendor deposit refund	67.34
Proceeds from Asset Disposition by 1921 Gallatin Pike Nashville TN, LLC	708,559.34
Proceeds from Asset Disposition by 2513 E North Street Kendallville IN, LLC	230,936.83
Proceeds from Asset Disposition by 412 Cross Oaks Mall Plainwell MI, LLC	164,497.25
Proceeds from Asset Disposition by 5339 Elvis Presley Blvd Memphis TN, LLC	509,662.92
Proceeds from Asset Disposition by 5450 US Highway 80 East Pearl MS, LLC	749,546.50
Proceeds from Asset Disposition by 60 Colonial Promenade Pkwy Alabaster AL, LLC	851,980.64
Proceeds from Asset Disposition by 601 Trenton Road McAllen TX, LLC	806,720.20
Proceeds from Asset Disposition by 700 North Grand Ave. Mt Pleasant IA, LLC	419,258.61
Proceeds from Asset Disposition by 752 S. Andy Griffith Pkwy Mt Airy NC, LLC	434,587.16
Proceeds from Asset Disposition by 81 Jameson Lane Greenville AL, LLC	297,964.75
Proceeds from Asset Disposition by 8001 Vaughn Road Montgomery AL, LLC	696,159.37
Proceeds from Asset Disposition by ATA Hiram Square GA, LLC	1,697,873.50
Proceeds from Asset Disposition by Walcent Elk/IN, LLC	293,129.79
Proceeds from Asset Disposition of Nautique	2,139.10
Total Receipts	7,907,818.30
<u>Disbursements</u>	
Document/record storage and movement costs	(4,251.28)
Costs associated with preparing vehicles for sale	(3,265.49)
Disbursement of StoneTurn Group LLP Fees from Receiver's Second Fee Application	(2,029,307.05)
Disbursement of StoneTurn Group LLP Expenses from Receiver's Second Fee Application	(214,236.42)
Disbursement of Archer & Greiner, P.C. Fees from Receiver's Second Fee Application	(391,137.32)
Disbursement of Archer & Greiner, P.C. Expenses from Receiver's Second Fee Application	(604.88)
Total Disbursements	(2,642,802.44)
Ending Balance, January 31, 2025 (unencumbered funds)	\$16,452,311.41



C. Amount and Nature of Accrued Administrative Expenses

i. First Fee Application

137. 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

138. 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]. The Court approved payment of professional fees for the Second Fee Application on November 27, 2024 [ECF No. 283].

iii. Third Fee Application

139. 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]. The only limited objection to the Application was Relief Defendant Michelle Larmore's Limited Objection, filed November 27, 2024 [ECF No. 284]. The Limited Objection was resolved by the *Third Stipulation in Respect of Reservation of Rights of Relief Defendant Michelle Larmore*, filed December 27, 2024 [ECF No. 292] and *Order Approving Third Stipulation in Respect of Reservation of Rights of Relief Defendant Michelle Larmore*, dated December 27, 2024 [ECF No. 293].



The Court approved payment of professional fees for the Third Fee Application on February 6, 2025 [ECF No. 306], subsequent to the reporting period of this Fourth Status Report.

iv. Fourth Fee Application

140. On February 14, 2025, the Receiver filed the Fourth Application of Receiver for Allowance and Payment of Professional Fees and Reimbursement of Expenses for the Period October 1, 2024 – December 31, 2024 [ECF No. 309].

IV. Receivership Entities

141. 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.
142. As a result of his analysis, the Receiver intends to seek Court approval to modify the list of Receivership Entities.

V. Receivership Assets

143. 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

144. As of January 31, 2025, the Receiver successfully closed the sales of 17 commercial properties, collectively generating a total of \$73,220,929 in gross sale proceeds. From these proceeds, the Receiver satisfied senior debt obligations of \$48,228,850. These figures include one property under the control of the Indiana Receiver, which was part of a cross-collateralized CMBS portfolio. Closing



costs for the properties under the Receiver's control totaled \$2,777,258, yielding \$21,684,533 in net proceeds to the Receivership Estate. See Exhibit 2 for more detail on these sales.

145. 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

146. 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.²⁷
147. On April 26, 2024, the Receiver filed his 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.
148. 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 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 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

²⁷ 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.



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.

149. 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.
150. 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.
151. 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

152. 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.
153. On April 19, 2024, the Receiver filed his 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.
154. 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.



155. \$21,277,269 of the proceeds were paid to the lender, Arizona Bank & Trust, to satisfy Glenrosa's outstanding loan balance.²⁸ 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

156. 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.

157. On August 2, 2024, the Receiver filed his 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.

158. 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.

159. 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.

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

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

160. 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

²⁸ 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.



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.

161. On August 14, 2024, the Receiver filed his Motion for Sale of Hiram Square [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. The Court approved the bidding procedures and scheduled the auctions [ECF No. 220] which concluded on October 30, 2024.
162. The reserve price for Hiram Square was set at \$3,500,000 and attracted 57 registered bidders, with 20 unique bidders placing a total of 30 bids. The property sold for \$5,525,000, achieving 157.86% of its reserve price.
163. On November 22, 2024, the Court approved the sale of the property [ECF No. 270]. The Court determined that the 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 December 23, 2024.
164. Approximately \$3,659,140 of the proceeds were paid to the lender, Rialto Capital, to satisfy the outstanding loan balance. The Receivership Estate's proceeds on the sale of Hiram Square after payoffs, closing costs, commissions, and other prorations and adjustments totaled \$1,697,874.

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 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



ArciTerra Entity	Address
2513 E. North Street Kendallville IN, LLC	2513-2521 E North Street Kendallville, IN 46755
ArciTerra Michigan Rd Indianapolis IN, LLC*	8320, 8330, 8350 N. Michigan Road, Indianapolis, IN 46268

**This property was under the control of the Indiana Receiver. The Receiver coordinated with the Indiana Receiver to include this property in the sale of all portfolio properties in order to satisfy the cross-collateralized debt obligation.*

165. 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.
166. On September 16, 2024, the Receiver filed his Motion for Sale for the 11 properties under the Receiver's control in the Rialto Asset Group [ECF No. 230] 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. 246], which all concluded on October 31, 2024.
167. The combined reserve price for the 11 properties under the Receiver's control totaled \$18,840,000, while the reserve price for all 12 properties, including the one under the Indiana Receiver's control, totaled \$20,590,000. The auctions attracted 347 registered bidders, with 110 bidders placing a total of 282 total bids across the 12 properties. The Receiver sold the portfolio for \$24,665,929, achieving 120.28% of the combined reserve price. The Court approved the sales on November 22, 2024 [ECF No. 271-281], determining 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. The Receiver successfully closed all sales on December 23 and 24, 2024, ensuring the transactions were finalized before year-end to optimize the Receivership Estate's tax position. Additionally, the Receiver negotiated terms with the lender that provided incentives to close the transactions before year end.
168. Approximately \$17,142,884 of the proceeds were paid to the lender, Rialto Capital, to satisfy the CMBS loan balance. After debt payoffs, closing costs, commissions, and other prorations and adjustments, Receivership Estate's net proceeds from the sale of the 11 properties under the Receiver's control totaled \$5,869,874.
169. Successfully closing the sale of all 12 properties in the CMBS portfolio was a highly coordinated effort that required extensive planning and collaboration amongst the parties involved. The Receiver reached an agreement with the Indiana Receiver to align strategies and engaged with the lender to ensure all parties' interests were met. This process involved in-depth consultations with brokers on auction logistics, discussions on the feasibility of simultaneous property closings, and securing agreement on a



unified approach to satisfying the loan balance. Successfully navigating and executing this complex transaction in today's challenging commercial real estate climate underscores the Receiver's ability to strategically manage and maximize the value of distressed real estate assets in the Receivership. The successful disposition of this portfolio demonstrates the Receiver's expertise in handling multi-property sales, managing lender negotiations, and effectively managing the challenges posed by cross-collateralized assets, particularly within a CMBS loan structure, where full satisfaction can be difficult to achieve.

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

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

170. 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.
171. On September 24, 2024, the Receiver filed his Motion for Sale of Walcent [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. The Court approved the bidding procedures and scheduled the auction which concluded on October 30, 2024.
172. The reserve price for Walcent was set at \$1,000,000 and attracted 41 registered bidders, with 11 unique bidders placing a total of 33 bids. The property sold for \$1,605,000, achieving 160.5% of its reserve price.
173. On November 22, 2024, the Court approved the sale of the property [ECF No. 282]. The Court determined that the 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 December 23, 2024.
174. Approximately \$1,179,050 of the proceeds were paid to the lender, StanCorp, towards satisfying the loan balance. The Receivership Estate's proceeds on the sale of Walcent after payoffs, closing costs, commissions, and other prorations and adjustments totaled \$293,130.

Sales Pending Closing

175. Below are material updates to the commercial property sale that has been approved by the Court and is pending close.



g. 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

176. **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 sole tenant of the property.
177. **Lender Communications.** The Receiver has been in ongoing communication with the lender and will continue to do so until the sale is officially closed.
178. **Property Management.** The Receiver continues to manage the property.
179. **Asset Disposition or Further Action.** On December 4, 2024, the Receiver filed his Motion for Sale of 900 W. Marion [ECF No. 286], seeking approval of the retention of Marcus & Millichap and the proposed procedures for the sale of the property, 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 900 W. Marion and scheduled an auction [ECF No. 294], to be held via Zoom on February 3, 2024, following the close of this reporting period. No additional bids were received during the public auction, and the sale was granted to the Stalking Horse Bidder at \$3,050,000. On February 5, 2024, the Court approved the Motion for Sale [ECF No. 303], 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 is scheduled to close before the end of March 2025.
- Properties Under Stabilization and Disposition Review
180. Below are material updates to the commercial properties that the Receiver is managing and determining the appropriate disposition or further action:



h. 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

181. **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
182. **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.
183. **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.



184. **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. The Receiver remains in communication with the Indiana Receiver to coordinate efforts and align on the most effective strategy for the portfolio's disposition.

i. 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

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

186. **Lender Communication.** KS State Bank remains responsible for collecting the rents paid by tenants at occupied properties. In November 2024, after consulting with brokers and reviewing broker opinion of values, the Receiver submitted an initial disposition plan to the lender for the auction and sale of the four properties in the portfolio. The proposal was structured to provide a fair distribution of proceeds to the Receivership Estate while addressing a portfolio of the outstanding debt, considering the valuations of the assets. The lender rejected the proposal and, following the close of this reporting period, filed a Motion to Amend the Receivership Order [ECF No. 308], seeking to exclude the four remaining properties in the KS State Bank portfolio from the Receivership. The motion requests that KS State Bank be permitted to facilitate financing and a private sale of the occupied properties, or, alternatively,

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.



foreclose on and sell them, as well as foreclose on and sell the vacant properties. The lender proposes applying all sale proceeds to the outstanding debt and remitting any net proceeds to the Receiver, but does not take into account the costs incurred by the Receiver to maintain the lender's collateral.

187. **Property Management.** SVN continues to manage the two occupied properties.

188. **Asset Disposition or Further Action.** The Receiver has assessed the lender's motion and does not believe the sale and foreclosure process outlined in the Motion is in the best interest of the Receivership Estate. Accordingly, the Receiver would advocate for a structured sale process that ensures a fair and equitable distribution of proceeds between the lender and the Receivership Estate.

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

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

189. **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").

190. **Lender Communications.** The mortgage was satisfied in full prior to the Receiver's appointment, however, there are approximately \$2.7 million in unpaid property taxes from 2018, 2019, 2020, 2021, 2022, 2023, and 2024 that remain outstanding.

191. **Property Management.** The Receiver continues to manage the property.

192. **Asset Disposition or Further Action.** The Receiver is in discussions with Bass Pro regarding the 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

193. **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.

194. **Lender Communications.** The Receiver is in communication with the lender regarding the abandonment of the property.

195. **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.



I. 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

196. **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.
197. **Lender Communications.** There is no current mortgage on the property.
198. **Property Management.** The Receiver continues to manage the property.
199. **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

200. **Overview.** 925 W. Marion/960 W. Olympia FL, LLC 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.
201. **Lender Communications.** The Receiver continues to be in contact with the lender regarding disposition and loan servicing.
202. **Property Management.** The Receiver deployed a general contractor to address the damage on the property following hurricane-related damage in October 2024.
203. **Asset Disposition or Further Action.** The Receiver is evaluating options to determine the most appropriate disposition strategy.



ii. Residential Properties

204. 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

205. **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.

206. **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.

207. **Property Maintenance.** The Receiver deployed a general contractor to address the damage on the property following hurricane-related damage in October 2024.

208. **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



209. **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 Leisuretowntown Rentals, LLC.
210. **Lender Communications.** The Receiver is engaged with the mortgage holder’s counsel regarding the property and is coordinating with interested parties to assess rights and interests in the property.
211. **Property Maintenance.** The Receiver has not been notified of any property conditions requiring attention.
212. **Asset Disposition or Further Action.** The Receiver is actively working with interested parties to determine an appropriate disposition of the property, subject to Court approval.

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

213. **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.
214. **Lender Communications.** There is no active mortgage on either timeshare unit.
215. **Property Maintenance.** The Receiver has not been notified of any property conditions requiring attention.
216. **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

217. **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.
218. **Lender Communications.** There is no active mortgage on the unit.



219. **Property Maintenance.** The Receiver deployed a general contractor to oversee restoration of the unit following hurricane-related damage in October 2024.
220. **Asset Disposition or Further Action.** The Receiver is assessing an appropriate 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

221. **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.
222. **Lender Communications.** The Receiver continues to be in contact with the mortgage holders.
223. **Property Maintenance.** The Receiver deployed a general contractor to address the damage on the 880 West Marion property following hurricane-related damage in October 2024.
224. **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

225. **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.
226. **Lender Communications:** The property does not have an active mortgage.
227. **Property Maintenance.** The Receiver has not been notified of any property conditions requiring attention.
228. **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. The Receiver is determining appropriate next steps.

g. 10507 North Grand Boulevard, Syracuse, IN

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

229. **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.
230. **Lender Communications.** The property does not have an active mortgage.
231. **Property Maintenance.** The Receiver has not been notified of any property conditions requiring attention.
232. **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. The Receiver is determining appropriate next steps.

h. 11227 NE Wawasee Drive South, Syracuse, IN

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

233. **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.
234. **Lender Communications.** The property does not have an active mortgage.
235. **Property Maintenance.** The Receiver has not been notified of any property conditions requiring attention.
236. **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].



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

237. **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 was 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 was the recorded owner of N. 54th Street. Mr. Larmore is the Registered Agent and sole member and manager of 4450 N. 54th Street LLC.
238. **Lender Communications.** City National Bank held the 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]. Following the Court's approval, City National Bank proceeded with the foreclosure process, and the bank withdrew its Motion to Intervene and Amend the Receivership Order [ECF No. 305]. The Court entered an order formally withdrawing the motions and releasing City National Bank and its counsel from further participation in this matter [ECF No. 307].
239. **Property Maintenance.** The Receiver has not been notified of any property conditions requiring attention.
240. **Asset Disposition or Further Action.** The Receiver previously stipulated that Mariposa and 54th Street were 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 also 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 was subsequently foreclosed upon by City National Bank, and the bank is no longer involved in this matter.



j. 3127 LaBalme Trail, Fort Wayne, IN

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

241. **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.
242. **Lender Communications.** The property does not have an active mortgage.
243. **Property Maintenance.** The Receiver has not been notified of any property conditions requiring attention.
244. **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

245. **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.
246. **Lender Communications.** The unit does not have an active mortgage.
247. **Property Maintenance.** The Receiver has not been notified of any property conditions requiring attention.
248. **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 a Receivership Entity does not own 7900 W. Jefferson. According to county assessor records, Marcia Larmore owns the property.



B. Other Assets

249. 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”).
250. 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. 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.
251. 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 was auctioned in accordance with the agreement, the Receiver recovered \$60,000 from the Note Holder.
252. 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.
253. 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].
254. On November 12, 2024, the Court granted the Receiver’s Motion to Approve the Abandonment Agreement by Order [ECF No. 257].
255. Pursuant to its agreement with the Receiver, Lake National Bank completed its sale of the damaged Watercraft #2 to a third-party and on January 29, 2025, provided the Receiver a reconciliation and wired \$1,139.10 to the Receiver consistent with Lake National Bank’s obligations under ECF No. 257.



256. 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.
257. At the direction of the Receiver, Watercraft #3 is being serviced at a local marina so it can be prepared for sale.
258. 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

259. 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.
260. In addition, the Receiver is working to identify potential claims to assets currently outside of the Receivership Estate, or against third parties.

A. Claims Processing and Administration

261. The Receiver is in the process of identifying liabilities from the books and records of the Receivership Entities and identifying potential additional liabilities that may result in claims.
262. The Receiver developed and issued a request for proposal to establish a claims administration process including developing a web-based solution to intake claims related to investors, vendors, and other stakeholders. The Receiver solicited proposals from multiple qualified vendors. The Receiver is engaged in reviewing proposals received to date.

B. Potential Liabilities to Creditors and Claims Against Parties

263. As the Receiver investigates the financial affairs of the Receivership Estate, the Receiver is mindful that there may be claims against the Relief Defendants and others for substantial value transferred out of the ArciTerra entities at the expense of creditors and investors. The Receiver will analyze and identify these claims and take action to the extent appropriate.

i. American Express

264. 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.

265. 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

266. 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

267. 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

268. 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.

269. As a result of his analysis, the Receiver intends to seek Court approval to modify the list of Receivership Entities.

270. The Receiver will continue to work with the retained accounting firm to prepare and file the necessary federal and state tax returns for the relevant Receivership Entities.

271. The Receiver continues his analysis of the Receivership Entities, including:

- a. Continuing to trace and analyze relevant transactions through books and records, including bank accounts to (1) establish how much may be owed to investors, and (2) identify any funds related to improper transactions that the Receiver may potentially recover to address investor and creditor claims.



- b. Determining the ultimate disposition of funds, if any, diverted from creditors and investors to other parties.
272. 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.
273. 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.
 - b. **Analysis to Determine Investor Obligations.** The Receiver's 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 of 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.
274. 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,

February 20, 2025

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 (ArcTerra 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	N/A - Sold
17	Portfolio	Rialto	700 North Grand Avenue Mt. Pleasant IA, LLC*	Orscheln's Center	700 North Grand Ave. Mt. Pleasant, IA 52641	N/A - Sold
18	Portfolio	Rialto	8001 Vaughn Road Montgomery AL, LLC*	Festival Plaza	8001 Vaughn Road Montgomery, AL 36116	N/A - Sold
19	Portfolio	Rialto	601 Trenton Road McAllen TX, LLC*	McAllen Plaza	601 Trenton Road McAllen, TX 78504	N/A - Sold
20	Portfolio	Rialto	60 Colonial Promenade Parkway Alabaster AL, LLC*	Shoppes at Alabaster	60 Colonial Promenade Parkway Alabaster, AL 35007	N/A - Sold
21	Portfolio	Rialto	81 Jameson Lane Greenville AL, LLC*	Greenville Plaza	81 Jameson Lane Greenville, AL 36037	N/A - Sold
22	Portfolio	Rialto	752 South Andy Griffith Parkway Mt. Airy NC, LLC*	Wachovia Shops Plaza	752 S. Andy Griffith Parkway Mt. Airy, NC 27030	N/A - Sold
23	Portfolio	Rialto	1921 Gallatin Pike Nashville TN, LLC*	Men's Wearhouse	1921 Gallatin Pike North Madison, TN 37115	N/A - Sold
24	Portfolio	Rialto	5450 US Highway 80 East Pearl MS, LLC*	Office Depot Plaza	5450 US Highway 80 East Pearl, MS 39208	N/A - Sold
25	Portfolio	Rialto	412 Cross Oaks Mall Plainwell MI, LLC*	Plainwell Plaza	412 Cross Oaks Mall Plainwell, MI 49080	N/A - Sold
26	Portfolio	Rialto	2513 E. North Street Kendallville IN, LLC*	Kendallville Plaza	2513-2521 E North St. Kendallville, IN 46755	N/A - Sold

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	N/A - Sold
28	Portfolio	National REIT/KS State Bank	ArciTerra FD Greeleyville SC, LLC	Available - Greeleyville (former Family Dollar)	10000 US Highway 521 Greeleyville, SC 29056	Receiver
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	Receiver
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	N/A - Sold
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 through a Court-approved sale process.

**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.

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**	Net Proceeds to Receivership
<i>Properties Sold in Prior Reporting Periods (Before October 31, 2024)</i>				
Glenrosa	\$28,250,000	(\$21,277,269)	(\$464,004)	\$6,508,727
Mercado	\$6,500,000	(1,789,444)	(503,298)	\$4,207,258
Palencia	\$4,175,000	(982,442)	(304,542)	\$2,888,016
1000 W. Marion	\$2,500,000	(2,198,621)	(81,724)	\$219,655
Total	\$41,425,000	(\$26,247,776)	(\$1,353,568)	\$13,823,656
<i>Properties Sold in Current Reporting Period (Ending January 31, 2025)</i>				
Rialto Portfolio*	\$24,665,929	(17,142,884)	(761,520)	\$5,869,874
Hiram Square	\$5,525,000	(3,659,140)	(497,250)	\$1,697,874
Walcent	\$1,605,000	(1,179,050)	(164,920)	\$293,130
Total	\$31,795,929	(\$21,981,074)	(\$1,423,690)	\$7,860,877
Grand Total	\$73,220,929	(\$48,228,850)	(\$2,777,258)	\$21,684,533

EXHIBIT 3

Summary of Investor Funds					
Offering	Date of POM	Investor Count	Total Raised from Investors	Full Cycle/ Ceased Operations	Note Holders or Investors
ArciTerra Note Fund III, LLC	03/21/08	541	\$25,000,000	n/a	Note Holders
ArciTerra REIT, Inc.	04/03/06	498	20,258,940	n/a	Equity Holders
ArciTerra Note Fund II, LLC	11/17/06	449	20,000,000	n/a	Note Holders
ArciTerra National REIT, Inc.	10/28/08	388	16,330,350	n/a	Equity Holders
* ArciTerra Note Fund I, LLC	09/16/05	229	10,000,000	10/29/09	Note Holders
ASI Belleville Crossing IL, LLC	09/16/11	161	7,376,760	n/a	Equity Holders
Whitefish Opportunity Fund, LLC	05/04/07	157	6,344,000	02/15/13	Equity Holders
ASR Wheatland IL, LLC	03/01/15	112	5,254,834	n/a	Equity Holders
ASR Forum KY	11/28/12	59	5,046,882	09/11/17	Equity Holders
ASR Plaza OK	04/26/13	105	4,750,518	n/a	Equity Holders
ASR Briargate & Linden IL, LLC	06/16/14	75	4,245,194	n/a	Equity Holders
ASR Roswell/Cumberland	09/10/10	73	3,050,000	12/31/19	Equity Holders
ASR Plainfield Village IN, LLC	11/12/15	15	3,025,000	12/31/19	Equity Holders
ASR KY & GA	10/10/12	78	2,470,281	12/31/17	Equity Holders
ASR Echelon	02/22/11	63	2,205,000	n/a	Equity Holders
* ASR Kiowa Village	03/21/11	41	2,173,333	04/15/13	Equity Holders
* ASR Johns Creek	01/20/11	63	1,850,000	05/20/13	Equity Holders
ASR Trinity Place TN, LLC	06/30/11	62	1,838,333	09/01/19	Equity Holders
ASR Centerville & Colony GA, LLC	11/30/15	7	1,210,869	n/a	Equity Holders
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.

EXHIBIT 4

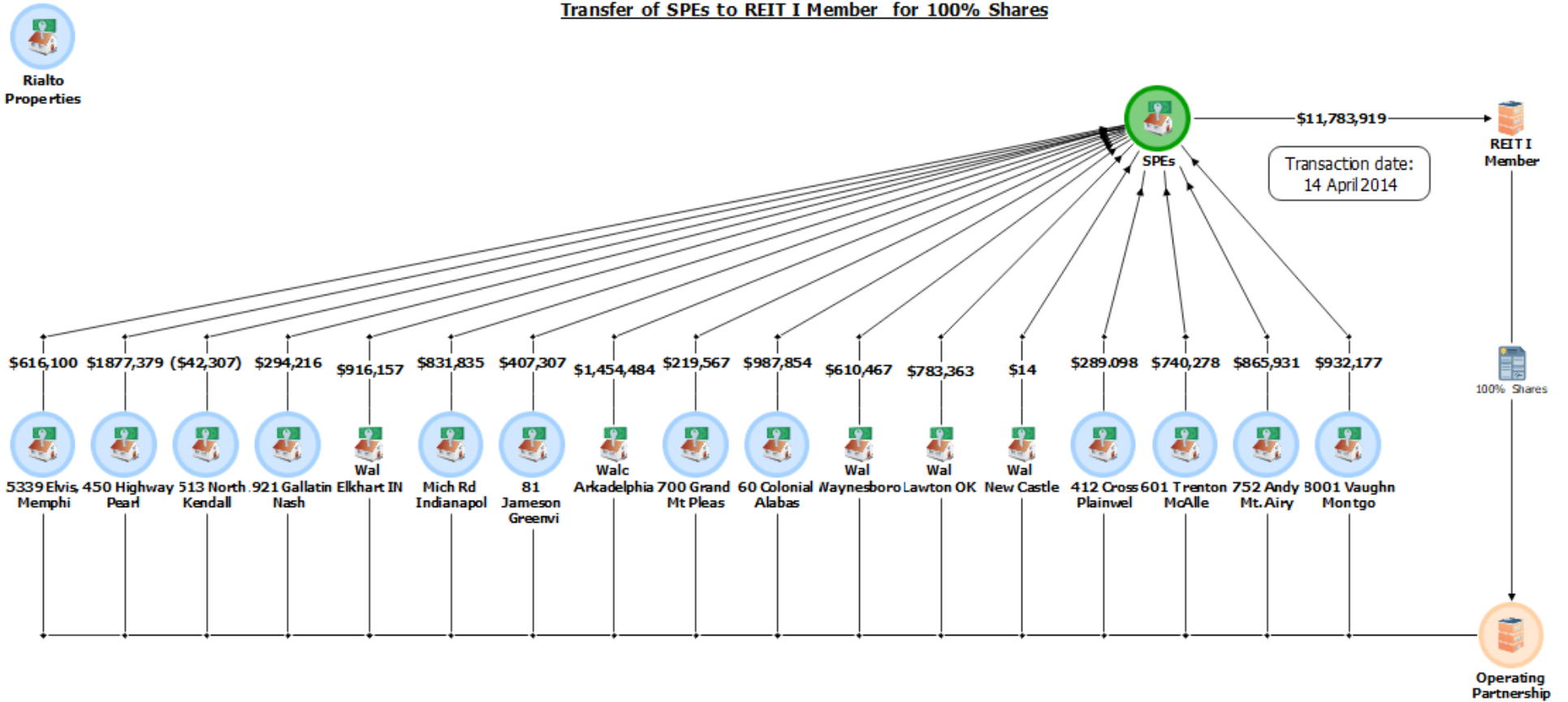


EXHIBIT 5

Summary of Change In Operating Cash Balances
December 21, 2023 through January 31, 2025

Asset Group	Balance as of 12/21/2023	Net Change	Balance as of 1/31/2025	Cash Availability
<i>Operating Businesses</i>				
Village Brewhouse	\$55,300	\$168,517	\$223,817	Dedicated
Simply Sweet	\$58,570	\$170,740	\$229,310	Dedicated
<i>Commercial Properties</i>				
Glenrosa [1]	\$556,500	(\$556,500)	\$0	Restricted
REIT 3650	\$186,400	\$1,262,766	\$1,449,166	Restricted
Rialto [2]	\$120,400	\$788,500	\$908,900	Restricted
Single Properties (Sold) [3]	\$40,600	\$226,300	\$266,900	Other
Single Properties (Not Sold) [4]	\$26,000	\$601,300	\$627,300	Other

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

[2] The Receiver sold these properties on December 23 and 24, 2024, through a Court-approved sale process.

[3] The Receiver sold single properties, including Mercado, Palencia, Walcent, and Hiram Square, through Court-approved sale processes.

[4] The Receiver continues to actively manage remaining single properties, including Bass Pro and 900 W. Marion.