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

8 UNITED STATES SECURITIES
AND EXCHANGE COMMISSION,

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

9 Plaintiff,

**DEFENDANT JONATHAN
LARMORE'S RESPONSE TO
RECEIVER'S MOTION FOR AN
ORDER DESIGNATING ADDITIONAL
RECEIVERSHIP ENTITIES [ECF 332]**

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11
12 JONATHAN LARMORE, *et al.*

13 Defendants.
14 _____/

15 Defendant Jonathan Larmore ("Mr. Larmore"), by and through his undersigned counsel,
16 hereby submits his response in opposition to the *Receiver's Motion for an Order (I) Designating*
17 *Additional Receivership Entities; and (II) Granting Related Relief* (the "Motion") (Dkt. 332) that
18 Allen D. Applbaum as receiver for ArciTerra Companies, LLC ("ArciTerra") and certain related
19 entities (the "Receiver") filed on April 10, 2025.¹ In the Motion, the Receiver seeks an Order
20 from the Court designating nineteen (19) additional entities to be considered Receivership Entities
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24 ¹ By orders of the Court, with the Receiver's consent, Mr. Larmore has been granted an extension of time through and including May 15, 2025 to file his response to the Motion.

in this case,² *nunc pro tunc* to December 21, 2023.³ For the reasons set forth below, Mr. Larmore opposes the relief the Receiver requests, and for that reason, requests that the Motion be denied. In support thereof, Mr. Larmore states as follows:

FACTUAL AND PROCEDURAL BACKGROUND

1. Plaintiff Securities and Exchange Commission (the “SEC”) commenced this action against Mr. Larmore and others on November 28, 2023 when the SEC filed its Complaint in this Court for alleged violations of the United States Securities laws. At its core, the SEC’s allegations against Mr. Larmore stem from its contention that beginning sometime in 2017, Mr. Larmore committed securities fraud in connection with entities he allegedly owned and controlled that were headquartered in Phoenix, Arizona, *i.e.* ArciTerra and related companies, and separately, an alleged unlawful scheme in which Mr. Larmore purportedly manipulated the value and stock prices of the publicly traded securities of a company called WeWork, Inc.

2. On December 21, 2023, the Court entered an Order appointing Allen D. Applbaum as the temporary Receiver in this action pursuant to its *Order Appointing Temporary Receiver and Temporarily Freezing Assets and Imposing Litigation Injunction* (the “Temporary Receivership Order”)(Dkt. 77). On May 6, 2024, the Court entered its *Order Appointing Receiver, Freezing Assets, and Imposing Litigation Injunction* (the “Receivership Order”)(Dkt. 154) that appointed the Receiver for the receivership estate of the Receivership Entities (the “Receivership Estate”). A list of the Receivership Entities was attached as Exhibit A to the Receivership Order. With a very

² At p. 4, ¶4 of the Motion and p. 4, ¶9 of the Declaration of David A. Holly that is attached to the Motion as Exhibit A (the “Holly Declaration”)(Dkt. 332-1), the Receiver identifies eighteen (18) different entities that he seeks to include as Additional Receivership Entities. However, the body of the Holly Declaration actually includes one (1) more entity that is not specifically identified in the list of 18 entities to be included, *i.e.* ArciTerra Strategic Retail II, LLC, which is discussed and addressed at pp. 20-21 of the Holly Declaration. Mr. Larmore addresses this entity as well in this Response because the Holly Declaration requests that it too be included.

³ In the Motion, the Receiver requested a waiver of the requirement of filing a separate memorandum of law pursuant to LRCiv 7.2(b) in light of the authorities cited in the Motion. Motion, p. 7, ¶19.

1 limited exception, the Receivership Order put a freeze on all of Mr. Larmore's assets, and enjoined
2 the Defendants and the Entity Defendants from disposing of any assets of the Defendants, the Entity
3 Defendants, or their subsidiaries and affiliates. *Id.* at p. 3, ¶3.

4 3. Attached to the Receivership Order as Exhibit C was a Stipulation and [Proposed]
5 Order between the SEC and the ArciTerra Defendants, and certain Interventors, in which the
6 ArciTerra Defendants consented to the appointment of the Receiver over the ArciTerra Defendants
7 and the Receivership Entities. In addition, the Stipulation included a Schedule setting forth a list
8 of Excluded Actions and Excluded Properties that were "excluded from the receivership estate of
9 any SEC Action Receiver. *See* Receivership Order, Ex. C, Stipulation, ¶2.

10 4. Notably, the Stipulation attached to the Receivership Order specifically gives the
11 Receiver the right to intervene in any of the Excluded Actions for the purpose of "asserting the right
12 to receive any distributions to which the Excluded Entities would otherwise be entitled under
13 applicable law," and to request "to hold funds that would otherwise be distributed to the Excluded
14 Entities with the clerk of the court, in escrow, or otherwise segregated pending further Order of this
15 Court." *Id.* *See* Receivership Order, Ex. C, Stipulation, ¶6.

16 5. In the Motion, the Receiver asserts that his investigation, as recited in the Holly
17 Declaration that was attached to the Motion as Exhibit A (Dkt. 332-1), has yielded facts that he
18 contends "require that the Additional Entities come under the control of the Receiver to the
19 exclusion of all others." Motion, ¶9. According to the Receiver, absent designating the 18
20 Additional Entities, the Receiver exercises no or limited control over these entities, to the detriment
21 of the Receivership Estate." *Id.* According to the Receiver, based upon the information in the
22 Holly Declaration, he has determined that "each of the Additional Entities is a related entity with
23 which receivership funds have been commingled." *Id.* at ¶16.

24

6. Attached to the Holly Declaration were 31 Exhibits, 30 of which⁴ contained corporate charts the Receiver and/or Holly prepared in support of the Receiver's contention that 18 additional entities should be included as Receivership Entities, as well as corporate filings and other documents relating to the particular entities.

7. On April 24, 2025, Relief Defendant Marcie Larmore filed *Relief Defendant Marcia Larmore's Limited Opposition to [ECF 332] Receiver's Motion for an Order (I) Designating Additional Receivership Entities; and (II) Granting Related Relief* ("Marcia Larmore's Opposition") (Dkt. 335). In her Opposition, Marcia Larmore set forth the reasons why four (4) of the proposed Additional Entities should not be added to the receivership estate and the Receiver's request should be denied as to those entities, *i.e.*: Moynahan Investments, LLC, Wawasee Family Investments Limited Partnership ("WFILP"), Morrison Island, LLC, and HV Gardens, LLC.

8. Also on April 24, 2025, Relief Defendant Michelle Larmore filed *Relief Defendant Michelle Larmore's Limited Objection to Receiver's Motion for an Orders [Dkt 332] and Reservation of Rights* ("Michelle Larmore's Objection") (Dkt. 336). In her objection, Michelle Larmore argued that the equity interests in a number of entities that are the subject of the Motion are owned by Mr. Larmore, and as such, they are Community Assets subject to the exclusive *in rem* jurisdiction of the Maricopa County Superior Court in which Mr. Larmore and Michelle Larmore's divorce action is currently pending. The entities identified by Michelle Larmore in objection are as follows:

- a. Entities in which Mr. Larmore is the sole member: Spike Holdings, LLC; JML Business Consulting, LLC; and 1333 Rynearson, LLC;⁵

⁴ The first exhibit to the Holley Declaration was Mr. Holly's *Curriculum Vitae*.

⁵ Michelle Larmore's contention (apparently based upon and citing to the Holly Declaration) that Mr. Larmore is the sole member of 1333 Rynearson, LLC is factually incorrect. The sole member of 1333 Rynearson, LLC is actually Mr. Larmore's and Michelle Larmore's son Jonathan R. Larmore. Holly Declaration, ¶53. In fact, Exhibit 18 to the Holly Declaration specifically says that "Jonathan R. Larmore" is the member of 1333 Rynearson, LLC. Mr. Larmore's middle initial is "M."

b. Entities of which Mr. Larmore is the sole member, which are in turn the sole members: JML BC G400, LLC and 925 W. Marion/960 W. Olympia, FL, LLC; and

c. WFILP, for which Michelle Larmore contends, citing to the Holly Declaration, that Mr. Larmore holds 100% of the beneficial interests.⁶

9. In this case, the Receiver has not met, and cannot meet, his burden in obtaining the drastic relief he seeks for the inclusion of 18 (or 19) additional entities to the list of Receivership Entities.

ARGUMENT

A. Standard for Appointing a Receiver

Mr. Larmore recognizes that a district court has the power to supervise an equity receivership, and the appropriate action to be taken in its administration is broad. *S.E.C. v. Capital Consultants, LLC*, 397 F.3d 733, 738 (9th Cir. 2005). But that said, the appointment of “a ‘receiver is an extraordinary remedy,’ which should be applied with caution.” *Canada Life Assurance Co. v. LaPeter*, 563 F.3d 837, 844 (9th Cir. 2009). *See also Netsphere, Inc. v. Baron*, 703 F.3d 296, 305 (5th Cir. 2012)(“Receivership is ‘an extraordinary remedy that should be employed with the utmost caution’ and is justified only where there is a clear necessity to protect a party’s interest in property, legal and less drastic equitable remedies are inadequate, and the benefits of the receivership outweigh the burdens on the affected parties.”). In this case, the Receiver’s Motion is insufficient to meet the requisite standard for the imposition of a receiver, or in this case, to add

⁶ As set forth in Marcia Larmore’s Opposition, Mr. Larmore is not a general partner of WFILP as incorrectly set forth in the Receiver’s corporate chart found at Exhibit 9A to the Motion (Dkt. 332-1, p. 89). *See* Marcia Larmore’s Opposition, p. 4. Rather, WFILP was formed by Marcia Larmore and her late husband, Robert Larmore, as part of their estate planning. *Id.* Indeed, as discussed in more detail *infra*, the Receiver’s own Exhibit 9 to the Holly Declaration shows that Mr. Larmore is simply a 1% Limited Partner in WFILP, not a general partner. *See* Dkt. 332-1 at p. 85. For that reason, Michelle Larmore’s reference in her limited objection to Mr. Larmore having such a beneficial interest is incorrect.

1 additional entities to the Receivership. In fact, in a number of instances, the Receiver's contentions
2 are premised upon factual inaccuracies that are shown by his own exhibits to the Holly Declaration.
3 And, it is clear that less drastic remedies already in place are adequate.

4 Mr. Larmore joins in Marcia Larmore's Opposition to the inclusion of Moynahan
5 Investments, LLC, WFILP, Morrison Island, LLC, and HV Garden's, LLC for the reasons set forth
6 therein. In addition, Mr. Larmore joins in Michelle Larmore's Objection in part, except with
7 respect to the references to (a) WFILP at p. 3, ¶4 as her position is premised upon the incorrect
8 statement in the Holly Declaration that Mr. Larmore is a General Partner in WFILP, and (b) 1333
9 Ryneerson, LLC as her position is premised upon the incorrect statement that Mr. Larmore is the
10 sole member of that entity.

11 **B. Receiver Has Not Met Burden as to Other Proposed Entities**

12 In addition to the arguments by Marcia Larmore and Michelle Larmore, the Receiver has
13 also not met his burden for including certain other of the 18/19 additional entities to the instant
14 receivership. In fact, for certain of the other proposed entities to be included, the Receiver is relying
15 upon mistaken factual information that demonstrates why other particular entities should not be
16 included. And, he ignores existing Orders from this Court that already provide both him and the
17 Receivership estate with the protection they need. Mr. Larmore addresses each of the proposed
18 additional entities herein.

19 **1. Spike Holdings, LLC**

20 Mr. Larmore agrees with the position of Michelle Larmore in Michelle Larmore's Objection
21 as to Spike Holdings, LLC, and joins in her arguments therein. In addition, there is nothing in the
22 Motion or the Holly Declaration indicating any type of commingling of assets or improper conduct
23 by Spike Holdings, and the Holly Declaration itself notes that several of the entities for which Spike
24 Holdings is the member are already Receivership Entities. Moreover, the Court's Asset Freeze

1 order already prevents Mr. Larmore from exercising control of his assets. As the sole member of
2 Spike Holdings, LLC, the Court's Asset Freeze Order already precludes him from taking any action
3 with respect to that membership interest, and there are no allegations set forth in the Motion of Mr.
4 Larmore violating the Court's Order. Therefore, there is no need to add this entity to the list of
5 Receivership Entities as the Receivership Estate is already protected.

6 **2. Moynahan Investments, LLC**

7 As noted in Marcia Larmore's Opposition, Mr. Larmore does not have any ownership
8 interest in this entity. This is even confirmed in Exhibits 4 and 4A to the Holly Declaration. *See*
9 Dkt. 332-1, pp. 54-58. And, Mr. Larmore is not the manager of this entity either. Mr. Larmore
10 agrees with the position asserted by Marcia Larmore in her opposition and joins in her arguments
11 therein.

12 **3. Jonathan M. Larmore, LLC**

13 Mr. Larmore acknowledges that he is the sole member of CSL Investments, LLC (an
14 existing Receivership Entity), and that CSL Investments, LLC is the sole member of Jonathan M.
15 Larmore, LLC. But the only contention in the Holly Declaration in support of the relief sought
16 (other than the ownership chain) is that "Jonathan M. Larmore, LLC is the holder of tangible assets,
17 at least one of which was purchased with funds a Receivership Entity." Holly Declaration, Dkt.
18 332-1, p. 6, ¶18. But the Holly Declaration never identifies what tangible assets the entity is
19 holding, the asset purportedly purchased with funds of the alleged Receivership Entity, which such
20 Receivership entity, when that purchase occurred, or for what amount.⁷ And again, there are no
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22 ⁷ Mr. Larmore assumes that the Receiver may be referring to a 2014 Ferrari 458, since that is
23 the only asset referenced in the corporate flow chart that is attached to the Holly Declaration as
24 Exhibit 6A, Dkt. 332-1 at p. 70. However, the purchase of the Ferrari was not made by Mr.
Larmore. Rather, the purchase was made by an individual by the name of Jeremy E. Hamilton.
Notably, the purchase was not done at the direction of, or with the knowledge of, Mr. Larmore and
there is nothing in the Motion or Holly Declaration indicating that it was.

allegations of Mr. Larmore taking any action to exercise control over his membership interest in CSL Investments, LLC or taking any action in violation of the Court's Asset Freeze Order. The Receivership Estate is already protected.

4. JML BC G400, LLC

Mr. Larmore agrees with the position of Michelle Larmore in Michelle Larmore's Objection as to JML BC G400, LLC, and joins in her arguments therein. In addition, Mr. Larmore submits that there is no need to include JML BC G400, LLC as an additional receivership entity because it was already identified in a Joint Status Report filed by Larmore and the SEC in this action making clear that JML BC G400, LLC was part of the Court's Asset Freeze Order. *See* Joint Status Report, Dkt. 76, at ¶5a. And, the Holly Declaration acknowledges that the entity is already part of the Asset Freeze Order. *See* Holly Declaration, ¶20. Therefore, Development Services of America, the entity the Receiver contends wants to return \$130,000.00 to the Receiver with respect to an airplane hangar lease JML BC G400, LLC had,⁸ can send those funds to JML BC G400, LLC and they will remain protected by the Court's existing Order.⁹ If the Receiver believes that there were any funds from the sale of JML BC G400, LLC's airplane that occurred prior to the institution of this action that "may have been inappropriately diverted from ArciTerra prior to the appointment of the Receiver," as argued in ¶28 of the Holly Declaration, then the Receiver has the ability to issue third party subpoenas to obtain documents that would presumably show that to be true, and if he discovers any such misappropriations, he can then bring the matter before the Court.¹⁰

⁸ *See* Holly Declaration at ¶27.

⁹ In the alternative, since any assets of JML BC G400, LLC are already the subject of the Asset Freeze Order, the \$130,000.00 can be paid to the Receiver, to be maintained pending further order of the Court as to who is entitled to funds.

¹⁰ The Holly Declaration makes reference to wire transfers that occurred with respect to the net sale proceeds from the sale of the JML BC G400, LLC airplane. *See* Holly Declaration, at ¶'s 25 and 26. However, Mr. Larmore's affidavit that Mr. Holly references that was filed in a separate Indiana Receivership made clear that the funds in question never should have been wired to the ArciTerra Companies as part of the airplane sale closing. Instead, the funds were supposed to have

1 **5. JML Business Consulting, LLC**

2 Mr. Larmore agrees with the position of Michelle Larmore in Michelle Larmore's
3 Objection as to JML Business Consulting, LLC, and joins in her arguments therein. And, as set
4 forth above with respect to JML BC G400, LLC, because any assets of that entity are already
5 protected and there is no need to add JML BC G400, LLC as an additional Receivership Entity, the
6 same would apply to JML Business Consulting, LLC, its sole member.

7 **6. Wawasee Family Investments Limited Partnership**

8 As noted above, the Receiver has stated in the Motion (and in the Holly Declaration) that
9 Mr. Larmore is one of the General Partners of WFILP. However, that is not correct. As noted
10 *supra*, the Receiver's own exhibits to the Holly Declaration show that Mr. Larmore is not a General
11 Partner of WFILP; but rather, is a 1% limited partner.¹¹ For that reason, there is no basis to include
12 WFILP as an additional receivership entity in this case. Mr. Larmore agrees with the position
13 asserted by Marcia Larmore in her opposition and joins in her arguments therein.

14 **7. ArciTerra Strategic Income Advisor, LLC**

15 Exhibit 10A to the Holly Declaration erroneously shows Mr. Larmore as the General Partner
16 of WFILP. To the extent that the Receiver seeks inclusion of ArciTerra Strategic Income Advisor,
17 LLC as an additional Receivership Entity because of that incorrect fact, the request should be

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19 been wired directly to Mr. Larmore and Michelle Larmore in accordance with an Order of the
20 Arizona Divorce Court. Unfortunately, that did not occur because of an error by an accounting
21 clerk, not because of any purported wrongdoing by Mr. Larmore.

22 ¹¹ The Holly Declaration references an Exhibit C that was attached to *Defendant Jonathan*
23 *Larmore's and Relief Defendant Marcia Larmore's Reply to the SEC's and Receiver's Opposition*
24 *to the Defendant's Motion to Remove StoneTurn Group, LLP as Receiver* (Dkt. 177). Exhibit C to
Dkt. 177 made clear that Marcia Larmore was the General Partner of WFLIP. However, the
reference in the left side of that exhibit to Mr. Larmore being the holder of 100% of the "beneficial
rights and interest" did not refer to an ownership interest in WFLIP, but rather to the entity below
JMMAL Investments, LLC. The implication to Mr. Larmore being a 100% holder of the beneficial
interest in WFLIP was a scrivener's error. Likewise, the right side of the same Exhibit C shows
that Marcia Larmore is the actual holder of 100% of the rights and interest in MML Investments,
LLC. It simply is not possible for Mr. Larmore and Marcia Larmore (mother and son) to both own
100% of the beneficial interests WFLIP.

1 denied. In addition, the Holly Declaration states that this entity “served as a conduit through which
2 investor funds passed on their way to other Receivership Entities.” Holly Declaration, ¶37. The
3 Receiver should provide evidence in support of that statement if he wishes to add this entity.

4 **8. ArciTerra Note Fund II Investment Company, LLC**

5 The Holly Declaration states that ArciTerra Vermont Indianapolis, LLC is an Excluded
6 Entity pursuant to Exhibit C to this Court’s Receivership Order, and the owner of real property in
7 Indianapolis, IN. Holly Declaration at ¶40. The Receiver argues that the inclusion of this entity
8 “will facilitate the recovery of investor funds, upon the disposition of the property by the Indiana
9 Receiver. *Id.* at ¶41. However, as noted above, the Stipulation attached as Ex. C to the
10 Receivership Order already gives the Receiver the right to intervene in any of the Excluded Actions
11 for the purpose of “asserting the right to receive any distributions to which the Excluded Entities
12 would otherwise be entitled under applicable law,” and to request “to hold funds that would
13 otherwise be distributed to the Excluded Entities with the clerk of the court, in escrow, or otherwise
14 segregated pending further Order of this Court.” *Id.* See Receivership Order, Dkt. 154, Ex. C, ¶6.
15 Therefore, there is no need to add ArciTerra Note Fund II Investment Company, LLC as an
16 additional Receivership Entity as the Receiver’s and Receivership Estate’s rights and interests are
17 already specifically preserved and protected.

18 **9. ArciTerra Note Fund III Investment Company, LLC**

19 The only basis asserted by the Receiver for the inclusion of this entity as an additional
20 Receivership Entity is his contention that “the entity served as the investment company for
21 ArciTerra Note Fund III, LLC, a Receivership Entity that holds entities that hold the fund’s
22 investment properties, thereby completing the corporate chain of ownership for the fund.” Holly
23 Declaration, at ¶43. But the Receiver does not articulate how the inclusion at this time will facilitate
24 the recovery of investor funds or that any such funds to be recovered actually exist.

1 **10. ArciTerra Strategic Retail, LLC**

2 Exhibit 13A to the Holly Declaration erroneously shows Mr. Larmore as the General Partner
3 of WFILP. To the extent that the Receiver seeks inclusion of ArciTerra Strategic Retail, LLC as
4 an additional Receivership Entity because of that incorrect fact, the request should be denied. In
5 addition, the Receiver argues that the inclusion of this entity “will complete the chain of corporate
6 ownership between Jonathan Larmore, some of his personal investment vehicles, ArciTerra
7 Strategic Retail Advisor, LLC, the entity through which investor funds were commingled as
8 detailed in the Receiver’s quarterly reports, and various real properties.” *Id.* at ¶46. The Receiver
9 should identify the amount of the purported commingling and the various real properties at issue if
10 he wishes to add this entity.

11 **11. 925 W. Marion/960 W. Olympia FL, LLC**

12 Mr. Larmore agrees with the position of Michelle Larmore in Michelle Larmore’s Objection
13 as to 925 W. Marion/960 W. Olympia FL, LLC, and joins in her arguments therein. In addition, as
14 set forth above, Mr. Larmore has already articulated the reasons why Spike Holdings, LLC, the sole
15 member of 925 W. Marion/960 W. Olympia FL, LLC, does not need to be included as an additional
16 Receivership Entity. There is likewise no need to include this entity either.

17 **12. 1333 Rynearson LLC**

18 As noted *supra*, Mr. Larmore is not a member of 1333 Rynearson, LLC. Rather, Mr.
19 Larmore’s and Michelle Larmore’s son Jonathan R. Larmore is the sole member of this entity. For
20 that reason, there is no basis to include 1333 Rynearson LLC as an additional Receivership Entity.

21 **13. ArciTerra Walcent Portfolio I, LLC**

22 According to Exhibit 20A to the Holly Declaration, Moynahan Investments, LLC is one of
23 the two members of ArciTerra Walcent Portfolio I, LLC. As noted above, Moynahan Investments,
24 LLC is owned by Marcia Larmore, not Mr. Larmore. In addition, nowhere in the Motion or the

1 Holly Declaration is there any allegation showing that this entity had any role in the alleged
2 wrongdoing that is the subject of this SEC Action, or that any funds were ever placed into this
3 entity.

4 **14. Morrison Island, LLC**

5 The Holly Declaration states that the sole member of Morrison Island, LLC is WFLIP. As
6 noted above, the Receiver has incorrectly stated in the Motion (and in the Holly Declaration) that
7 Mr. Larmore is one of the General Partners of WFILP. Mr. Larmore agrees with the position of
8 Marcia Larmore that Morrison Island, LLC should not be included as an additional Receivership
9 Entity, and joins in Marcia Larmore's Opposition.

10 Additionally, the Holly Declaration contends that the addition of Morrison Island, LLC as
11 a Receivership Entity will "allow the Receiver access to the accounts and records of Morrison Island,
12 LLC to determine whether additional Receivership Entity funds, and/or investor funds, were used
13 for the benefit of Morrison Island, LLC." Dkt. 332-1, p. 18, at ¶66. However, the Receiver can get
14 access to those same records through the issuance of a subpoena in this action. While the Receiver
15 contends that on at least one occasion, funds from an existing Receivership Entity were used to for
16 the benefit of Morrison Island, LLC, *i.e.* a transfer on December 18, 2010 to pay for taxes, that
17 payment was seven (7) years before any of the alleged conduct in the SEC's Complaint.¹² Finally,
18 this entity was previously identified in the Joint Status Report filed by the SEC and Larmore to be
19 included in and the subject to the Asset Freeze Order. *See* Joint Status Report, Dkt. 76, ¶5.a.
20 Therefore, the Receiver's and the Receiver Estate's rights and interests are already protected and
21 preserved.

22 _____
23 ¹² In addition, the alleged transfer occurred over fourteen (14) years ago. Therefore, the
24 transfer referenced by the Receiver is well beyond the statute of limitations for any purported claim.
Regardless, there is nothing in the Motion or the Holly Declaration to indicate that the payment of
taxes in December of 2010 had anything to do with the allegations in this action, which the SEC
alleges did not begin until sometime in 2017.

1 **15. HV Gardens, LLC**

2 The Holly Declaration states that the sole member of HV Gardens, LLC is WFLIP. As
 3 noted above, the Receiver has incorrectly stated in the Motion (and in the Holly Declaration) that
 4 Larmore is one of the General Partners of WFILP. Mr. Larmore agrees with the position of Marcia
 5 Larmore that HV Gardens, LLC should not be included as an additional Receivership Entity, and
 6 joins in Marcia Larmore’s Opposition. And, as set forth above with respect to Morrison Island,
 7 LLC, the Receiver can get access to any records of HV Gardens, LLC through the issuance of a
 8 subpoena in this action. Finally, like with Morrison Island, LLC, HV Gardens, LLC was identified
 9 in the Joint Status Report filed by the SEC and Larmore to be included as and subject to the Asset
 10 Freeze Order. *See* Joint Status Report, Dkt. 76, ¶5.a.¹³ Therefore, the Receiver’s and the Receiver
 11 Estate’s rights and interests are already protected and preserved.

12 **16. ArciTerra Strategic Retail – Echelon, LLC**

13 Exhibit 24A to the Holly Declaration erroneously shows Mr. Larmore as the General Partner
 14 of WFILP. To the extent that the Receiver seeks inclusion of ArciTerra Strategic Retail - Echelon,
 15 LLC as an additional Receivership Entity because of that incorrect fact, the request should be
 16 denied.

17 Furthermore, the Holly Declaration states that AT Altus Echelon IN, LLC is an Excluded
 18 Entity pursuant to Exhibit C to this Court’s Receivership Order, and the owner of real property
 19 located at 5252 East 92nd Street, Indianapolis, IN 46250. Holly Declaration at ¶74. The Receiver
 20 argues that the inclusion of ArciTerra Strategic Retail – Echelon, LLC “will complete the chain of
 21 ownership of related and entities and permit the Receiver to access proceeds from the sale of the
 22

23 ¹³ The Receiver references the payment of taxes in December of 2010 for property of HV
 24 Gardens. Holly Declaration, ¶70. Like with Morrison Island, LLC, this occurred well beyond any
 statute limitations period. Regardless, there is nothing in the Motion or the Holly Declaration
 alleging that the payment of taxes in 2010 had anything to do with the allegations in this action,
 which the SEC alleges did not begin until sometime in 2017.

1 property subsequent to the Indiana Receiver dispositioning the property. *Id.* at ¶75. However, as
2 noted *supra*, the same Stipulation (Ex. C to the Receivership Order) already permits the Receiver
3 to intervene in any of the Excluded Actions for the purpose of “asserting the right to receive any
4 distributions to which the Excluded Entities would otherwise be entitled under applicable law,” and
5 to request “to hold funds that would otherwise be distributed to the Excluded Entities with the clerk
6 of the court, in escrow, or otherwise segregated pending further Order of this Court.” *Id.* See
7 Receivership Order, Dkt. 154, Ex. C, ¶6. Therefore, there is no need to add this entity as the
8 Receivership Estate’s rights and interests are already specifically preserved and protected.

9 **17. ArciTerra Strategic Retail II, LLC**

10 Exhibit 26A to the Holly Declaration erroneously shows Mr. Larmore as the General Partner
11 of WFILP. To the extent that the Receiver seeks inclusion of ArciTerra Strategic Retail II, LLC¹⁴
12 as an additional Receivership Entity because of that incorrect fact, the request should be denied. In
13 addition, the Receiver makes the same argument for including this entity as an additional
14 Receivership Entity as he does for ArciTerra Strategic Retail – Echelon, LLC discussed above, and
15 Exhibit 26A references the same real property, *i.e.* 5252 E. 82nd Street, Indianapolis, IN. For the
16 same reasons set forth above, namely, the rights and interests the Receiver already have already
17 been addressed pursuant to Ex. C to the Receivership Order for the underlying property, there is no
18 need to add this entity because the Receivership Estate’s rights and interests are already specifically
19 preserved and protected.

20 **18. ArciTerra Strategic Retail – Forum KY, LLC**

21 Exhibit 27A to the Holly Declaration erroneously shows Mr. Larmore as the General Partner
22 of WFILP. To the extent that the Receiver seeks inclusion of ArciTerra Strategic Retail – Forum
23

24 ¹⁴ This is the additional entity that is discussed at pp. 20-21 in the Holly Declaration, but which
is not specifically identified at paragraph 4 of the Motion.

1 KY, LLC as an additional Receivership Entity because of that incorrect fact, the request should be
2 denied.

3 Furthermore, the Holly Declaration states that AT Forum Louisville KY, LLC is an
4 Excluded Entity pursuant to Exhibit C to this Court's Receivership Order, and the owner of a
5 number of real properties in Illinois and Kentucky. Holly Declaration at ¶84. The Receiver argues
6 that the inclusion of ArciTerra Strategic Retail – Forum KY, LLC “will complete the chain of
7 ownership of related entities and permit the Receiver to access proceeds, if any, from the sale of
8 real property subsequent to the resolution of the First Guaranty Matter.” *Id.* at ¶85. The First
9 Guaranty Matter is already an Excluded Action, and the underlying real properties are Excluded
10 Properties pursuant to Exhibit C to the Receivership Order. As noted, the Receiver's right to
11 receive any distributions in the First Guaranty Matter is already in place. *See* Receivership Order,
12 Dkt. 154, Ex. C, ¶6. Therefore, there is no need to add this entity because the Receivership Estate's
13 rights and interests are already specifically preserved and protected.

14 **19. ArciTerra Strategic Retail – Plaza OK, LLC**

15 Exhibit 30A to the Holly Declaration erroneously shows Larmore as the General Partner of
16 WFILP. To the extent that the Receiver seeks inclusion of ArciTerra Strategic Retail – Plaza OK,
17 LLC as an additional Receivership Entity because of that incorrect fact, the request should be
18 denied.

19 Furthermore, the Holly Declaration states that ATA Plaza OK, LLC is an Excluded Entity
20 pursuant to Exhibit C to this Court's Receivership Order, and the owner of real property in Tulsa,
21 OK. Holly Declaration at ¶88. The Receiver argues that the inclusion of ArciTerra Strategic Retail
22 – Plaza OK, LLC “will complete the chain of ownership of related entities and permit the Receiver
23 to access proceeds, if any, from the sale of real property subsequent to the resolution of the Echo
24 Properties action.” *Id.* at ¶89. The Echo Properties Action is already an Excluded Action, and the

underlying property is an Excluded Property pursuant to Exhibit C to the Receivership Order. As noted, the Receiver's right to receive any distributions in the Echo Properties Action is already in place. *See* Receivership Order, Dkt. 154, Ex. C, ¶6. Therefore, there is no need to add this entity because the Receivership Estate's rights and interests are already specifically preserved and protected.

C. Evidentiary Hearing is Required if Any Entity is to be Added

Finally, Mr. Larmore submits that to the extent the Court is not inclined to simply deny the relief sought for the reasons set forth above, then an evidentiary hearing is required in order to determine whether the Court should enter the drastic remedy of now including any of the 18 entities into the instant receivership. *See generally Canada Life Assurance Co. v. LaPeter*, 563 F.3d at 845 (court determined that district court's appointment of a receiver was within its discretion based on the findings of fact from evidence presented). As noted above, the appointment of a receiver is "justified only where there is a clear necessity to protect a party's interest in property, legal and less drastic equitable remedies are inadequate." *Netsphere, Inc. v. Baron*, 703 F.3d at 305. Here, the Court has already issued an asset freeze with respect to all of Mr. Larmore's assets. Therefore, the status of Mr. Larmore's assets – including any membership interests he has in certain of the entities the Receiver seeks to include as Additional Entities – is already protected.¹⁵ In addition, as pointed out in Marcia Larmore's Opposition, simply completing the chain of ownership, without putting forth any evidence of wrongdoing by that entity, is not a legitimate reason for adding any entity to

¹⁵ The Receiver requests that the inclusion of the Additional Entities be *nunc pro tunc* and retroactive to December 21, 2023. Motion, p. 7, §17. However, nowhere in the Motion does the Receiver set forth any authority or legal basis for such *nunc pro tunc* relief. *See generally Roman Catholic Archdiocese of San Juan, Puerto Rico v. Acevedo Feliciano*, 589 U.S. 57, 65 (2020)(noting the limitations of *nunc pro tunc* relief); *Suziki v. Marinopolis USA, Inc.*, 2022 WL 2541138, *2, n.3 (W.D. WA, June 8, 2022)("The U.S. Supreme Court has recently cautioned courts against certain orders that apply retroactively.")(citing *Roman Catholic Archdiocese of San Juan, Puerto Rico v. Acevedo Feliciano*). Mr. Larmore reserves the right so address any such authority if and when it is provided by the Receiver.

1 the Receivership. And, for a number of the proposed entities that are the subject of the Motion,
2 the Stipulation attached as Exhibit C to the Receivership Order already provides the Receiver with
3 the right to recover sale proceeds with respect to any of the Excluded Properties and Excluded
4 Actions that are the subject of the Motion.

5 **CONCLUSION**

6 For the above and foregoing reasons, Jonathan Larmore respectfully submits that the
7 Receiver's Motion should be denied.

8 BRUCE L. UDOLF, P.A.

9 Dated: May 15, 2025

By: /s/ Bruce L. Udolf

BRUCE L. UDOLF¹⁶

Attorneys for Jonathan Larmore

11 **CERTIFICATE OF SERVICE**

12 **I HEREBY CERTIFY** that on May 15, 2025, I electronically transmitted the attached
13 document to the Clerk's Office using the CM/ECF System for filing which will provide electronic
14 mail notice to all counsel of record in this matter.

15 By: /s/ Bruce L. Udolf
16 Bruce L. Udolf

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¹⁶ Admitted *Pro Hac Vice*.