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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
FIFTH 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 Fifth 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: May 20, 2025

ARCHER & GREINER, P.C.

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ArciTerra Receiver's Fifth Status Report

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

United States District Court for the District of Arizona

May 20, 2025



RECEIVER'S FIFTH 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 Fifth Status Report, covering the period from February 1, 2025 through April 30, 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").
- Fourth Status Report on February 20, 2025 [ECF No. 311] (the "Fourth Status Report").

The purpose of the Fifth 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 Fifth Status Report represents information for the period specified and as of the date submitted. This Fifth 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 off-site 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, 18 of which the Receiver sold as of the date of this Fifth 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.
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 April 30, 2025, after the closing of certain property sales as described below, the Receiver actively manages 21 commercial properties, including:
 - a. Collecting delinquent and previously ignored rents, as well as current rents from approximately 97 tenants across 11 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 11 residential properties to determine the appropriate next steps.



iii. ArciTerra Entities

12. 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 filed a motion to designate additional entities on April 10, 2025 [ECF No. 332]. Please see Section IV for further details on Receivership Entities.

iv. Asset Disposition

13. Since the commencement of the Receivership, the Receiver has successfully sold and closed 18 commercial properties through Court-approved sale processes. Of these, 17 properties were sold in 2024, generating total gross sale proceeds of \$73,220,929, satisfying \$48,228,850 in senior debt obligations, and resulting in over \$21,500,000 in net proceeds for the Receivership Estate. In 2025 to date, the Receiver successfully sold and closed one commercial property, generating \$3,050,000 in gross sale proceeds, satisfying \$2,227,363 in senior debt obligations, and yielding \$471,705 in net proceeds for the Receivership Estate.
14. Of the 18 properties sold, 11 were part of a Commercial Mortgage-Backed Securities ("CMBS")⁴ portfolio. The CMBS portfolio consisted of 12 properties, including the 11 under the Receiver's control and one under the control of the Indiana Receiver.⁵ 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-collateralization⁶ 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

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 One property was 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").

⁶ 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.



commercial real estate environment underscores the Receiver's ability to navigate complex transactions to maximize value for the Receivership Estate.

15. 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 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.

v. Investor Fund Analysis

16. As discussed in Previous Status Reports, the Receiver has substantially completed review of all 11 of the ArciTerra private investment vehicles through which capital was raised from third-party investors ("Investor Funds") in scope.⁷ 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.
17. Consequently, because of this pervasive commingling, untangling the transactions related to the Investor Funds has been extremely challenging, as is the determination of which cash flows should have been allocated to which Investor Fund. The Receiver believes that such analysis is unlikely to be able to 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.
18. The Receiver's efforts to determine the amounts owed and available to distribute to investors are progressing despite the complications caused by ArciTerra's pervasive 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.
19. 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.

vi. Claims Administration Process

20. The Receiver developed and issued a request for proposal to establish a cost-effective 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

⁷ See Section II.E of this Fifth Status Report for the defined scope as it pertains to Investor Funds.



Receiver reviewed proposals received and is in the process of finalizing a decision as to which claims administration vendor would best serve the interests of the Receivership Estate.

II. Actions Taken by the Receiver During the Reporting Period

A. Website/Ongoing Communications

21. 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

22. 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

23. 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

24. 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 ⁸	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, LLC⁹• 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 ¹⁰	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, LLC¹¹• 900 West Marion FL, LLC¹²
Solo Lot/Land		
<ul style="list-style-type: none">• 1000 West Marion PG FL LLC¹³• 925 W. Marion/960 W. Olympia FL, LLC		
Operating Business Entities		
Village Brewhouse	Simply Sweet	Glenrosa ¹⁴
<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

25. The Receiver actively manages commercial properties and operating businesses. The Receiver has sold 18 properties as of April 30, 2025. Additionally, one property in the KS State Bank Portfolio, ArciTerra FD Bowman SC, LLC¹⁵ ("Bowman"), was sold at a pre-Receiver'ship tax sale. After consideration and

⁸ The Receiver sold these properties on December 23 and 24, 2024 through a Court-approved sale process.

⁹ Property was sold at a pre-Receiver'ship tax sale. The Receiver did not pursue any claim to unwind the pre-Receiver'ship tax sale, as any attempt to reclaim this property would incur costs that exceed the amount of funds available to the applicable Receiver'ship Entity.

¹⁰ The Receiver sold these properties on August 9, 2024 through a Court-approved sale process.

¹¹ The Receiver sold these properties on December 23 and 24, 2024 through a Court-approved sale process.

¹² The Receiver sold this property on March 12, 2025 through a Court-approved sale process.

¹³ The Receiver sold this property on October 7, 2024 through a Court-approved sale process.

¹⁴ The Receiver sold these properties on August 9, 2024 through a Court-approved sale process.

¹⁵ ArciTerra FD Bowman SC, LLC, is a Receiver'ship 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 Receiver'ship 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



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 18 properties and the Receiver's determination on the Bowman property, 21 commercial properties and two operating businesses remained. Of the 21 active commercial properties in the Receivership Estate, five 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 21 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 ¹⁶	AT Auburn Plaza IN II, LLC AT Auburn Plaza Member, LLC	506 North Grandstaff Drive Auburn, IN 46706
2	REIT 3650	ATA Lanier Fayetteville GA II, LLC ATA Lanier Fayetteville Member	320 W. Lanier Avenue Fayetteville, GA 30214
3	REIT 3650	AT HL Burlington IA II, LLC AT HL Burlington Member, LLC	3351 Agency Street Burlington, IA 52601
4	REIT 3650	AT Ville Platte LA II, LLC AT Ville Platte Member, LLC	915 E. LaSalle Street Ville Platte, LA 70586
5	REIT 3650	AT Altus Cumberland GA II, LLC AT ALTUS Cumberland Member, LLC	2997 Cumberland Circle Atlanta, GA 30339
6	REIT 3650	AT Sweden NY II, LLC AT Sweden Member, LLC	1651 Nathaniel Poole Trail Brockport, NY 14420
7	REIT 3650	AT Eastman GA II, LLC AT Eastman Member, LLC	970 Indian Drive Eastman, GA 31023
8	REIT 3650	AT New Lenox IL-Inline II, LLC AT New Lenox-IL Member, LLC	2021 East Laraway Road New Lenox, IL 60451
9	REIT 3650	AT Longview TX II, LLC AT Longview Member, LLC	711 Estes Drive Longview, TX 75602
10	REIT 3650	AT Seven Hills Aurora CO II, LLC AT Seven Hills Aurora Member, LLC	18511 E. Hampden Avenue Aurora, CO 80013
11	REIT 3650	AT Mayodan NC II, LLC AT Mayodan Member, LLC	131 Commerce Drive Mayodan, NC 27027
12	REIT 3650	AT PT Danville IL II, LLC AT PT Danville Member, LLC	22 West Newell Road Danville, IL 31082
13	KS State Bank	ArciTerra FD Greeleyville SC, LLC	10000 US Highway 521 Greeleyville, SC 29056

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.

¹⁶ 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
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	ArciTerra BP Olathe KS, LLC	12051 S Renner Boulevard Olathe, KS 66061
18	Single Property	AT Olathe Outlot 5, LLC	15085 W 119th Street Olathe KS 66602
19	Single Property	AT New Lenox IL-Outlots, LLC	E. Laraway Road New Lenox, IL 60451
20	925 W. Marion / 960 W. Olympia	925 W. Marion/960 W. Olympia FL, LLC	925 W. Marion Avenue Punta Gorda, FL 33950
21	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

26. The two operating businesses, Village Brewhouse, a restaurant and bar, and Simply Sweet, a retail candy store, have separate management that oversee 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

27. In prior reporting periods, the Receiver successfully sold the following 17 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; 1000 West Marion PG FL, LLC ("1000 W. Marion"), which closed on October 7, 2024; Walcent Elk/IN, LLC ("Walcent") and ATA Hiram Square GA, LLC ("Hiram Square"), which both closed on December 23, 2024; and 11 properties in the Rialto portfolio, which closed on December 23 and 24, 2024. For further details regarding these property sales, see Previous Status Reports. A summary of these transactions is provided in **Exhibit 2**.
28. 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 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 sale of the 900 W. Marion property on February 5, 2025 [ECF No. 303] and the Receiver closed the transaction on March 12, 2025.

29. 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, a Receivership Entity. 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.
30. 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 in discussions with the lender regarding disposition of the portfolio, subject to Court approval.
31. ArciTerra BP Olathe KS, LLC owns a stand-alone, single tenant property which is occupied by Bass Pro Shops ("Bass Pro"). The Receiver engaged in negotiations with Bass Pro regarding the disposition of the property, subject to Court approval. Both parties reached an agreement for a settlement and sale to Bass Pro. Following the close of this reporting period, the Receiver filed a Motion to Approve the Settlement and Sale [ECF No. 346] on May 2, 2025.
32. 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.
33. 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

34. 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.

35. 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, and 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

36. 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 reissuance. 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

37. 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.
38. 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.
39. 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].
40. SAX, LLP, the Receiver, and CLA are in conversations regarding the transfer of historical tax data between the accounting firms so that certain tax returns can be prepared.

b. 2023 Corporate and State Business Registration Filings

41. 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 Operations¹⁷

42. The Receiver's work continues in accordance with the duties defined in the Receivership Order. The Receiver is managing the Receivership Assets and stabilizing cash flows from income-generating assets,

¹⁷ See **Exhibit 1** for a detailed list of all commercial and residential properties, including sold properties.



including streamlining the rent collection process, paying real estate taxes and property vendors, negotiating forbearances, and analyzing properties and assets for disposition or further action.

a. Commercial Property Operations

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

b. Impact of Hurricanes Helene and Milton

44. As reported in Previous Status Reports, 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 mid-2025.

c. Commercial Property Dispositions

45. 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.
46. During this reporting period, the Receiver closed the sale of the 900 W. Marion property in Punta Gorda, Florida, on March 12, 2025.
47. As summarized in the table below and **Exhibit 2**, the disposition of the 18 properties, after paying off the mortgage and other secured debt, and closing costs, resulted in net proceeds to the Receivership of \$22,156,238.



Net Proceeds to the Receivership from Asset Dispositions				
Property	Sale Price	Debt Payoff	Closing Costs**	Net Proceeds to Receivership
Properties Sold in Prior Reporting Periods (Before January 30, 2025)				
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
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	\$73,220,929	(\$48,228,850)	(\$2,777,258)	\$21,684,533
Properties Sold in Current Reporting Period (Ending April 30, 2025)				
900 W. Marion	\$3,050,000	(2,277,363)	(11,713)	\$471,705
Total	\$3,050,000	(\$2,277,363)	(\$11,713)	\$471,705
Grand Total	\$76,270,929	(\$50,506,213)	(\$2,788,970)	\$22,156,238

* 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

48. 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

49. 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.

50. Other ongoing key commercial property management activities include:

- a. **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.
- b. **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.
- c. **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 renewed 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.
- d. **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

51. 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.
52. 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

53. 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.
54. The Receivership Assets include 11 private investment vehicles through which capital was raised from third-party investors¹⁸ (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.¹⁹ The Receiver substantially completed the review of the 11 in-scope Investor Funds. The detailed analysis of each of the Investor Funds was reported on in the Third Status Report at Section II.E and in the Fourth Status Report at Section II.E.
55. **Figure 1** below is a table of all 16 in-scope Investor Funds which contains details about the number of investors, amounts raised, amounts paid, and the date the Investor Fund ceased operations, if applicable.
56. 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

¹⁸ The term "investors," as referred to in this Fifth Status Report and Previous Status Reports, includes both equity holders and note holders and members who own units in the various Investor Funds.

¹⁹ 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**.



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. The amounts reflected in the table below have been extracted from various contemporaneous ArciTerra spreadsheets. Unless otherwise indicated, these amounts have not been independently verified. The Receiver has taken steps to validate these amounts, where appropriate, or as needed, to recalculate or determine the amounts owed to investors. The Receiver discusses this process further in Section II.E.ii.

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 ²⁰	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		

57. The Receiver has prepared a summarized chronological timeline of significant financial events that mark the life of the Investor Funds based on his analysis of the Investor Funds as documented in the

²⁰ 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.



Previous Status Reports. The timeline illustrates certain key events under each Investor Fund.²¹ See **Figure 2** below for the Investor Fund timeline (see **Exhibit 4** for a larger version of this timeline).

58. The timeline shows that:

- a. ArciTerra raised capital for the various Investor Funds during the period from 2006 to 2016. These raise periods for each Investor Fund are represented as the blue lines.
- b. Dividend and interest payments (represented by green lines) are sporadic and not consistent across the Investor Funds.²² The fact that interest rates on notes for Note Funds II and III decreased during the period June 2010 through March 2020 is not visually reflected in the chart.
- c. Dividend and payments in the Investor Funds ceased (represented by the red lines) by early 2020, but for a number of the Investor Funds, dividend and interest payments stopped being paid prior to 2020. Some of the Investor Funds completed a refinancing (represented by the white triangles) or sold properties (of which the final property sale within the Investor Fund is represented by the orange triangles). Many of these refinancings or sales that brought cash back into the Investor Fund are close to the time dividends stopped being paid to the investors, or, in many instances, these events occurred when dividend or interest payments had already been discontinued for the Investor Fund and did not result in distributions to investors.
- d. While certain Investor Funds were closed²³ and capital was returned to investors, as reflected in the timeline, because of the commingling of funds, the source of funds that ArciTerra decided to utilize to pay these investors was not necessarily sourced from their respective Investor Fund, as documented in Previous Status Reports, but can be funded by other investors. For instance, ASR Roswell/Cumberland investors were repaid prior to the sale of the asset, from other sources through ASRA.

59. The Receiver documented in the Previous Status Reports that cash coming in through these Investor Funds (via refinancings or sales of assets or through the use of other investor contributions) frequently did not originate from their respective funds' assets due to the pervasive commingling of cash through ASRA which increased significantly in 2015 and thereafter. Even when investors

²¹ The REIT 3650 and Rialto portfolios are not reflected in the timeline (**Exhibit 4**), as they are not and were not Investor Funds, but rather refinancing/tax optimization tools. Some of the funds raised from these transactions were used to repay some investors (such as in the case of ASR Plainfield), without explanation as to why these investors were paid back their capital while others were not. See Section II.E of the Third Status Report and Section II.E of the Fourth Status Report for further discussion on this topic.

²² For certain Investor Funds, earlier investors into the Fund began to receive quarterly distributions while the Capital Raise Period was still open.

²³ "Closed" refers to the date investors received their return of capital or were otherwise notified that the Investor Fund would cease operations.



received repayment of principal and payment of interest and dividends, the Receiver found that, frequently, investors received payments from investments not associated with the Investor Fund in which they were invested and that at the time the underlying investments could not support such payments.

Figure 2: Simplified ArciTerra Investor Fund Timeline

Offering	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	Total Capital Raised	Total Paid to Investors	Return of Capital
Arciterra REIT, Inc.																			\$ 20,258,940	\$ 6,039,462	N
Note Fund II																			\$ 20,000,000	\$ 12,571,822	N
Whitefish Opportunity Fund																		closed 2/2013	\$ 6,344,000	\$ -	N
Note Fund III																			\$ 25,000,000	\$ 13,564,765	N
National REIT, Inc.																			\$ 16,330,350	\$ 12,905,069	N
ASR Roswell/Cumberland																		closed 2/2020	\$ 3,050,000	\$ 5,511,866	Y
ASR Echelon																			\$ 2,205,000	\$ 905,184	N
ASR Trinity Place																		closed 9/2019	\$ 1,838,333	\$ 3,052,271	Y
ASI Belleville																			\$ 7,376,760	\$ 4,315,732	N
ASR KY & GA																		closed 12/2017	\$ 2,470,281	\$ 2,801,411	Y
ASR Forum KY																		closed 9/2017	\$ 5,046,882	\$ 11,299,680	Y
ASR Plaza OK																			\$ 4,750,518	\$ 1,131,309	N
ASR Briargate & Linden IL																			\$ 4,245,194	\$ 1,337,777	N
ASR Wheatland																			\$ 5,254,834	\$ 1,628,513	N
ASR Plainfield Village																		closed 2/2020	\$ 3,025,000	\$ 3,886,299	Y
ASR Centerville & Colony																			\$ 1,210,869	\$ 65,229	N

Chart Key	
	Refinancing
	Final Property Sale / Disposition
	Capital Raise Period
	Fund Operational and Dividend Distribution
	Fund Operational and No Dividend Distribution

60. 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.
61. In certain circumstances, the Receiver's analyses are subject to various bank records and other information not readily accessible.
62. 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.
63. 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 filed a motion to designate additional Receivership entities on April 10, 2025 [ECF No. 332]. Please see Section IV for further details on 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 so-called "intercompany loans" between the entities borrowing and lending the cash from and through ASRA as the 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 Private Offering Memoranda ("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 reported in the Fourth Status Report at Section II.E.ii.b, the Receiver has performed 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. 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 Investor Fund's manager's general ledger (e.g., ASRA) and related bank statements, when available. However, the Receiver has not yet made any determination as to whether the managers of the selected Investor 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.

69. 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.
70. As of this Fifth Status Report, the Receiver has not found:
 - a. Information to support whether, at the time when ArciTerra created the so-called "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 distributions to certain investors, or how any such decisions would benefit investors.
71. The findings from the Receiver's analyses, 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 over an extended period of time 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.

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.



72. 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.
73. 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 Very Difficult, Which Might Lead to Consolidation of the Funds Under the Receivership for Purposes of Distribution

74. The Receiver confirmed the commingling findings made in the Previous 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.
75. 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, and lenders, often without being part of the ownership structure of the Investor Funds, as further documented in the Receiver's Previous Status Reports.
76. 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 Previous Status Reports.
77. The Receiver's analysis of the Investor Funds (discussed and illustrated in Previous Status Reports) consistently demonstrates 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.
- 78. 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.
- 79. 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.
- 80. Accordingly, this pervasive commingling for substantive cash deployment purposes, makes the untangling of the transactions related to the Investor Funds 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 in-scope Investor Funds, it is apparent that such allocation will be very difficult to reliably complete in a cost-effective manner. The Receiver will consider whether it would be appropriate to seek Court approval for consolidation, for purposes of distribution.
- 81. The Receiver is currently in the process of analyzing additional real estate investment structures, such as the REIT 3650, Rialto and KS Bank portfolios.

ii. Determination of Amounts Owed to Investors

- 82. In order to determine the amounts owed to investors, the Receiver not only has to (1) verify capital contributions, but also (2) verify return of capital (or repayment of principal for notes, if relevant), (3) verify interest payments on notes and dividends payments, and (4) calculate potential unpaid accrued interest or dividends, if and when appropriate.

a. Validation of Amounts Contributed by Investors to Investor Funds

- 83. During this reporting period, the Receiver analyzed and verified amounts contributed by the investors in the in-scope Investor Funds. Because of the large number of investors involved in the various Investor Funds, as well as the length of operation of many of these Investor Funds, the Receiver designed a statistical sample to verify the reasonableness of the amounts contributed by investors and noteholders. That sample was designed to verify the existence of contemporaneous ArciTerra records for more than \$128 million in capital contribution transactions across the 16 Investor Funds derived from ArciTerra



analyses. The Receiver endeavored to locate, analyze and review supporting documentation including, but not limited to, contemporaneous subscription agreements, W-9s, cancelled checks, account statements, etc., for each of the randomized sample selections in the investor population to confirm original investment details logged in various ArciTerra workbooks and understand whether that detail was accurate and representative of the supporting documentation.

84. As a result of this exercise, the Receiver can conclude with a reasonable degree of statistical certainty that the capital amounts raised in the Investor Funds were supported by contemporaneous documentation and thus that the capital contribution amounts reflected in **Figure 1** above are reasonably accurate. Thus, the aggregate amount of \$128,406,961 being raised in connection with the 16 Investor Funds is supported.

b. Estimation of Amounts Owed to Investors as of December 2023

85. The Receiver is going to continue verifying repayments of capital, and payments of dividends and interest, as well as calculating accrued dividends and interest based on his analyses of the Investor Funds in Previous Status Reports and review of contemporaneous documentation, similar to the validation exercise performed above.

iii. Claims Against Third Parties

86. 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.
87. The Receiver's analysis includes the compilation of Receivership Entities' bank statements and analysis of that data, including identifying transaction counterparties, aggregating the net amount paid by and/or received from the counterparties, and determining and assessing the nature of the counterparties and the transactions between the counterparties and the Receivership Entities.
88. The Receiver will continue to compile and analyze the data and will identify claims and take action to the extent appropriate.

iv. Additional Observations

a. Palencia and Mercado

89. 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

90. 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

91. The following is a summary of the net change in operating cash balances²⁵ by Asset Group for the period December 21, 2023 through April 30, 2025. This table is also attached as **Exhibit 5**.

Summary of Change In Operating Cash Balances December 21, 2023 through April 30, 2025				
Asset Group	Balance as of 12/21/2023	Net Change	Balance as of 4/30/2025	Cash Availability
<i>Operating Businesses</i>				
Village Brewhouse	\$55,300	\$1,063,469	\$1,118,769	Dedicated
Simply Sweet	\$58,570	\$248,509	\$307,079	Dedicated
<i>Commercial Properties</i>				
Glenrosa [1]	\$556,500	(\$556,500)	\$0	Restricted
REIT 3650	\$186,400	\$1,939,982	\$2,126,382	Restricted
Rialto [2]	\$120,400	\$833,065	\$953,465	Restricted
Bass Pro [3]	\$26,000	\$654,225	\$680,225	Other
Single Properties (Sold) [4]	\$40,600	\$199,433	\$240,033	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 continues to actively manage remaining the single property, Bass Pro.

[4] The Receiver sold single properties, including Mercado, Palencia, Walcent, Hiram Square, and 900 W. Marion through Court-approved sale processes.

²⁵ 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

92. The cash balance of the Receivership Fund as of April 30, 2025 was \$14,937,863.18. The following is a schedule of the Receivership Fund's Receipts and Disbursements from February 1, 2025 through April 30, 2025:

Receivership Fund Receipts and Disbursements January 31, 2025 through April 30, 2025	
Beginning Balance, January 31, 2025	\$16,452,311.41
<u>Receipts</u>	
REIT 3650 carve-out for Receivership Fees & Expenses	49,999.50
Proceeds from Asset Disposition by 900 West Marion	471,705.27
Additional proceeds from Asset Disposition by 60 Promenad Pkwy	27,772.20
Total Receipts	549,476.97
<u>Disbursements</u>	
Document/record storage and movement costs	(5,009.63)
Development cost for Investor and Creditor portal on Receivership's website	(1,770.00)
Maintenance of 2023 28' Pontoon Boat	(2,247.00)
Tax Extension fees	(625.00)
Disbursement of StoneTurn Group LLP Fees from Receiver's Third Fee Application	(1,584,280.22)
Disbursement of StoneTurn Group LLP Expenses from Receiver's Third Fee Application	(157,390.71)
Disbursement of Archer & Greiner, P.C. Fees from Receiver's Third Fee Application	(311,906.00)
Disbursement of Archer & Greiner, P.C. Expenses from Receiver's Third Fee Application	(696.64)
Total Disbursements	(2,063,925.20)
Ending Balance, April 30, 2025 (unencumbered funds)	\$14,937,863.18

C. Amount and Nature of Accrued Administrative Expenses

i. First Fee Application

93. 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

94. 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

95. 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

96. 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]. The Limited Objection was resolved by the Fourth Stipulation in Respect of Reservation of Rights of Relief Defendant Michelle Larmore, filed April 4, 2025 [ECF No. 328] and Order Approving Fourth Stipulation in Respect of Reservation of Rights of Relief Defendant Michelle Larmore, dated April 4, 2025 [ECF No. 330]. On April 10, 2025, the Receiver filed the Notice of No Objection to Receiver's Fourth Application of Receiver for Allowance and Payment of Professional Fees and Reimbursement of Expenses for the Period October 1, 2024 through December 31, 2024 [ECF No.



309]. The Receiver submitted the [Proposed] Order Approving and Allowing Payment of Receiver's Professionals' Fees and Expenses for October 1, 2024 through December 31, 2024 to the Court for consideration, and that Order is pending before the Court.

IV. Receivership Entities

97. 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.
98. As a result of his analysis, the Receiver filed a motion to designate additional Receivership Entities on April 10, 2025 [ECF No. 332]. The entities included in this motion that were not explicitly included in the Receivership Order are:
 - a. Spike Holdings, LLC,
 - b. Moynahan Investments, LLC,
 - c. Jonathan M. Larmore LLC,
 - d. JML BC G400, LLC,
 - e. JML Business Consulting LLC,
 - f. Wawasee Family Investments Limited Partnership,
 - g. ArciTerra Strategic Income Advisor LLC,
 - h. ArciTerra Note Fund II Investment Company, LLC,
 - i. ArciTerra Note Fund III Investment Company, LLC,
 - j. ArciTerra Strategic Retail, LLC,
 - k. 925 W. Marion/960 W. Olympia FL, LLC,
 - l. 1333 Ryneerson LLC,
 - m. ArciTerra Walcent Portfolio I, LLC,
 - n. Morrison Island, LLC,
 - o. HV Gardens, LLC,
 - p. ArciTerra Strategic Retail - Echelon, LLC,
 - q. ArciTerra Strategic Retail - Forum KY, LLC, and



r. ArciTerra Strategic Retail - Plaza OK, LLC.

Certain limited objections to the Receiver's motion [ECF No. 332] were filed and, at the request of other parties in this matter, the time for response to the Receiver's motion was extended. Given the extension for response, the Court also extended the time for the Receiver to file his replies.

V. Receivership Assets

99. 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

100. As of April 30, 2025, the Receiver successfully closed the sales of 18 commercial properties, collectively generating a total of \$76,270,929 in gross sale proceeds. From these proceeds, the Receiver satisfied senior debt obligations of \$50,506,213. 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 \$2,788,970, yielding \$22,156,328 in net proceeds to the Receivership Estate. See **Exhibit 2** for more detail on these sales.
101. The Receiver sold the commercial properties listed in the table below during prior reporting periods. Detailed summaries of the sale processes and financial outcomes can be found in Previous Status Reports. Each sale was conducted pursuant to Court approval, wherein the Court (1) approved the sale of the real properties free and clear of all liens, claims, encumbrances, and interest; and (2) granted related relief as appropriate.

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
Glenrosa 32, LLC	3200 E. Glenrosa Avenue Phoenix, AZ 85018
1000 WEST MARION PG FL LLC	1000 W. Marion Avenue Punta Gorda, FL 33950
ATA Hiram Square GA, LLC	5157 Jimmy Lee Smith Parkway, Hiram, GA 30141



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
2513 E. North Street Kendallville IN, LLC	2513-2521 E North Street Kendallville, IN 46755
Walcent Elk/IN, LLC	2719 Emerson Drive Elkhart, IN 46514

Current Reporting Period Sales Summary

102. In the current reporting period, the Receiver closed the sale of the following commercial property. The Court (1) approved the sale of the real property free and clear of all liens, claims, encumbrances, and interest; and (2) granted related relief.

a. 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

103. 900 West Marion Avenue FL, LLC (“900 W. Marion”) is a Receivership Entity that owned and operated 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.



104. On December 4, 2024, the Receiver filed a 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 procedures for the sale of 900 W. Marion and scheduled an auction [ECF No. 294] to be held via Zoom on February 3, 2024. No additional bids were received during the public auction.
105. On February 5, 2024, the Court issued its order [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, and the sale was approved to the Stalking Horse Bidder at \$3,050,000. The sale closed on March 12, 2025.
106. Approximately \$2,277,363 of the proceeds were paid to the lender, StanCorp, in full satisfaction of the loan balance with any remaining claim waived. Recognizing that the property's value was unlikely to exceed the outstanding debt, the Receiver proactively negotiated an agreement with the lender in advance of the sale. This agreement allowed for a distribution of sale proceeds to the Receivership Estate, ultimately recovering value that would not have otherwise been realized. The Receivership Estate's proceeds on the sale of 900 W. Marion after payoffs, closing costs, commissions, and other prorations and adjustments totaled \$471,705.

Sales Pending Court Approval

107. Below are material updates to the commercial property sale that is pending Court approval.

b. ArciTerra BP Olathe KS, LLC, Olathe, KS

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

108. **Overview.** ArciTerra BP Olathe KS, LLC is a Receivership Entity that owns a stand-alone, single tenant property. The sole tenant is Bass Pro.
109. **Lender Communications.** There is no current mortgage on the property, however, there are approximately \$2.8 million in unpaid property taxes from 2018, 2019, 2020, 2021, 2022, 2023, and 2024 that remain outstanding.
110. **Property Management.** The Receiver continues to manage the property.
111. **Asset Disposition or Further Action.** The Receiver engaged in extensive and good-faith negotiations with Bass Pro about the disposition of the property and, after months of negotiations, the Receiver



and Bass Pro reached a settlement. Following the close of this reporting period, the Receiver filed a motion to Approve the Settlement and Sale [ECF No. 346] on May 2, 2025.

Properties Under Stabilization and Disposition Review

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

c. 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

113. **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.²⁶

²⁶ Two properties are being managed by the Indiana Receiver. The Receiver remains in regular communication with the Indiana Receiver regarding the REIT 3650 Asset Group.



114. **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.
115. **Property Management.** Cushman continues to manage the properties, while the Receiver engages with leasing brokers to enhance stabilization efforts.
116. **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.

d. 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 ²⁷	6711 Charleston Highway Bowman, SC 29018

117. **Overview.** The KS State Bank Asset Group contains five cross-collateralized properties across three states totaling over 42,000 square feet of commercial space.
118. **Lender Communication.** KS State Bank remains responsible for collecting 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

²⁷ 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.



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 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, foreclose on and sell them, as well as foreclose on and sell the vacant properties. By agreement, the time for the Receiver to respond was extended.

119. **Property Management.** SVN continues to manage the two occupied properties.
120. **Asset Disposition or Further Action.** The Receiver is in communication with the lender regarding disposition of the portfolio.

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

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

121. **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.
122. **Lender Communications.** The Receiver is in communication with the lender regarding the abandonment of the property.
123. **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.

f. 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

124. **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.
125. **Lender Communications.** There is no current mortgage on the property.
126. **Property Management.** The Receiver continues to manage the property.
127. **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.

g. 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

128. **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.
129. **Lender Communications.** The Receiver continues to be in contact with the lender regarding disposition and loan servicing.
130. **Property Management.** The Receiver deployed a general contractor to oversee restoration of the unit following hurricane-related damage in 2024 and continues to manage the unit.
131. **Asset Disposition or Further Action.** The Receiver is evaluating options to determine the most appropriate disposition strategy.

ii. Residential Properties

132. 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

133. **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.
134. **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.

135. **Property Maintenance.** The Receiver deployed a general contractor to address the damage on the property following hurricane-related damage in 2024 and continues to manage the unit.
136. **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

137. **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.
138. **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.
139. **Property Maintenance.** The Receiver has not been notified of any property conditions requiring attention.
140. **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

141. **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.
142. **Lender Communications.** There is no active mortgage on either timeshare unit.
143. **Property Maintenance.** The Receiver has not been notified of any property conditions requiring attention.
144. **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

145. **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.
146. **Lender Communications.** There is no active mortgage on the unit.
147. **Property Maintenance.** The Receiver deployed a general contractor to oversee restoration of the unit following hurricane-related damage in 2024 and continues to manage the unit.
148. **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

149. **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.

150. **Lender Communications.** The Receiver continues to be in contact with the mortgage holders.
151. **Property Maintenance.** The Receiver deployed a general contractor to address hurricane-related damage at the 880 West Marion property in 2024 and continues to manage the property.
152. **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

153. **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.
154. **Lender Communications:** The property does not have an active mortgage.
155. **Property Maintenance.** The Receiver has not been notified of any property conditions requiring attention.
156. **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

157. **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.
158. **Lender Communications.** The property does not have an active mortgage.
159. **Property Maintenance.** The Receiver has not been notified of any property conditions requiring attention.



160. **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. 3127 LaBalme Trail, Fort Wayne, IN

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

161. **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.
162. **Lender Communications.** The property does not have an active mortgage.
163. **Property Maintenance.** The Receiver has not been notified of any property conditions requiring attention.
164. **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.

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

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

165. **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.
166. **Lender Communications.** The unit does not have an active mortgage.
167. **Property Maintenance.** The Receiver has not been notified of any property conditions requiring attention.
168. **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

169. 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”).
170. The Receiver has previously detailed summaries of the financial outcomes for two of the three watercraft listed below (Watercraft #1 and Watercraft #2). The Receiver sought, and the Court approved abandonment agreements for both watercrafts. For additional details surrounding the disposition of these two watercraft, please refer to Previous Status Reports.
 - a. 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. Watercraft #1 was auctioned in accordance with the abandonment agreement. The Receiver recovered \$60,000 from the Note Holder.
 - b. 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. 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.
171. Watercraft #3 has not yet been sold. 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.
172. At the direction of the Receiver, Watercraft #3 is being serviced at a local marina so it can be prepared for sale.
173. 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

174. 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.
175. 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

176. 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.
177. 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 reviewed proposals received and is in the process of finalizing a decision as to which claims administration vendor would best serve the interests of the Receivership Estate.

B. Potential Liabilities to Creditors and Claims Against Parties

178. 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

179. As discussed in the Second Status Report, the Receivership Team analyzed AMEX statements located to date. 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.
180. 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

181. In the Second Status Report, the Receiver explained that the Receivership has a claim to a portion of the proceeds from the 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

182. 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

183. 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.

184. As a result of his analysis, the Receiver sought relief with respect to certain entities and intends to seek relief with respect to others in the exercise of his fiduciary duties.

185. 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.

186. 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.

187. 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.

188. 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:



United States Securities and Exchange Commission v. Jonathan Larmore, et al.

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

United States District Court for the District of Arizona

- 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.

189. 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,

May 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

<i>Commercial Properties</i>						
No.	Portfolio/Single Property	Portfolio Name or Asset Group	Owner (ArciTerra Entity)	Center Name	Address	Property Manager
1	Single Property	Glenrosa32	Glenrosa 32, LLC*	MorningStar	3200 E Glenrosa Ave. Phoenix, AZ 85018	N/A - Sold
2	Single Property	Mercado/Palencia	ATA Palencia St. Augustine FL, LLC*	Palencia	7440 US Highway 1 North St. Augustine, FL 32095	N/A - Sold
3	Single Property	Mercado/Palencia	ATA Mercado St. Augustine FL, LLC*	Mercado	155, 159, 163, 167 Palencia Village Dr. St. Augustine, FL 32095	N/A - Sold
4	Portfolio	REIT 3650	AT Auburn Plaza IN II, LLC AT Auburn Plaza Member, LLC	Auburn Plaza	506 North Grandstaff Drive Auburn, IN 46706	Cushman & Wakefield
5	Portfolio	REIT 3650	ATA Lanier Fayetteville GA II, LLC ATA Lanier Fayetteville Member	Main Street Building	320 W. Lanier Ave. Fayetteville, GA 30214	Cushman & Wakefield
6	Portfolio	REIT 3650	AT HL Burlington IA II, LLC AT HL Burlington Member, LLC	Burlington Plaza West	3351 Agency St. Burlington, IA 52601	Cushman & Wakefield
7	Portfolio	REIT 3650	AT Ville Platte LA II, LLC AT Ville Platte Member, LLC	Ville Platte	915 E. LaSalle St. Ville Platte, LA 70586	Cushman & Wakefield
8	Portfolio	REIT 3650	AT Altus Cumberland GA II, LLC AT ALTUS Cumberland Member, LLC	Cumberland Place	2997 Cumberland Cir. Atlanta, GA 30339	Cushman & Wakefield
9	Portfolio	REIT 3650	AT Sweden NY II, LLC AT Sweden Member, LLC	Sweden	1651 Nathaniel Poole Trl. Brockport, NY 14420	Cushman & Wakefield
10	Portfolio	REIT 3650	AT Eastman GA II, LLC AT Eastman Member, LLC	Eastman Shopping Center	970 Indian Dr. Eastman, GA 31023	Cushman & Wakefield
11	Portfolio	REIT 3650	AT New Lenox IL-Inline II, LLC AT New Lenox-IL Member, LLC	New Lenox	2021 East Laraway Rd. New Lenox, IL 60451	Cushman & Wakefield
12	Portfolio	REIT 3650	AT Longview TX II, LLC AT Longview Member, LLC	Longview	711 Estes Dr. Longview, TX 75602	Cushman & Wakefield
13	Portfolio	REIT 3650	AT Seven Hills Aurora CO II, LLC AT Seven Hills Aurora Member, LLC	Seven Hills Plaza	18511 E. Hampden Ave. Aurora, CO 80013	Cushman & Wakefield
14	Portfolio	REIT 3650	AT Mayodan NC II, LLC AT Mayodan Member, LLC	Mayodan	131 Commerce Dr. Mayodan, NC 27027	Cushman & Wakefield
15	Portfolio	REIT 3650	AT PT Danville IL II, LLC AT PT Danville Member, LLC	Pine Tree Plaza	22 West Newell Rd. Danville, IL 31082	Cushman & Wakefield
16	Portfolio	Rialto	5339 ELVIS PRESLEY BOULEVARD MEMPHIS TN, LLC*	Belvedere Commons	5339 Elvis Presley Boulevard Memphis, TN, 38116	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

<i>Commercial Properties</i>						
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	N/A - Sold
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.

<i>Residential Properties</i>			
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	FK Telluride LLC	567 Mountain Village Blvd, Unit 114-6 Telluride, CO 81435	Residential; Timeshare Unit
9	FK Telluride LLC	567 Mountain Village Blvd, Unit 115-1, Telluride, CO 81435	Residential; Timeshare Unit
10	Marcia Larmore	3127 LaBalme Trail, Fort Wayne, IN 46804	Residential
11	Marcia Larmore	7900 W. Jefferson Boulevard, Suite #305, Fort Wayne, IN 46804	Medical Condominium

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 January 30, 2025)</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
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	\$73,220,929	(\$48,228,850)	(\$2,777,258)	\$21,684,533
<i>Properties Sold in Current Reporting Period (Ending April 30, 2025)</i>				
900 W. Marion	\$3,050,000	(2,277,363)	(11,713)	\$471,705
Total	\$3,050,000	(\$2,277,363)	(\$11,713)	\$471,705
Grand Total	\$76,270,929	(\$50,506,213)	(\$2,788,970)	\$22,156,238






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

ArciTerra Fund Timeline: 1/1/2006 through 12/23/2023

Chart Key	
	Refinancing
	Final Property Sale / Disposition
	Capital Raise Period
	Fund Operational and Dividend Distribution
	Fund Operational and No Dividend Distribution

Chronological Order

Offering	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	Total Capital Raised	Total Paid to Investors	Return of Capital
Arciterra REIT, Inc.																			\$ 20,258,940	\$ 6,039,462	N
Note Fund II																			\$ 20,000,000	\$ 12,571,822	N
Whitefish Opportunity Fund																		closed 2/2013	\$ 6,344,000	\$ -	N
Note Fund III																			\$ 25,000,000	\$ 13,564,765	N
National REIT, Inc.																			\$ 16,330,350	\$ 12,905,069	N
ASR Roswell/Cumberland																		closed 2/2020	\$ 3,050,000	\$ 5,511,866	Y
ASR Echelon																			\$ 2,205,000	\$ 905,184	N
ASR Trinity Place																		closed 9/2019	\$ 1,838,333	\$ 3,052,271	Y
ASI Belleville																			\$ 7,376,760	\$ 4,315,732	N
ASR KY & GA																		closed 12/2017	\$ 2,470,281	\$ 2,801,411	Y
ASR Forum KY																		closed 9/2017	\$ 5,046,882	\$ 11,299,680	Y
ASR Plaza OK																			\$ 4,750,518	\$ 1,131,309	N
ASR Briargate & Linden IL																			\$ 4,245,194	\$ 1,337,777	N
ASR Wheatland																			\$ 5,254,834	\$ 1,628,513	N
ASR Plainfield Village																		closed 2/2020	\$ 3,025,000	\$ 3,886,299	Y
ASR Centerville & Colony																			\$ 1,210,869	\$ 65,229	N

Notes:

1. For certain Investor Funds, earlier Investors into the Fund began to receive quarterly distributions while the Capital Raise Period was st
2. "Closed" refers to the date Investors received their return of capital or were otherwise notified that the Fund would cease operations.

EXHIBIT 5

Summary of Change In Operating Cash Balances
December 21, 2023 through April 30, 2025

Asset Group	Balance as of 12/21/2023	Net Change	Balance as of 4/30/2025	Cash Availability
<i>Operating Businesses</i>				
Village Brewhouse	\$55,300	\$1,063,469	\$1,118,769	Dedicated
Simply Sweet	\$58,570	\$248,509	\$307,079	Dedicated
<i>Commercial Properties</i>				
Glenrosa [1]	\$556,500	(\$556,500)	\$0	Restricted
REIT 3650	\$186,400	\$1,939,982	\$2,126,382	Restricted
Rialto [2]	\$120,400	\$833,065	\$953,465	Restricted
Bass Pro [3]	\$26,000	\$654,225	\$680,225	Other
Single Properties (Sold) [4]	\$40,600	\$199,433	\$240,033	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 continues to actively manage remaining the single property, Bass Pro.

[4] The Receiver sold single properties, including Mercado, Palencia, Walcent, Hiram Square, and 900 W. Marion through Court-approved sale processes.