UNITED STATES BANKRUPTCY COURT

SOUTHERN DISTRICT OF FLORIDA

In Re:	Chapter 11
In Re: Daymark Realty Advisors, Inc. In Re: Daymark Residential Management, Inc. In Re: Daymark Properties Realty, Inc.	Case Nos. 18-23750-RBR, 18-23751-RBR & 18-23752-RBR (Jointly Administered)
Debtors. _____/	

REQUEST FOR JUDICIAL NOTICE AND DECLARATION OF COUNSEL IN SUPPORT OF REPLY IN SUPPPORT OF MOTION TO CONVERT CHAPTER 11 CASE TO A CASE UNDER CHAPTER 7 OR IN THE ALTERNATIVE TO APPOINT A CHAPTER 11 TRUSTEE

PLEASE TAKE NOTICE Opposing Creditors Richard Carlson as Beneficiary of GREIT Liquidating Trust and terminated trust on behalf of himself and all others similarly situated, Tyrone Wynfield derivatively on behalf of and as liquidating trustee for NNN Capital Fund I, LLC, Milton O. Brown as liquidating trustee for NNN Congress Center, LLC, Dennis Dierenfield, individually and in his capacity as trustee of the Dennis Dierenfield Living Trust; 350 Seventh Avenue Associates, L.P., NNN Four Falls 20, LLC, Willowbrook Apartments, LLC, RRM Enterprises, LLC, NNN Royal 400 12, LLC, NNN Aventura Harbour Centre 16, LLC, NNN 300 Four Falls 12, LLC, 123 North Wacker, LLC, Plantations at Haywood 1, LLC, Plantations at Haywood 2, LLC, Plantations at Haywood 13, LLC, Plantations at Haywood 23, LLC, 1600 Barberry Lane 8, LLC, 1600 Barberry Lane 9, LLC, Dennis Dierenfield, William B.

Gilmer and NNN 1818 Market Street 13, LLC (hereafter "Objecting Creditors") respectfully request the Court take judicial notice of the following documents described below and attached pursuant to *Federal Rules of Evidence,* Rule 201:

1. Attached hereto as Exhibit "1" is a true and accurate copy of the Notice of Assignment for the Benefit of Creditors dated August 14, 2015 and filed in the matter styled *In Re Assignment for the Benefit of Creditors of NNN Realty Investors, LLC to Richard N. Waltzer*, Seventeenth Judicial Circuit Court in and for Broward County, Florida Case No. CACE-15-014067 (the "NNNRI Assignment").

2. Attached hereto as Exhibit "2" is a true and accurate copy of the *Motion to Approve Settlement Between Assignee Todd Mikles and Sovereign Capital Management Group, Inc. and Related Parties* filed June 9, 2016 in the NNNRI Assignment.

WE HEREBY CERTIFY that a true and correct copy of the foregoing was filed and served via the CM/ECF system on March 21, 2019.

I hereby certify that the undersigned attorney is appearing pro hac vice in this matter pursuant to court order dated 12/6/18.

Kenneth J. Catanzarite
Catanzarite Law Corporation
2331 West Lincoln Avenue
Anaheim, CA 92801
(714) 540-5544
Kcatanzarite@catanzarite.com

By: /s/ Kenneth J. Catanzarite
Kenneth J. Catanzarite, Esq.
CA Bar No. 113750

LAW OFFICES OF TODD S. FRANKENTHAL
LOCAL ATTORNEY
One East Broward Boulevard
Suite 700
Fort Lauderdale, FL 33301
(954) 356-0464
TSFLaw01@bellsouth.net

By: /s/ Todd S. Frankenthal
Todd S. Frankenthal, Esq.
FBN 350451

DECLARATION OF KENNETH J. CATANZARITE, ESQ.

I, Kenneth J. Catanzarite, have personal knowledge of each fact set forth in this affidavit based upon my observation of, participation in, and recollection of, the matters and events to which I declare. I could and would competently testify to each fact set forth in this declaration if called upon by this Court.

1. I am over the age of 18 and a resident of Orange County, California.

2. I am a principal of Catanzarite Law Corporation located in Anaheim, California.

3. I am lead counsel for Creditors Richard Carlson as Beneficiary of GREIT Liquidating Trust, a Maryland trust on behalf of himself and all others similarly situated; Tyrone Wynfield derivatively on behalf of and as liquidating trustee for NNN Capital Fund I, LLC; Milton O. Brown as liquidating trustee for NNN Congress Center, LLC; 1600 Barberry Lane 8, LLC and 1600 Barberry Lane 9, LLC; Dennis Dierenfield, William B. Gilmer and NNN 1818 Market Street 13, LLC; 350 Seventh Avenue Associates, L.P., NNN Four Falls 20, LLC, Willowbrook Apartments, LLC, RRM Enterprises, LLC, NNN Royal 400 12, LLC, NNN Aventura Harbour Centre 16, LLC, NNN 300 Four Falls 12, LLC and 123 North Wacker, LLC; Plantations at Haywood 1, LLC, Plantations at Haywood 2, LLC, Plantations at Haywood 13, LLC and Plantations at Haywood 23, LLC (hereinafter "Objecting Creditors").

4. I am admitted pro hac vice to this Court.

5. Attached hereto as Exhibit "3" is a true and accurate copy of excerpts of the deposition of Todd Mikles taken November 13, 2014 in the matter styled *Daymark Properties Realty, Inc., et al. v. NNN 1818 Market Street 16, LLC, et al.*, American Arbitration Association Case No. 01-14-0000-9940-104.

6. Attached hereto as Exhibit "4" is a true and accurate copy of a December 14, 2013 article I obtained from the New York Times website titled "Cook Islands, a Paradise of Untouchable Assets".

I certify and declare under penalty of perjury under the laws of the States of California and Florida and the United States that the forgoing is true and correct.

Executed March 20, 2019 at Anaheim, California.

Kenneth J. Catanzarite

Exhibit 1

IN THE CIRCUIT COURT OF THE SEVENTEENTH JUDICIAL CIRCUIT, IN AND FOR BROWARD COUNTY, FLORIDA

COMPLEX CIVIL LITIGATION DIV.

CASE NO. CACE-15-014067

In re:

ASSIGNMENT FOR BENEFIT OF CREDITORS OF

NNN REALTY INVESTORS, LLC,
Assignor,

To: RICHARD N. WALTZER,
Assignee.
_____/

NOTICE OF ASSIGNMENT FOR THE BENEFIT OF CREDITORS

TO: **ALL CREDITORS AND OTHER INTERESTED PARTIES PLEASE TAKE NOTICE THAT:**

1. On August 6, 2015 a petition was filed commencing an Assignment for the Benefit of Creditors proceeding, pursuant to Chapter 727 of the Florida Statutes, made by NNN Realty Investors, LLC (the "Assignor"), with its principal place of business at 110 East Broward Blvd. Suite 1700 Fort Lauderdale, Florida 33301 to Richard N. Waltzer (the "Assignee"), of Waltzer & Associates, Inc., whose address is 1600 East Las Olas Blvd., Fort Lauderdale, Florida 33301.

2. Pursuant to Florida Statutes, Section 727.105, no proceeding may be commenced against the Assignee except as provided in Chapter 727 and except in the case of a secured creditor enforcing its rights and collateral under Chapter 679, there shall be no levy, execution, attachment, or the like in the respect of any judgment against assets of the estate, other than real property, in the possession, custody, or control of the Assignee.

3. YOU ARE HEREBY further noticed that in order to receive any dividend in this proceeding you must file the enclosed proof of claim with the Assignee, Richard N. Waltzer, of Waltzer & Associates, Inc. at 1600 East Las Olas Blvd., Fort Lauderdale, Florida 33301, on or before December 4, 2015 (120 days from the date the Petition was filed).

Dated: August 14, 2015

Respectfully submitted,

BAST AMRON LLP
Proposed Attorneys for Assignee
One Southeast Third Avenue, Suite 1400
Miami, FL 33131
Telephone: 305.379.7904
Facsimile: 305.379.7905
Email: jbast@bastamron.com
Email: medelboim@bastamron.com

By: */s/ Morgan B. Edelboim*
Jeffrey P. Bast, Esq. (FBN 996343)
Morgan B. Edelboim, Esq. (FBN 40955)

CERTIFICATE OF SERVICE

I HEREBY CERTIFY that a true and correct copy of the foregoing Notice has been sent, by U.S. Mail this 14th day of August, 2015 to all interested parties listed on the mailing matrix.

/s/ Morgan B. Edelboim
Morgan B. Edelboim, Esq.

IN THE CIRCUIT COURT OF THE SEVENTEENTH JUDICIAL CIRCUIT, IN AND FOR BROWARD COUNTY, FLORIDA

CASE NO. CACE-15-014067

In re:

ASSIGNMENT FOR BENEFIT OF CREDITORS OF

NNN REALTY INVESTORS, LLC,

Assignor,

To: RICHARD N. WALTZER,

Assignee.

_____/

PROOF OF CLAIM

TO RECEIVE ANY DIVIDEND IN THIS PROCEEDING, YOU MUST COMPLETE THIS PROOF OF CLAIM AND DELIVER IT TO THE ASSIGNEE NO LATER THAN:

DECEMBER 4, 2015

THE ASSIGNEE'S NAME AND ADDRESS ARE AS FOLLOWS:

Richard N. Waltzer, Assignee
WALTZER & ASSOCIATES, INC.
1600 East Las Olas Blvd.
Fort Lauderdale, FL 33301
(954) 931-9787 · (954) 915-9041 Fax No.
floridarich@gmail.com

1. **CREDITOR NAME (Your name):** _____
ADDRESS: _____
_____
_____
TELEPHONE NUMBER: _____
E-MAIL ADDRESS: _____

Please be sure to notify us if you have a change of address.

2. **BASIS FOR CLAIM:**

[ ] Goods Sold	[ ] Wages, Salaries and Compensations	[ ] Secured Creditor
[ ] Services Performed	[ ] Taxes	
[ ] Money Loaned	[ ] Customer Deposit	
[ ] Shareholder	[ ] Other: _____	

3. **DATE DEBT WAS INCURRED:** _____

4. **AMOUNT OF CLAIM:** $_____

5. **SUPPORTING DOCUMENTS:** **Attach copies of supporting documents,** such as promissory notes, purchase order, invoices, itemized statement of running accounts, court judgments, or evidence of security interests. If the documents are not available, explain. If the documents are voluminous, attach a summary.

6. **SIGNATURE:** Sign and print name and title, if any, of the creditor or other person authorized to file this claim:

DATED:_____ BY:_____
Signature of Claimant or Representative

_____
Print Name and Title Here

Filing # 30737391 E-Filed 08/11/2015 03:40:51 PM

IN THE CIRCUIT COURT OF THE SEVENTEENTH JUDICIAL CIRCUIT, IN AND FOR BROWARD COUNTY, FLORIDA

COMPLEX CIVIL LITIGATION DIV.

CASE NO. CACE-15-014067

In re:

ASSIGNMENT FOR BENEFIT OF CREDITORS OF

NNN REALTY INVESTORS, LLC,
Assignor,

To: RICHARD N. WALTZER,
Assignee.
_____/

MOTION TO EMPLOY AND COMPENSATE MORGAN EDELBOIM AND LAW FIRM OF BAST AMRON LLP AS COUNSEL TO THE ASSIGNEE

RICHARD N. WALTZER ("Assignee"), through his undersigned attorneys and pursuant to Fla. Stat. § 727.108(7), moves for the entry of an order authorizing the Assignee to employ Morgan Edelboim and law firm of Bast Amron LLP, and as grounds therefore states:

BACKGROUND

1. On August 6, 2015 a petition was filed commencing an Assignment for the Benefit of Creditors Proceeding pursuant to Chapter 727 of the Florida Statutes, made by NNN Realty Investors, LLC (the "Assignor"), to Assignee.

RELIEF REQUESTED

2. Assignee seeks authority to employ Morgan Edelboim and Bast Amron LLP ("BA") a law firm whose attorneys are duly admitted to practice in this Court. BA will represent Assignee in all aspects of the assignment case.

3. Florida Statutes, Section 727.108(7) requires that the Assignee "[t]o the extent necessary, employ at the expense of the estate one or more appraisal, auctioneers, accountants,

attorneys, or other professional persons, to assist the Assignee carrying out his or her duties under this chapter."

4. Assignee has selected BA as his counsel because the firm has had considerable experience in matters of this nature. The Assignee believes that BA is well qualified to represent him as Assignee in these proceedings.

5. The professional services BA is to render are as follows:

a. To give legal advice with respect to its duties and powers as Assignee;

b. To prepare on behalf of the Assignee the necessary motions, notices, pleadings, petitions, answers, orders, and other legal papers; and

c. To perform all other legal services for Assignee which may be deemed necessary and proper in this case.

6. The Assignee shall pay BA from the estate's funds upon notice to creditors made pursuant to Florida Statutes, Section 727.111(4).

7. BA represents no interest adverse to the Assignee or to the estate in the matters upon which it is to be engaged by the Assignee. Further, its employment would be in the best interest of the assignment.

WHEREFORE, Richard Waltzer, the Assignee of NNN Realty Advisors, LLC, requests that the Court enter an order authorizing the employment and appointment of Bast Amron LLP to represent Assignee in this proceeding under Florida Statutes, Section 727.108(7), and for such other and further relief as the Court deems just and proper.

Dated: August 11, 2015

Respectfully submitted,

BAST AMRON LLP
Proposed Attorneys for Assignee
One Southeast Third Avenue, Suite 1400
Miami, FL 33131
Telephone: 305.379.7904
Facsimile: 305.379.7905
Email: jbast@bastamron.com
Email: medelboim@bastamron.com

By: */s/ Morgan B. Edelboim*
Jeffrey P. Bast, Esq. (FBN 996343)
Morgan B. Edelboim, Esq. (FBN 40955)

CERTIFICATE OF SERVICE

I HEREBY CERTIFY that a true and correct copy of the foregoing has been sent by U.S. Mail this 11th day of August, 2015 to all interested parties listed on the mailing matrix.

/s/ Morgan B. Edelboim
Morgan B. Edelboim, Esq.

Filing # 30737391 E-Filed 08/11/2015 03:40:51 PM

IN THE CIRCUIT COURT OF THE SEVENTEENTH JUDICIAL CIRCUIT, IN AND FOR BROWARD COUNTY, FLORIDA

COMPLEX CIVIL LITIGATION DIV.

CASE NO. CACE-15-014067

In re:

ASSIGNMENT FOR BENEFIT OF CREDITORS OF

NNN REALTY INVESTORS, LLC,
Assignor,

To: RICHARD N. WALTZER,
Assignee.
_____/

MOTION TO SET AMOUNT OF ASSIGNEE'S BOND

Assignee, Richard N. Waltzer, ("Assignee"), by and through his undersigned attorney and pursuant to Fla. Stat. § 727.104, hereby files this Motion to Set Amount of Assignee's Bond, and in support of the Motion, says:

BACKGROUND

1. On August 6, 2015 a petition was filed commencing an Assignment for the Benefit of Creditors Proceeding pursuant to Chapter 727 of the Florida Statutes, made by NNN Realty Investors, LLC (the "Assignor"), to Assignee Richard N. Waltzer under Case No. CACE-15-014067, before the Honorable Judge Thomas M. Lynch, IV.

RELIEF REQUESTED

2. Pursuant to Fla. Stat. § 727.104, Assignee is required to obtain a bond made payable to the Clerk of the Court "in an amount not less than $25,000 or double the liquidation value of the unencumbered and liquid assets of the estate as set forth in Schedule B, whichever is higher."

3. Schedule "B" of the Assignment reflects the following: (a) bank account with a balance of $ 20,287.87; (b) accounts receivable in the amount of $171,044.35; (c) computer valued at $50; (d) shares of GREIT Liquidating Trust valued at $10,000; and (d) the membership interest of entity NNN Emberwood Apartments, LLC valued at $64,681.30. The Assignee believes the shares, the computer, the membership interest and the account receivable to be illiquid. Accordingly, Assignee requests that the Court set the bond in the amount of $40,575.74.

WHEREFORE, the Assignee respectfully requests that the Court grant this Motion, authorize the Bond in the amount of $40,575.74 and for such other and further relief as is the Court deems just and proper.

Dated: August 11, 2015

Respectfully submitted,
BAST AMRON LLP
Proposed Attorneys for Assignee
One Southeast Third Avenue, Suite 1400
Miami, FL 33131
Telephone: 305.379.7904
Facsimile: 305.379.7905
Email: jbast@bastamron.com
Email: medelboim@bastamron.com

By: */s/ Morgan B. Edelboim*
Jeffrey P. Bast, Esq. (FBN 996343)
Morgan B. Edelboim, Esq. (FBN 40955)

CERTIFICATE OF SERVICE

I HEREBY CERTIFY that a true and correct copy of the foregoing Notice has been sent, by U.S. Mail this 11th day of August, 2015 to all interested parties listed on the mailing matrix.

/s/ Morgan B. Edelboim
Morgan B. Edelboim, Esq.

Filing # 30737391 E-Filed 08/11/2015 03:40:51 PM

IN THE CIRCUIT COURT OF THE SEVENTEENTH JUDICIAL CIRCUIT, IN AND FOR BROWARD COUNTY, FLORIDA

COMPLEX CIVIL LITIGATION DIV.

CASE NO. CACE-15-014067

In re:

ASSIGNMENT FOR BENEFIT OF CREDITORS OF

NNN REALTY INVESTORS, LLC,
Assignor,

To: RICHARD N. WALTZER,
Assignee.
_____/

NOTICE OF HEARING
(Motion Calendar)

PLEASE TAKE NOTICE that the undersigned counsel will call up for hearing before the Honorable Judge Jack Tuter, Broward County Courthouse, 201 S.E. 6th St., Courtroom 970, Ft. Lauderdale, FL 33301 on Wednesday, September 16, 2015 at 8:45 A.M., or as soon thereafter as the parties may be heard the following:

MOTION TO EMPLOY AND COMPENSATE MORGAN EDELBOIM AND LAW FIRM OF BAST AMRON LLP AS COUNSEL TO THE ASSIGNEE;

and

MOTION TO SET AMOUNT OF ASSIGNEE'S BOND

I hereby certify that A) I have made a good faith attempt to resolve this matter prior to my noticing this motion for hearing, and B) the issues before the Court may be heard and resolved by the court within five (5) minutes.

Dated: August 11, 2015

Respectfully submitted,
BAST AMRON LLP
Proposed Attorneys for Assignee
One Southeast Third Avenue, Suite 1400
Miami, FL 33131
Telephone: 305.379.7904
Facsimile: 305.379.7905
Email: jbast@bastamron.com
Email: medelboim@bastamron.com

By: */s/ Morgan B. Edelboim*
Jeffrey P. Bast, Esq. (FBN 996343)
Morgan B. Edelboim, Esq. (FBN 40955)

CERTIFICATE OF SERVICE

I HEREBY CERTIFY that a true and correct copy of the foregoing Notice has been sent, by U.S. Mail this 11th day of August, 2015 to all interested parties listed on the mailing matrix.

/s/ Morgan B. Edelboim
Morgan B. Edelboim, Esq.

If you are a person with a disability who needs any accommodation in order to participate in this proceeding, you are entitled, at no cost to you, to the provision of certain assistance. Please contact the ADA Coordinator, Room 470, 201 S.E. Sixth Street, Fort Lauderdale, Florida 33301, 954-831-7721 at least 7 days before your scheduled court appearance, or immediately upon receiving this notification if the time before the scheduled appearance is less than 7 days; if you are hearing or voice impaired, call 711.

Filing # 30737391 E-Filed 08/11/2015 03:40:51 PM

IN THE CIRCUIT COURT OF THE SEVENTEENTH JUDICIAL CIRCUIT, IN AND FOR BROWARD COUNTY, FLORIDA

COMPLEX CIVIL LITIGATION DIV.

CASE NO. CACE-15-014067

In re:

ASSIGNMENT FOR BENEFIT OF CREDITORS OF

NNN REALTY INVESTORS, LLC,
Assignor,

To: RICHARD N. WALTZER,
Assignee.
_____/

AGREED MOTION FOR ENLARGEMENT OF TIME TO CONDUCT EXAMINATION OF ASSIGNOR

Assignee, Richard N. Waltzer, ("Assignee"), by and through his undersigned attorney and pursuant to Fla. Stat. § 727.108 and Rule 1.090 of the Florida Rules of Civil Procedure, hereby files this Motion for Extension of Time to take Examination of Assignor, and in support of the Motion, says:

BACKGROUND

1. On August 6, 2015, a petition was filed commencing an Assignment for the Benefit of Creditors Proceeding pursuant to Chapter 727 of the Florida Statutes, made by NNN Realty Investors, LLC (the "Assignor"), to Assignee Richard N. Waltzer.

RELIEF REQUESTED

2. Pursuant to Fla. Stat. § 727.108, the Assignee is required "within 30 days after the filing date, examine the assignor, under oath, concerning the acts, conduct, assets, liabilities, and financial condition of the assignor or any matter related to the assignee's administration of the estate, unless excused by the court for good cause shown."

3. Due to the Assignor's schedule and the Assignee's need to review the Assignor's records prior to the examination, the parties respectfully requests that the Court grant the Assignee an additional (30) thirty day extension to conduct the examination of the Assignor.

WHEREFORE, the Assignee respectfully requests that the Court grant this Motion, allow the Assignee an additional 30 days within which to conduct the examination of the Assignor, and for such other and further relief as is the Court deems just and proper.

Dated: August 11, 2015

Respectfully submitted,
BAST AMRON LLP
Proposed Attorneys for Assignee
One Southeast Third Avenue, Suite 1400
Miami, FL 33131
Telephone: 305.379.7904
Facsimile: 305.379.7905
Email: jbast@bastamron.com
Email: medelboim@bastamron.com

By: */s/ Morgan B. Edelboim*
Jeffrey P. Bast, Esq. (FBN 996343)
Morgan B. Edelboim, Esq. (FBN 40955)

CERTIFICATE OF SERVICE

I HEREBY CERTIFY that a true and correct copy of the foregoing Notice has been sent, by U.S. Mail this 11th day of August, 2015 to all interested parties listed on the mailing matrix.

/s/ Morgan B. Edelboim
Morgan B. Edelboim, Esq.

IN THE CIRCUIT COURT OF THE SEVENTEENTH JUDICIAL CIRCUIT, IN AND FOR BROWARD COUNTY, FLORIDA

COMPLEX CIVIL LITIGATION DIV.

CASE NO. CACE-15-014067

In re:

ASSIGNMENT FOR BENEFIT OF CREDITORS OF

NNN REALTY INVESTORS, LLC,
Assignor,

To: RICHARD N. WALTZER,
Assignee.
_____/

AGREED ORDER GRANTING AGREED MOTION FOR ENLARGEMENT OF TIME TO CONDUCT EXAMINATION OF ASSIGNOR

THIS MATTER came before the Court upon the Agreed Motion for Enlargement of Time to Conduct Examination of Assignor (the "Motion") filed by Richard N. Waltzer, ("Assignee"). The Court having considered the Motion, the court record and having noted an agreement among the parties, hereby it is:

ORDERED as follows:

1. The Motion is **GRANTED**.

2. The Assignee shall have an additional 30 days within which to conduct the examination of the Assignor, through and including October 8, 2015.

DONE AND ORDERED in Chambers at Broward County, Florida this ___ day of _____ 2015.

_____
HONORABLE JACK TUTER
CIRCUIT COURT JUDGE

Copy furnished to:
Morgan B. Edelboim, who is directed to serve a copy of this Order on the interested parties.

Electronically signed by Judge Tuter, Jack on 2015/08/13 16:08:43 EST.

Filing # 30889692 E-Filed 08/14/2015 02:23:28 PM

IN THE CIRCUIT COURT OF THE SEVENTEENTH JUDICIAL CIRCUIT, IN AND FOR BROWARD COUNTY, FLORIDA

COMPLEX CIVIL LITIGATION DIV.

CASE NO. CACE-15-014067

In re:

ASSIGNMENT FOR BENEFIT OF CREDITORS OF

NNN REALTY INVESTORS, LLC,
Assignor,

To: RICHARD N. WALTZER,
Assignee.
_____/

NOTICE OF EXAMINATION OF ASSIGNOR

PLEASE TAKE NOTICE that the Assignee, Richard N. Waltzer, by and through his undersigned attorney, will take the examination, under oath, of the representative of NNN Realty Investors, LLC, Assignor, by and through the person(s) with the most knowledge concerning the acts, conduct, assets, liabilities, and financial condition of the Assignor, or any matter relating to Assignee's administration of the estate, pursuant to Fla. Stat. § 727.108, on the date and time indicated, at the offices of counsel for the Assignee:

LOCATION: **BAST AMRON LLP**
One Southeast Third Avenue
Suite 1400
Miami, Florida 33131

DATE: **September 18, 2015**

TIME: **10:00 a.m.**

upon oral examination before Ouelette & Mauldin, Notary Public in and for the State of Florida at large, or some other officer duly authorized by law to take depositions. The examination will continue from day to day until completed. The examination is being taken for the purpose of discovery, for use at trial, or for such other purposes as are permitted under applicable rules.

Dated: August 14, 2015

Respectfully submitted,

BAST AMRON LLP
Proposed Attorneys for Assignee
One Southeast Third Avenue, Suite 1400
Miami, FL 33131
Telephone: 305.379.7904
Facsimile: 305.379.7905
Email: jbast@bastamron.com
Email: medelboim@bastamron.com

By: */s/ Morgan B. Edelboim*
Jeffrey P. Bast, Esq. (FBN 996343)
Morgan B. Edelboim, Esq. (FBN 40955)

CERTIFICATE OF SERVICE

I HEREBY CERTIFY that a true and correct copy of the foregoing Notice has been sent, by U.S. Mail this 14th day of August, 2015 to all interested parties listed on the mailing matrix.

/s/ Morgan B. Edelboim
Morgan B. Edelboim, Esq.

Exhibit 2

Filing # 42560336 E-Filed 06/09/2016 05:09:19 PM

IN THE CIRCUIT COURT OF THE SEVENTEENTH JUDICIAL CIRCUIT, IN AND FOR BROWARD COUNTY, FLORIDA

COMPLEX CIVIL LITIGATION DIV.

CASE NO. CACE-15-014067

In re:
ASSIGNMENT FOR BENEFIT OF CREDITORS OF NNN REALTY INVESTORS, LLC,
Assignor,

To: RICHARD N. WALTZER,
Assignee.
_____/

MOTION TO APPROVE SETTLEMENT BETWEEN ASSIGNEE TODD MIKLES AND SOVEREIGN CAPITAL MANAGEMENT GROUP, INC. AND RELATED PARTIES

TO CREDITORS AND INTERESTED PARTIES:

PLEASE TAKE NOTICE that, pursuant to s. 727.111(4), Florida Statutes, the assignee seeks to compromise or settle a controversy with Todd A. Mikles, Sovereign Capital Management Group, Inc. and certain related parties as more specifically described herein and in the Settlement (defined herein), and the Court may consider these actions without further notice or hearing unless a party in interest files an objection within 21 days from the date this paper is served.

If you object to the relief requested in this paper, you must file your objection with the Clerk of the Court at the Broward County Courthouse, 201 Southeast Sixth Street, Fort Lauderdale, Florida 33301 and serve a copy on the assignee's attorney, Bast Amron, LLP, c/o Morgan Edelboim, Esq., SunTrust International Center, One Southeast Third Avenue, Suite 1400, Miami, Florida 33131, and any other appropriate person.

If you file and serve an objection within the time permitted, the Court shall hear the objection on **July 13, 2016 at 8:45 a.m.** before the Honorable Jack Tuter, Courtroom 970, at the Broward County Courthouse, 201 Southeast Sixth Street, Fort Lauderdale, Florida 33301

If you do not file an objection within the time permitted, the assignee and the Court will presume that you do not oppose the granting of the relief requested in this paper and the Assignee may request that the Court enter an Order granting such relief.

Richard Waltzer ("Assignee"), as assignee for the benefit of creditors of NNN Realty Investors, LLC ("Assignor") in the above-captioned assignment case (the "ABC Case"), by and through undersigned counsel, respectfully requests this Court approve a settlement between the Assignee and Todd A. Mikles ("Mikles"), an individual, Sovereign Capital Management Group, Inc., a Delaware corporation ("Sovereign") its affiliates, including, but not limited to, Sovereign Capital Management Holdings, LLC, Tango Yankee, LLC, Kingfisher Island, Inc., Daymark Realty Advisors, Inc. ("DRA"), and Western Place Partners, LLC ("WPP") and each of their officers, directors, shareholders, managers, agents, successors, lawyers, advisors, accountants, and employees (including Sovereign, the "Sovereign Group",[1] together with the Assignee, the "Parties", and each, a "Party"), including, among other things, the resolution of any and all claims of the Assignee on behalf of the Assignor's estate, against the Sovereign Group, pursuant to Section 727.109(7), Florida Statutes, and in support thereof states as follows:

1. On August 6, 2015, an assignment for the benefit of creditors (an "Assignment"), including a list of Assignor's assets and liabilities was duly executed and delivered by the Assignor to the Assignee. Through the Assignment, the Assignor irrevocably assigned all of its assets (including all claims and causes of action) to the Assignee pursuant to Chapter 727 of the Florida Statutes. A petition was filed with this Court under Chapter 727 of the Florida Statutes, initiating an Assignment for the Benefit of Creditors of Assignor on August 6, 2015.

2. Prior to the Petition Date, the Assignor was in the real estate business.

3. On September 18, 2015, counsel for the Assignee conducted the statutory examination (the "Examination") of the Assignor's authorized agent, Mikles, pursuant to Florida Statute § 727.108(2).

4. During the Examination, Mikles testified regarding, among other things, the acts, conduct, assets, liabilities and financial condition of the Assignor including certain transactions between the Assignor and certain affiliated parties. Based on these transactions and the

[1] Notwithstanding that all insiders and affiliates of Sovereign Capital Management Group, Inc. are included within the definition of "Sovereign Group", for illustrative purposes, attached to the Settlement Agreement (defined herein) as Exhibit "A" is a non-exclusive list of persons and entities included within the Sovereign Group.

decisions of their principals to enter into same, the Assignee believes he has certain claims (the "Claims") against certain members of the Sovereign Group (the "Related Parties").

5. The Sovereign Group, including and all of its members and the Related Parties, deny the Assignee's Claims.

6. Additionally, a Sovereign Group entity, Collateralized Notes Resolution Company, LLC ("CNRC") asserts claims against NNNRI in the approximate amount of $16,072,245 plus accrued interest (the "Notes Claim") for claims it acquired from creditors of NNNRI after the commencement of this assignment proceeding though bone fide arm's length transactions.

7. Finally, the Assignee's counsel is presently holding in trust $25,841.82 (the "Trust Funds") that was delivered to the Assignee in connection with certain transactions and agreements of or related to members of the Sovereign Group. The Sovereign Group alleges that one or more of its affiliates are entitled to the Trust Funds and the Assignee denies such allegation.

8. On February 24, 2016, the Parties engaged in a settlement conference, but were not able to reach a resolution at such time.

9. Pursuant to continued discussions, to avoid the costs and risks associated with litigation, on June 1, 2016, the Parties agreed to resolve their dispute on the terms in the attached agreement (the "Settlement").[2]

10. The Assignee seeks authority through this Motion to enter into the Settlement to resolve the claims between the Parties, including allowing the Notes Claim (subject to the conditions in the Settlement). The Assignee submits that the Settlement is in the best interest of the estate and, in turn, will allow for the greatest distribution to creditors.

The Proposed Settlement

11. Pursuant Florida Statutes § 727.108(1), the Assignee is charged with collecting and reducing to money the assets of the estate for the benefit of creditors. Additionally, under

[2] Attached hereto as Exhibit "A" is the Settlement.

§727.109, the Court is empowered to approve a compromise or settlement of a controversy and to authorize a sale of property outside of the ordinary course upon notice or motion from the Assignee. To this end, the Assignee intends to resolve all Claims between the Parties through the Settlement which contemplates the following key terms: [3]

A. Settlement Payment: Through the Settlement the Sovereign Group and Mikles agree, jointly and severally, to pay the total settlement amount of $535,841.82 (the "Settlement Amount") to the Assignee in full and final consideration of the terms hereof as follows:

   (i) *Lump Sum Payment:* Within three (3) business days of the execution of this Settlement, counsel to the Assignee shall file a motion (the "Settlement Motion") seeking entry of a State Court[4] order approving this Agreement in the ABC Proceeding consistent with ABC Statute (the "Order"). Within five (5) business days of the Order becoming final and not subject to timely appeal or stay, the Sovereign Group will cause $510,000.00 to be transferred to Bast Amron LLP, as counsel for the Assignee, for the benefit of NNNRI's creditors (the "Cash Settlement Payment").

   (ii) *Sovereign Funds Payment:* Contemporaneously with the transfer of the Cash Settlement Payment to Bast Amron the $25,841.82 in Trust Funds shall be released to the Assignee for the benefit of NNNRI's creditors, and the Sovereign Group shall relinquish any and all claims to entitlement of the Trust Funds.

B. Notes Claim: The Assignee investigated the Notes Claim and was provided with information and documentation relating thereto, the adequacy of which the Assignee accepted for the purpose of supporting and evidencing the Notes Claim, and determined in good faith that CNRC shall have an allowed unsecured claim against NNNRI in the amount of $16,072,245. Notwithstanding the foregoing, the Assignee shall have until five business days prior to the first hearing on the Settlement Motion to raise any issues relating to the calculation of the amount (but not the validity) of the Notes Claim. If the Assignee fails to timely raise any such issue, all such issues are deemed waived and the Notes Claim shall be allowed in the amount of 16,072,245. If any dispute as to the amount of the Notes Claim is unresolved as of the first hearing on the Settlement Motion, the parties may: (a) terminate the Settlement Agreement; or (b) continue the hearing on the Settlement Motion. Solely to the extent that any third-party has filed a claim in the ABC Proceeding that CRNC alleges had been previously assigned to CRNC (a "Third Party CNRC Claim"), CNRC's claim will be stayed (only in the amount of such

[3] To the extent there is a discrepancy between the Settlement and the terms in the instant motion, the Settlement shall control.

[4] All capitalized terms not herein defined shall have the same meaning ascribed to them in the Settlement.

alleged Third Party CNRC Claim) until such time as the Court enters an order sustaining an objection to such Third Party CNRC Claim.

C. Cooperation: Mikles and the Sovereign Group shall, within reason, cooperate with the Assignee, including providing documentation, information and testimony, and exercise reasonable efforts to (a) assist the Assignee in collecting any and all assets of the estate, (b) assist the Assignee in determining the validity of creditor claims; (c) assist the Assignee in preparing objections to creditor claims; and (d) to prepare and file any and all tax returns and tax related documents for NNNRI and any of its affiliates and subsidiaries, through and including the 2017 tax year. For the avoidance of doubt, the 2017 taxes are anticipated to be filed in the year 2018.

D. Assignee Release: Except for the DRA Claim and the Notes Claim, the Sovereign Group, including without limitation, those individuals and entities that are listed on Exhibit A agree to remise, release, acquit, satisfy, and forever discharge the Assignee (including his personal representatives, successors, heirs, attorneys, agents, and employees) and NNNRI (including its assignment estate) (together, the "Assignee Released Parties"), of and from all, and all manners of action and actions, cause and causes of action, suits, debts, dues, sums of money, accounts, reckonings, bonds, bills, penalties, covenants, contracts, controversies, agreements, promises, variances, trespasses, damages, judgments, executions, claims and demands whatsoever, in law, under contract, in tort, in equity or otherwise, which the Sovereign Group ever had, now has, hereafter can, shall or may have, against Assignee Released Parties. This release shall have no affect on the obligations created by this Agreement, the Notes Claim or the DRA Claim (all such rights being reserved). If the Settlement is not approved by the Court, the release shall be void and of no effect.

E. Sovereign Group / Related Parties Release: Upon approval of the Settlement by the State Court and receipt of the Settlement Amount, the Assignee hereby agrees to remise, release, acquit, satisfy, and forever discharge each of the Related Parties and each and every member of the Sovereign Group (and their personal representatives, successors, heirs, attorneys, agents, and employees) (together, the "Sovereign Released Parties"), of and from all, and all manners of action and actions, cause and causes of action, suits, debts, dues, sums of money, accounts, reckonings, bonds, bills, penalties, covenants, contracts, controversies, agreements, promises, variances, trespasses, damages, judgments, executions, claims and demands whatsoever, in law, under contract, in tort, in equity or otherwise, which either ever had, now has, hereafter can, shall or may have, against the Sovereign Released Parties, in any way related to NNNRI, specifically including, but not limited to, the Claims (specifically including, but not limited to, those claims in any way related to the Subject Transactions or Subject Actions). This release shall have no affect on the obligations created by this Agreement. If this Agreement is not approved by the Court, this release shall be void and of no effect. The release in favor of the Sovereign Released Parties shall

only be effective upon receipt by the Assignee of payment in full of the Settlement Amount.

F. Attorneys' Fees and Costs. In the event that any party must take any legal action to enforce the terms of this Agreement, the prevailing party shall be entitled to recover reasonable attorney's fees and costs through all trial courts and levels of appeal.

G. Binding Effect. This Agreement shall be binding upon and inure to the benefit of the Parties hereto and their respective successors and assigns, including, but not limited to, any successor assignee in the ABC Proceeding. This Agreement shall only become binding and enforceable upon the entry of an order of the Court in the Assignment Proceeding.

H. Default. If the Sovereign Group fails to pay, in full, the Settlement Amount provided for and pursuant to the schedule in paragraph 2 above, such will constitute and "Event of Default". Upon an Event of Default, the Assignee shall provide written notice of the Event of Default (the "Notice") and Sovereign shall have 30 days from receipt of the Notice to cure the Event of Default. In the event of an uncured Event of Default, the Assignee shall be entitled to a consent final judgment in the total amount $535,841.82 (less any monies paid to the Assignee under this Agreement) against Sovereign.

12. In the Assignee's business judgment, the proposed Settlement represents a reasonable settlement of the dispute between the Parties given the likely defenses, risks, and costs necessarily attendant to litigation, and is in the best interest of creditors.

13. Pursuant to Section 727.111(4), Florida Statutes, the Assignee is providing the Assignor and all creditors no less than 21 days' notice of the Settlement contemplated by this Motion.

Objections

14. Any and all objections to the Motion must be filed with the court and served upon the Assignee and undersigned counsel no later than twenty-one (21) days from service of the Motion.

15. If no objections are timely filed and served, the Assignee shall take such action as described in this Motion including and may, in the sole discretion of the Assignee, seek entry of an order approving the Motion.

16. Objections, if any, shall be heard before the Honorable Jack Tuter, Courtroom

970, at the Broward County Courthouse, 201 Southeast Sixth Street, Fort Lauderdale, Florida 33301 on **July 13, 2016 at 8:45 a.m.**, according to the Notice of Hearing served herewith.

17. **If no objections are timely filed and served, the Assignee will be authorized to take such action as described in this notice without further order of the Court. Further, the Assignee may request that the Court enter an Order granting the relief sought herein.**

WHEREFORE, the Assignee respectfully requests that this Court enter an Order: (i) authorizing the Assignee to enter into the Settlement; (ii) approving the Settlement; (iii) authorizing the Assignee to take any and all action necessary to effectuate the terms of the Settlement; (iv) finding that the Notes Claim is allowed in its entirety; (v) finding that the Assignee exercised sound business judgment by entering into the Settlement and that the Settlement is the best interest of creditors; (vi) finding that the releases contained within the Settlement are reasonable, appropriate, and entirely enforceable without further order of the Court; and (vii) granting such other relief this Court deems just and proper.

Respectfully submitted this 9th day of June, 2016.

Respectfully submitted,

BAST AMRON LLP
Attorneys for Assignee
One Southeast Third Avenue, Suite 1400
Miami, FL 33131
Telephone: 305.379.7904
Facsimile: 305.379.7905
Email: jbast@bastamron.com
Email: medelboim@bastamron.com

By: */s/ Morgan B. Edelboim*
Jeffrey P. Bast, Esq. (FBN 996343)
Morgan B. Edelboim, Esq. (FBN 40955)

CERTIFICATE OF SERVICE

I HEREBY CERTIFY that a true and correct copy of the foregoing has been sent, by U.S. Mail on the 10th day of June, 2016 to all interested parties listed on the mailing matrix and via email on this the 9th day of June, 2016 on the parties listed on the below electronic service list.

/s/ Morgan B. Edelboim
Morgan B. Edelboim, Esq.

SERVICE LIST

VIA ELECTRONIC MAIL
NNN Realty Investors, LLC
c/o Julie Hough
1351 Sawgrass Corporate Pkwy, Suite 101
Fort Lauderdale, FL 33323
jhough@houghlawgroup.com; houghlawgroup@gmail.com

Assignee of NNN Realty Advisors, LLC
c/o Scott Underwood
BUCHANAN INGERSOLL & ROONEY PC
1200 East Las Olas Boulevard, Suite 500
Fort Lauderdale, FL 33301
Scott.underwood@bipc.com
Denise.strand@bipc.com
Linda.Zhou@bipc.com

Michael Moecker & Associates, Inc.
Nadira Joseph
notices@moecker.com

Adam Kent, Esq.
PROFESSIONAL PARTNERS GROUP, LLC
895 Dove Street, Suite 300
Newport Beach, California 92663
adam@propartnersgroup.com

Brett Lieberman, Esq.
Messana, P.A.
401 East Las Olas Blvd., Suite 1400
Fort Lauderdale, FL 33301
blieberman@messana-law.com

VIA U.S. MAIL
See attached mailing matrix

EXHIBIT A

IN THE CIRCUIT COURT OF THE SEVENTEENTH JUDICIAL CIRCUIT, IN AND FOR BROWARD COUNTY, FLORIDA

COMPLEX CIVIL LITIGATION DIV.

CASE NO. CACE-15-014067

In re:

ASSIGNMENT FOR BENEFIT OF CREDITORS OF NNN REALTY INVESTORS, LLC,
Assignor,

To: RICHARD N. WALTZER,
Assignee.

SETTLEMENT AGREEMENT

This Settlement Agreement (hereinafter the "Agreement") is made this ____ day of _____, 2016 and is entered into by and between Richard N. Waltzer ("Assignee") solely in his capacity as Assignee of NNN Realty Investors, LLC, a Virginia limited liability company ("NNNRI") and Todd A. Mikles, an individual, Sovereign Capital Management Group, Inc., a Delaware corporation ("Sovereign") its affiliates, including, but not limited to, Sovereign Capital Management Holdings, LLC, Tango Yankee, LLC, Kingfisher Island, Inc., Daymark Realty Advisors, Inc. ("DRA"), and Western Place Partners, LLC ("WPP") and each of their officers, directors, shareholders, managers, agents, successors, lawyers, advisors, accountants, and employees (including Sovereign, the "Sovereign Group")[1] (together, the Sovereign Group and the Assignee, the "Parties", and each a "Party"), subject to the proper notice period and court approval.

[1] Notwithstanding that all insiders and affiliates of Sovereign Capital Management Group, Inc. are included within the definition of "Sovereign Group", for illustrative purposes, attached hereto as Exhibit "A" is a non-exclusive list of persons and entities included within the Sovereign Group.

00386469.DOCX 3 1

5-26-16

WHEREAS, on August 6, 2015 NNNRI assigned all of its assets to Assignee under Florida Statute § 727.101 et seq. (the "ABC Statute") to be liquidated for the benefit of creditors (the "ABC");

WHEREAS, in furtherance of the ABC, on August 6, 2015, Assignee filed a petition pursuant to Fla Stat. § 727.104(2)(b) in the Circuit Court of the Seventeenth Judicial Circuit in and for Broward County, Florida (the "State Court") at Case No. CACE-15-014067 (the "ABC Proceeding");

WHEREAS, Sovereign and/or members of the Sovereign Group holds an interest in an upstream owner of NNNRI, named IUC-SOV, LLC.

WHEREAS, Todd A. Mikles ("Mikles") is the president of, among others, Sovereign, NNNRI and other affiliated entities;

WHEREAS, NNNRI engaged in certain transactions with, among others, members of the Sovereign Group and other entities in which Mikles holds a direct or indirect ownership interest or position of control (the "Transactions"),

WHEREAS, based on, among other things, the Transactions, the Assignee believes the assignment estate of NNNRI has claims against Sovereign, members of the Sovereign Group, Mikles and other insiders and related parties (the "Related Parties") for, among other things, breach of contract, fraudulent transfer, unjust enrichment, breach of fiduciary duty, breach of contract, and aiding and abetting breach of fiduciary duty (the "Claims");

WHEREAS, on or about December 21, 2016, the Assignee made demand upon Mikles and members of the Sovereign Group on account of, among other things: (i) that certain promissory note given by Sovereign Capital Management Holdings, LLC, a California limited liability company ("Holdings") in favor of NNNRI in connection with a sale of NNNRI's interest

in PCCP/NNN Lavaca Plaza, LLC, a Delaware limited liability company, to Holdings (the "Lavaca Transaction"); (ii) for additional payment in connection with NNNRI's sale of its interest in NNN WP Redevelopment, L.P., a Texas limited partnership, to Kingfisher Island, Inc., a Delaware corporation ("Kingfisher") and Tango Yankee, LLC, a Wyoming limited liability company ("TY") (the "WP Transaction"); (iii) for additional payment in connection with NNNRI's sale of its interest in NNN 3500 Maple, LLC, a Delaware limited liability company ("3500 Maple"), to Sovereign (the "3500 Transaction"); (iv) to unwind a purported transaction between NNNRI and Daymark Realty Advisors, Inc., a Delaware corporation (the "DRA Transaction"); (v) the Assignee also raised certain issues with respect to the acquisition by WPP of NNNRI's interest in NNN Park Central, LLC (the "Park Central Transaction", together with the Lavaca Transaction, WP Transaction, 3500 Maple Transaction, the DRA Transaction, and any and all other transactions in any way involving NNNRI and any affiliated entity or insider (as defined in 11 U.S.C. §101 (2) & (31)), the "Subject Transactions"); and (vi) for payment on account of claims against Mikles and other Related Parties of NNNRI on account of alleged breaches of fiduciary duty, alleged usurpation of corporate opportunity, alleged aiding and abetting breach of fiduciary duty, and other alleged causes of action purportedly arising from the Subject Transactions and other business decisions made by Mikles and other Related Parties for NNNRI (the "Subject Actions");

WHEREAS, On December 21, 2015, the Assignee sent a demand letter to Mikles and the Sovereign Group seeking damages in the total amount of $1,165,352 in connection with the Subject Transactions and the Subject Actions;

WHEREAS, the Related Parties deny the Claims (specifically including, but in no way limited to, those associated with the Subject Transactions and the Subject Actions) and any liability for same;

WHEREAS, NNNRI's schedules reflect a claim by DRA in amount of approximately $425,876.95 (the "DRA Claim");

WHEREAS, Collateralized Notes Resolution Company, LLC, a Delaware limited liability company ("CNRC") asserts claims against NNNRI in the approximate amount of $16,072,245 plus accrued interest (the "Notes Claim") for claims it acquired from creditors of NNNRI;

WHEREAS, the Assignee's counsel is presently holding in trust $25,841.82 that was delivered to the Assignee in connection to the 3500 Transaction. The Sovereign Group alleges that one or more of its affiliates are entitled to said funds (the "Trust Funds") and the Assignee denies such allegation.

and in Connection to the Sale of NNNRI's Interest in PCCP/NNN Northstar Holdings, LLC

WHEREAS, to avoid the costs and uncertainty necessarily arising from litigation, the Parties wish to settle any and all of the Claims (specifically including, but in no way limited to, those associated with the Subject Transactions, the Subject Actions, and the Notes Claim) excepting only the DRA Claim;

NOW, THEREFORE, in consideration of the premises aforesaid and the mutual covenants contained herein, and for other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the Parties hereby stipulate and agree as follows:

1. Recitals. The Parties agree that the above recitals are true and correct.

2. Settlement Payment: By this Agreement the Sovereign Group and Mikles agree, jointly and severally, to pay the total settlement amount of $535,841.82 (the "Settlement Amount") to the Assignee in full and final consideration of the terms hereof as follows:

a. *Lump Sum Payment:* Within three (3) business days of the execution of this Settlement Agreement, counsel to the Assignee shall file a motion (the "Settlement Motion") seeking entry of a State Court order approving this Agreement in the ABC Proceeding consistent with ABC Statute (the "Order"). Within five (5) business days of the Order becoming final and not subject to timely appeal or stay, the Sovereign Group will cause $510,000.00 to be transferred to Bast Amron LLP, as counsel for the Assignee, for the benefit of NNNRI's creditors (the "Cash Settlement Payment").

b. *Sovereign Funds Payment:* Contemporaneously with the transfer of the Cash Settlement Payment to Bast Amron the $25,841.82 in Trust Funds shall be released to the Assignee for the benefit of NNNRI's creditors, and the Sovereign Group shall relinquish any and all claims to entitlement of the Trust Funds.

3. Notes Claim: The Assignee, having investigated the Notes Claim and having been provided with information and documentation relating thereto, the adequacy of which the Assignee accepts for the purpose of supporting and evidencing the Notes Claim, has determined in good faith that CNRC shall have an allowed unsecured claim against NNNRI in the amount of $16,072,245. Notwithstanding the foregoing, the Assignee shall have until five business days prior to the first hearing on the Settlement Motion to raise any issues relating

to the calculation of the amount (but not the validity) of the Notes Claim. If the Assignee fails to timely raise any such issue, all such issues are deemed waived and the Notes Claim shall be allowed in the amount of 16,072,245. If any dispute as to the amount of the Notes Claim is unresolved as of the first hearing on the Settlement Motion, the parties may: (a) terminate the Settlement Agreement; or (b) continue the hearing on the Settlement Motion. Solely to the extent that any third-party has filed a claim in the ABC Proceeding that CRNC alleges had been previously assigned to CRNC (a "Third Party CNRC Claim"), CNRC's claim will be stayed (only in the amount of such alleged Third Party CNRC Claim) until such time as the Court enters an order sustaining an objection to such Third Party CNRC Claim.

4. Cooperation: Mikles and the Sovereign Group shall, within reason, cooperate with the Assignee, including providing documentation, information and testimony, and exercise reasonable efforts to (a) assist the Assignee in collecting any and all assets of the estate, (b) assist the Assignee in determining the validity of creditor claims; (c) assist the Assignee in preparing objections to creditor claims; and (d) to prepare and file any and all tax returns and tax related documents for NNNRI and any of its affiliates and subsidiaries, through and including the 2017 tax year. For the avoidance of doubt, the 2017 taxes are anticipated to be filed in the year 2018.

5. Assignee Release: Except for the DRA Claim and the Notes Claim, the Sovereign Group, including without limitation, those individuals and entities that are listed on Exhibit A hereby agrees to remise, release, acquit, satisfy, and forever discharge the Assignee (including his personal representatives, successors, heirs, attorneys, agents, and employees) and NNNRI (including its assignment estate) (together, the "Assignee Released Parties"), of and from all, and all manners of action and actions, cause and causes of action,

suits, debts, dues, sums of money, accounts, reckonings, bonds, bills, penalties, covenants, contracts, controversies, agreements, promises, variances, trespasses, damages, judgments, executions, claims and demands whatsoever, in law, under contract, in tort, in equity or otherwise, which the Sovereign Group ever had, now has, hereafter can, shall or may have, against Assignee Released Parties. This release shall have no affect on the obligations created by this Agreement, the Notes Claim or the DRA Claim (all such rights being reserved). If this Agreement is not approved by the Court, this release shall be void and of no effect.

6. Sovereign Group / Related Parties Release: Upon approval of this Agreement by the State Court and receipt of the Settlement Amount, the Assignee hereby agrees to remise, release, acquit, satisfy, and forever discharge each of the Related Parties and each and every member of the Sovereign Group (and their personal representatives, successors, heirs, attorneys, agents, and employees) (together, the "Sovereign Released Parties"), of and from all, and all manners of action and actions, cause and causes of action, suits, debts, dues, sums of money, accounts, reckonings, bonds, bills, penalties, covenants, contracts, controversies, agreements, promises, variances, trespasses, damages, judgments, executions, claims and demands whatsoever, in law, under contract, in tort, in equity or otherwise, which either ever had, now has, hereafter can, shall or may have, against the Sovereign Released Parties, in any way related to NNNRI, specifically including, but not limited to, the Claims (specifically including, but not limited to, those claims in any way related to the Subject Transactions or Subject Actions). This release shall have no affect on the obligations created by this Agreement. If this Agreement is not approved by the Court, this release shall be void and of no effect. The release in favor of the Sovereign Released Parties

shall only be effective upon receipt by the Assignee of payment in full of the Settlement Amount.

7. Attorneys' Fees and Costs. In the event that any party must take any legal action to enforce the terms of this Agreement, the prevailing party shall be entitled to recover reasonable attorney's fees and costs through all trial courts and levels of appeal.

8. Notices. All notices to be sent or information to be provided under this Agreement, shall be sent to the following:

To Assignee:
BAST AMRON, LLP
c/o Morgan Edelboim, Esq.
One Southwest Third Avenue, Suite 1400
Miami, FL 33131
medelboim@bastamron.com

To Todd Mikles and/or any member of the Sovereign Group
Messana, P.A.
c/o Thomas M. Messana
401 E. Las Olas Blvd., Suite 1400
Ft. Lauderdale, FL 33301
tmessana@messana-law.com

9. Binding Effect. This Agreement shall be binding upon and inure to the benefit of the Parties hereto and their respective successors and assigns, including, but not limited to, any successor assignee in the ABC Proceeding. This Agreement shall only become binding and enforceable upon the entry of an order of the Court in the Assignment Proceeding.

10. Default. If the Sovereign Group fails to pay, in full, the Settlement Amount provided for and pursuant to the schedule in paragraph 2 above, such will constitute and "Event of Default". Upon an Event of Default, the Assignee shall provide written notice of the Event of Default (the "Notice") and Sovereign shall have 30 days from receipt of the

Notice to cure the Event of Default. In the event of an uncured Event of Default, the Assignee shall be entitled to a consent final judgment in the total amount $535,841.82 (less any monies paid to the Assignee under this Agreement) against Sovereign.

11. Entire Agreement. This Agreement constitutes the entire agreement of the Parties hereto as to the subject matter hereof. The undersigned acknowledge that there are no communications or oral understandings contrary, different, or that in any way restrict this Agreement, and that all prior agreements or understandings within the scope of the subject matter of this Agreement are, upon the execution and delivery of this Agreement, superseded, null and void.

12. Amendments. No waiver, modification or amendment of the terms of this Agreement shall be valid or binding unless made in writing, signed by the party to be charged and then only to the extent as set forth in such written waiver, modification, or amendment.

13. Counter-Parts. The Parties may execute this Agreement in whole or counterparts, and execution of counterparts shall have the same force and effect as if the parties had signed the same instrument. Signatures transmitted electronically or by facsimile shall have the same effect as original signatures.

14. Choice of Law. This Agreement shall be governed by, and construed and enforced in accordance with, the laws of the State of Florida, without regard to its conflict of law principles.

15. Neutral Interpretation. In the event any dispute arises among the Parties with regard to the interpretation of any term of this Agreement, all of the Parties shall be

considered collectively to be the drafting party and any rule of construction to the effect that ambiguities are to be resolved against the drafting party shall be inapplicable.

16. Authority. Each Party to this Agreement warrants and represents that the person signing this Agreement on its behalf is duly authorized to enter into this Agreement on behalf of such party. Each Party signing this Agreement separately acknowledges and represents that this representation and warranty is an essential and material provision of this Agreement and shall survive execution of this Agreement.

17. Illegality. If any clause, provision, or paragraph of this Agreement shall, for any reason, be held illegal, invalid, or unenforceable, such illegality, invalidity, or enforceability shall not affect any other clause, provision, or paragraph of this Agreement, and this Agreement shall be construed and enforced as if such illegal, invalid, or unenforceable clause, paragraph, or other provision had not been contained herein, except if the release granted by the Trustee in this Agreement is deemed to be unenforceable, illegal, or invalid, then the release shall be of no force and effect, and this Agreement be deemed null and void.

18. Advice of Counsel. The Parties acknowledge that they have been represented by counsel or have had the opportunity to consult with counsel of their own choice in the negotiations leading up to the execution of this Agreement and that they have read this Agreement and have had the opportunity to receive an explanation from legal counsel regarding the legal nature and effect of the same, and each Party has had it fully explained to them by their counsel (as applicable) and understands the terms and provisions of this Agreement and its nature and effect. Each Party further represents that they are entering into this Agreement freely and voluntarily, relying solely upon the advice of their own counsel

(as applicable), and not relying on the representation of any other Party or of counsel for any other Party.

19. Acknowledgement. This Agreement was executed after arm's length negotiations between the Parties and their respective counsel (as applicable), and reflects the conclusion of the Parties that this Agreement is in the best interests of the Parties.

IN WITNESS HEREOF, the undersigned, being duly authorized, have caused this Agreement to be executed as of the date shown above.

[Signature pages to follow]

6/1/2016

Richard Waltzer, Assignee of NNN Realty Investors, LLC

5.26.16

Todd Mikles, individually

Sovereign Capital Management Group, Inc.

By: Todd A. Mikles

Its: President

5.26.16

Tango Yankee, LLC

By: Todd A. Mikles

Its: Manager

Kingfisher Island, Inc.

By:

Its: President

Daymark Realty Advisors, Inc.

By:

Its: President

Exhibit "A"

American Recovery Property Trust, Inc.

Daymark Properties Realty, Inc.

Daymark Residential Management, Inc.

Daymark Residential Management, LLC

Dei-Doge, Inc.

EIS Recovery Strategies, LLC

Etienne Locoh-Donou

Ike Franco

Infinity Urban Century, LLC

IUC-SOV, LLC

Karron Wardwell

Professional Partners Group, LLC

Robert Sparks

Steven Kassin

Sovereign Investment Management Company, GP, Inc.

Todd A. Mikles

Western Place Partners, LLC

Filing # 42560336 E-Filed 06/09/2016 05:09:19 PM

IN THE CIRCUIT COURT OF THE SEVENTEENTH JUDICIAL CIRCUIT, IN AND FOR BROWARD COUNTY, FLORIDA

COMPLEX CIVIL LITIGATION DIV.

CASE NO. CACE-15-014067

In re:

ASSIGNMENT FOR BENEFIT OF CREDITORS OF

NNN REALTY INVESTORS, LLC,
Assignor,

To: RICHARD N. WALTZER,
Assignee.
_____/

NOTICE OF HEARING
(Motion Calendar)

PLEASE TAKE NOTICE that the undersigned counsel will call up for hearing before the Honorable Judge Jack Tuter, Broward County Courthouse, 201 S.E. 6th St., Courtroom 970, Ft. Lauderdale, FL 33301 on Wednesday, July 13, 2016 at 8:45 A.M., or as soon thereafter as the parties may be heard the following:

MOTION TO APPROVE SETTLEMENT BETWEEN ASSIGNEE TODD MIKLES AND SOVEREIGN CAPITAL MANAGEMENT GROUP, INC. AND RELATED PARTIES

I hereby certify that A) I have made a good faith attempt to resolve this matter prior to my noticing this motion for hearing, and B) the issues before the Court may be heard and resolved by the court within five (5) minutes.

Dated: June 9, 2016

Respectfully submitted,
BAST AMRON LLP
Attorneys for Assignee
One Southeast Third Avenue, Suite 1400
Miami, FL 33131
Telephone: 305.379.7904
Facsimile: 305.379.7905
Email: jbast@bastamron.com
Email: medelboim@bastamron.com

By: */s/ Morgan B. Edelboim*
Jeffrey P. Bast, Esq. (FBN 996343)
Morgan B. Edelboim, Esq. (FBN 40955)

CERTIFICATE OF SERVICE

I HEREBY CERTIFY that a true and correct copy of the foregoing has been sent, by U.S. Mail on the 10th day of June, 2016 to all interested parties listed on the mailing matrix and via email on this the 9th day of June, 2016 the parties listed on the attached electronic service list.

/s/ Morgan B. Edelboim
Morgan B. Edelboim, Esq.

If you are a person with a disability who needs any accommodation in order to participate in this proceeding, you are entitled, at no cost to you, to the provision of certain assistance. Please contact the ADA Coordinator, Room 470, 201 S.E. Sixth Street, Fort Lauderdale, Florida 33301, 954-831-7721 at least 7 days before your scheduled court appearance, or immediately upon receiving this notification if the time before the scheduled appearance is less than 7 days; if you are hearing or voice impaired, call 711.

SERVICE LIST

VIA ELECTRONIC MAIL
NNN Realty Investors, LLC
c/o Julie Hough
1351 Sawgrass Corporate Pkwy, Suite 101
Fort Lauderdale, FL 33323
jhough@houghlawgroup.com
houghlawgroup@gmail.com

Assignee of NNN Realty Advisors, LLC
c/o Scott Underwood
BUCHANAN INGERSOLL & ROONEY PC
1200 East Las Olas Boulevard, Suite 500
Fort Lauderdale, FL 33301
Scott.underwood@bipc.com
Denise.strand@bipc.com
Linda.Zhou@bipc.com

Michael Moecker & Associates, Inc.
Nadira Joseph
notices@moecker.com

Adam Kent, Esq.
PROFESSIONAL PARTNERS GROUP, LLC
895 Dove Street, Suite 300
Newport Beach, California 92663
adam@propartnersgroup.com

Brett Lieberman, Esq.
Messana, P.A.
401 East Las Olas Blvd., Suite 1400
Fort Lauderdale, FL 33301
blieberman@messana-law.com

VIA U.S. MAIL
See attached mailing matrix

Abbinanti, Francesco & Joni E.
799 Overlook Dr
Winter Haven, FL 33884-1671

Ackerman, Stuart
7034 E Crocus Dr
Scottsdale, AZ 85254-3473

Adams, Carolyn
823 9th Street
Golden, CO 80401

Adduci, Lois J.
32 Candlewood Pl
Walnut Creek, CA 94595-2601

Akerblom, Bengt Erik
1001 FOURTH AVENUE SUITE 2200
SEATTLE, WA 98154-1100

Altman, Philip D. & Anne J.
6382 Fenworth Ct
Agoura Hills, CA 91301-4104

Anderson, Richard I. & Althea M.
8725 SW 95th St Unit E
Ocala, FL 34481-8447

Arlein, Gail
555 S Federal Hwy Ste 430
Boca Raton, FL 33432-5504

Auger, Paul C
120 E. Palmetto Park Rd.
Boca Raton, FL 33432

Barnes, Leslie D.
610 Barbre Lane
Corona, CA 92879

Barrett, Andrew A
8569 Cordes Cir Ste 1
Germantown, TN 38139-3317

Barrett, Donald A.
204 Quincy Drive
Huntsville AL 35801

Barrett, Matthew C.
8569 Cordes Cir Ste 1
Germantown, TN 38139-3317

Barrett, Matthew C.
204 Quincy Drive
Huntsville AL 35801

Barrett, Milton R.
8569 Cordes Cir Ste 1
Germantown, TN 38139-3317

Bauman, Steven B.
2825 S Dw Ranch Rd
Kingman, AZ 86401-8610

Beh, Walter P.
Stone Quarry Crossing 811 Camp Horne Rd
Ste 100
Pittsburgh, PA 15237-1282

Belmonte, Peter J. Sr.
1001 FOURTH AVENUE SUITE 2200
SEATTLE, WA 98154-1100

Benson, Leonard E
6885 Lowell Blvd
Denver, CO 80221

Berlin, Judith
11 Ann Ct
Tinton Falls, NJ 07724-3031

Bery, Adarsh B.
4410 Lake Forest Dr E
Ann Arbor, MI 48108-9684

Bischoff, Peter S.
1008 Freshly Mill Rd
Irmo, SC 29063

Bissonette, Peter H.
2451 Bluff Dr
Shakopee, MN 55379-8900

Biwer, Joseph P.
3905 172nd St NE
Arlington, WA 98223-7736

Blakley, Mark J.
8569 Cordes Cir Ste 1
Germantown, TN 38139-3317

Blunck, Edward E.& Larklyn
1106 2nd St # 628
Encinitas, CA 92024-5008

Bond, Lorie L.
16957 W 73rd Place
Arvada, CO 80007-7649

Boyer, Kenneth
85 Park Ave
Emerson, NJ 07630-1718

Bratton, Bobby R.
8569 Cordes Cir Ste 1
Germantown, TN 38139-3317

Bressman, Roberta
3837 Hollywood Boulevard Suite B
Hollywood, FL 33021-0000

Broadbent, Jon D.
1312 52nd Avenue NE
St. Petersburg, FL 33703

Busby, William R.
8569 Cordes Cir Ste 1
Germantown, TN 38139-3317

Campanella, John D.
5150 S Danube St
Centennial, CO 80015-4873

Fleischman, David Terry
8569 Cordes Cir Ste 1
Germantown, TN 38139-3317

Forst, Peter & Barbara
2040 Wolverine Ct
Henderson, NV 89052-6999

Foster, Sharon E.
3201 Hurst Road
Auburndale, FL 33823

Caramagno, Dorothy
5002 W Waters Ave
Tampa, FL 33634-1313

Carroll, David J. & Kathleen M.
33 Grey Coach Rd
Reading, MA 01867-1367

Chin, Elaine M.
12536 Utopia Way
San Diego, CA 92128-2229

Frohlichstein, David
500 Park Blvd Ste 800
Itasca, IL 60143-3169

Frohlichstein, Julie L.
1650 E Main St Ste 201
St. Charles, IL 60174

Fuller, Garry L.
Stone Quarry Crossing
811 Camp Horne Rd Ste 100
Pittsburgh, PA 15237-1282

Ching, Julie D.
1601 Emerald Bay Dr.
Reno, NV 89521-4120

Chires, Michael L.
37627 Pembroke Ave
Livonia, MI 48152

Cockerell, Lee A.
9163 Great Heron Cir
Orlando, FL 32836-5486

Galatz, Elaine B.
8000 Maryland Ave Ste 1030
Saint Louis, MO 63105-3947

Gallagher, Teresa L
202 Viola Lane
Prospect Heights, IL 60070-1237

Gamble, Sandra L.
Stone Quarry Crossing
811 Camp Horne Rd Ste 100
Pittsburgh, PA 15237-1282

Cohen, Edward
11032 Via Lucca
Boynton Beach, FL 33437-7503

Counce, Craig E.
PO Box 16235
San Francisco, CA 94116

Crawford, Bobby & Marcie
1589 N Lake Shipp Dr SW
Winter Haven, FL 33880-2754

Gerber, Lois
5002 W Waters Ave
Tampa, FL 33634-1313

Gjengdahl, Elizabeth
119 Eagle Drive PO Box 477
Coleraine, MN 55722-0477

Glick, Richard
6633 S Halm Ave
Los Angeles, CA 90056-2225

Crea, John
748 Riverbend Blvd
Longwood, FL 32779-2349

Cuthbertson, James H. & Janet M.
4325 Camano Ct NE
Lacey, WA 98516-6275

Davis, Mary S.
6447 28 Avenue North
St. Petersburg, FL 33710

Goble, James Ray
6546 Pawnee Dr
Charlotte, NC 28214-2848

Greenspoon, Alexander S
2618 Ultra Vista Dr
Maitland, FL 32751-5179

Grevengoed, Gordon L.
15 Princeton Ct
Zeeland, MI 49464-2082

Della Rocca, Diane
252 Helm Ln
Bayshore, NY 11706

Diener, Lawrence
85 Park Ave
Emerson, NJ 07630-1718

Dore, David D.
C/O Stephen F. Valentine 1617 Woodward Street
Orlando, FL 32803

Gupta, Vijay K.
8569 Cordes Cir Ste 1
Germantown, TN 38139-3317

Haburjak, Joseph J.
4531 Water Oak Dr
Lake Wylie, SC 29710-8058

Hall, David G.
2825 Juniper Dr
Golden, CO 80401-1326

Douglas, David Lloyd
17592 Irvine Blvd Ste 210
Tustin, CA 92780-3126

Drum, Dean C.
1621 Open Pastures Way
Zebulon, NC 27597

Erickson, Polly Ann
P.O.BOX 2384
Tofte, MN 55615

Hannon, Dennis
5002 W Waters Ave
Tampa, FL 33634-1313

Harbaugh, Michael L.
905 SW 166th Ave
Beaverton, OR 97006-4974

Harney, Patrick D.
1001 FOURTH AVENUE SUITE 2200
SEATTLE, WA 98154-1100

Evans, George W.
10422 Balliet Dr
Villa Park, CA 92861-4234

Fagan, Katherine
5002 W Waters Ave
Tampa, FL 33634-1313

Fairchild, Larry J.
799 Overlook Dr
Winter Haven, FL 33884-1671

Harris, T. Wayne
799 Overlook Dr
Winter Haven, FL 33884-1671

Hay, Howard C.
24901 Dana Point Harbor Drive Ste-230
Dana Point, CA 92629

Heaton, Larry C
5042 Swallon Ct.
Klamath Falls, OR 97603

Fasolo, Joseph
9798 Pintail Pl
St Michaels, MD 21663

Fearing, Clifford P.
119 Eagle Drive PO Box 477
Coleraine, MN 55722-0477

Ferrara, Jacqueline
1 Hovchild Plaza 4000 rt. 66 Suite 331
Tinton Falls, NJ 07753

Hemmerling, Beverly J.
709 Virginia Rd
Fullerton, CA 92831-1945

Henley, Ronald D.
39650 US Highway 19 Norht, Unit 123
Tarpon Springs, FL 34689

Higgins, Andrew
1001 FOURTH AVENUE SUITE 2200
SEATTLE, WA 98154-1100

Ferrara, John
1 Hovchild Plaza 4000 rt. 66 Suite 331
Tinton Falls, NJ 07753

Ferrara, Nicholas
1 Hovchild Plaza 4000 rt. 66 Suite 331
Tinton Falls, NJ 07753

Ferrari, Don Lee
615 S State Highway 49 - A
Ste. 144
Jackson, CA 95642

Hiler, Lloyd D.
8569 Cordes Cir Ste 1
Germantown, TN 38139-3317

Holmes, Deborah F.
39 Cannon Mill Ct
North Augusta, SC 29860

Horning, Robert A.
6633 S Halm Ave
Los Angeles, CA 90056-2225

Horning, Sanford L.
6633 S Halm Ave
Los Angeles, CA 90056-2225

Imming, Judith K
500 Park Blvd Ste 800
Itasca, IL 60143-3169

Imming, Judith K
48 Hillcrest Dr
Sugar Grove, IL 60554-8208

Ludwig, Howard F.
13235 131st St
Lemont, IL 60439-6763

Madrid, Jose A.
2744 Thunder Bay Ave
Henderson, NV 89052-7001

Magers, Brent E.
5002 W Waters Ave
Tampa, FL 33634-1313

Insalaco, Joseph S.
333 Las Olas Way, Apt-2610
Ft Lauderdale, FL 33301-2381

Jaffe, Shirley
3395 Mountain Breeze Way Apt 227
Thousand Oaks, CA 91360-8462

Jarvis, Susan M.
532 College Drive Apt 521
Henderson, NV 89015

Magers, Loleta M.
5002 W Waters Ave
Tampa, FL 33634-1313

Malasanos, Toree
3002 SW 95th Ter
Gainesville, FL 32608

Maranhas, Kurt I
39W200 Woodgate Rd
St Charles, IL 60175-7723

Keene, Sally W.
5002 W Waters Ave
Tampa, FL 33634-1313

Kerman, ILya & Dolly
4057 Saltspring Drive
Ferndale, WA 98248

Kerr, Carloyn F
799 Overlook Dr
Winter Haven, FL 33884-1671

Mayes, S. Ronald TTEE
3303 Michener Place
Plant City, FL 33566

McClure, Marjorie Ann
4866 Viewmont St
Holladay, UT 84117-5342

McFarland, Diane
216 Mclean Pt
Winter Haven, FL 33884

Kirdahy, Irene I.
555 S Federal Hwy Ste 430
Boca Raton, FL 33432-5504

Knechtel, Robert K.
Stone Quarry Crossing 811 Camp Horne Rd
Ste 100
Pittsburgh, PA 15237-1282

Knott, Roger D. & Carol J.
2880 Bicentennial Pkwy PMB #11 Suite 100
Henderson, NV 89044-4483

McKenna, Thomas W.
311 Forepeak Ave
Beachwood, NJ 08722

Menken, Eric L
PO Box 996
Faith, NC 28041-0996

Metzger, Nancy D.
32 Candlewood Pl
Walnut Creek, CA 94595-2601

Koza, Walter
215 Preston Dr
Mountain View, CA 94040-4428

Kranz, Patricia A.
1111 Douglas Avenue
Altamonte Springs, FL 32714

Krishnan, Vijayalakshmi
7306 Near Thicket Way
Laurel, MD 20707-9451

Monteleone, Andrew L.
5002 W Waters Ave
Tampa, FL 33634-1313

Mundy, Alan Edward TTEE
5002 W Waters Ave
Tampa, FL 33634-1313

Musso, Ellen G.
3241 Brimhall Dr.
Los Alamitos, CA 90720

Kronenberg, Jerry
8569 Cordes Cir Ste 1
Germantown, TN 38139-3317

Kustoff, Marc
85 Park Ave
Emerson, NJ 07630-1718

La Rocca, Joseph R.
5002 W Waters Ave
Tampa, FL 33634-1313

Nicholas, Jacqueline L.
PO Box 250
Diablo, CA 94528-0250

Nielsen, Peggy Ann
6633 S Halm Ave
Los Angeles, CA 90056-2225

Nikitina, Alvetina Anatolyevna
2636 Blackwolf Run Ln
Raleigh, NC 27604-5428

LaFlesch, Jack
6559 Water Crossing Ave
Las Vegas, NV 89131-0216

Lakdawala, Fred
4748 Edgeware Road
San Diego, CA 92116

Laudadio, Robert P.
14 Alba Pl.
Parsippany, NJ 07054

Norwood, Brenda C.
5002 W Waters Ave
Tampa, FL 33634-1313

Oliver, Michael T.
420 W Rowland St
Covina, CA 91723-2943

Orem, Gary & Janie
P.O Box 784
Merill, OR 97633

Law, William
Stone Quarry Crossing
811 Camp Horne Rd Ste 100
Pittsburgh, PA 15237-1282

Ledbetter, Loy W. Jr.
8000 Maryland Ave Ste 1030
Saint Louis, MO 63105-3947

LeFevre, Daniel J. TTEE
1491 W Fairbanks Ave
Winter Park, FL 32789-4862

Orthner, Donald P.
109 Hiawatha Drive
Greenville, SC 29615-1528

Overstreet, George H.
799 Overlook Dr
Winter Haven, FL 33884-1671

Pannara, Pairat & Winita
8834 El Presidente Ave
Fountain Valley, CA 92708-4306

Lehman, Sandra Oser
8569 Cordes Cir Ste 1
Germantown, TN 38139-3317

Levine, Jerome & Barbara
6797 Southport Drive
Boynton Beach, FL 33472

Lippman, Alfred E.
8000 Maryland Ave Ste 1030
Saint Louis, MO 63105-3947

Parisi, John & Dianne
5225 N. Ironwood Ln., Ste. 103
Glendale, WI 53217-4909

Patel, Shirien
PO Box 347
Blowing Rock, NC 28605

Pearl, Carol
2810 E. Oakland Park Blvd, Ste. 101
Fort Lauderdale, FL 33306

Loeffler, Conde
555 S Federal Hwy Ste 430
Boca Raton, FL 33432-5504

Loeffler, Joseph
555 S Federal Hwy Ste 430
Boca Raton, FL 33432-5504

Loza, Robert L. & Tracy M.
799 Overlook Dr
Winter Haven, FL 33884-1671

Peaton, Michael H.
5002 W Waters Ave
Tampa, FL 33634-1313

Perrin, Frank W.
1755 E Lake Rd S, Apt 313
Tarpon Springs, FL 34688

Persky, Joleene B.
3022 Driscoll Dr
San Diego, CA 92117-4316

Phelps, Leroy S
42W288 Ravine Dr
St Charles, IL 60175-8269

Pitts, J. Terry
8569 Cordes Cir Ste 1
Germantown, TN 38139-3317

Ponn, Dennis
1473 SW 156th Way
Pembroke Pines, FL 33027

Sherman, Helen A.
43 S. Pompano Pkwy #272
Pompano Beach, FL 33069

Shipkey, Verena H.
8569 Cordes Cir Ste 1
Germantown, TN 38139-3317

Shumate, William J.
1001 FOURTH AVENUE SUITE 2200
SEATTLE, WA 98154-1100

Posner, David H.
8569 Cordes Cir Ste 1
Germantown, TN 38139-3317

Pree, Sandra K.
1001 FOURTH AVENUE SUITE 2200
SEATTLE, WA 98154-1100

Prince, Harvey I.
555 S Federal Hwy Ste 430
Boca Raton, FL 33432-5504

Simes, Marvin
2810 E. Oakland Park Blvd, Ste. 101
Fort Lauderdale, FL 33306

Simmons, Mark A.
3281 Grace Ann Drive
Vineland, NJ 08360-2033

Snydeman, Mary Lou
5002 W Waters Ave
Tampa, FL 33634-1313

Quintanilla, Arturo
5404 Brookside Dr
Argyle, TX 76226

Redmond, John E.
369 Dartmoor Dr
Crystal Lake, IL 60014-8613

Ridgway, Eliza L.
8569 Cordes Cir Ste 1
Germantown, TN 38139-3317

Soggin, Parolea P.
3225 Summer Wind Ln, Apt 2011
Littleton, CO 80129-2459

Stewart, Robert C.
Stone Quarry Crossing
811 Camp Horne Rd Ste 100
Pittsburgh, PA 15237-1282

Stucki, Walter A. & E. Marguerite Jr.
819 Tred Avon Rd
Baltimore, MD 21212

Rienhardt, Mona
4144 Saunders Drive
Middleburg, FL 32068-7110

Riley, John N.
2281 Meadow Rd
Pittsburgh, PA 15237-1647

Robertson, Linda S.
6040 State Route 53, Ste. A.
Lisle, IL 60532-3393

T.E.Thom Pension Plan, Theodore E. Thom, TTE
11311 Kestrel RD.
Klamath Falls, OR 97601-6224

Tait, Jane S.
Stone Quarry Crossing
811 Camp Horne Rd Ste 100
Pittsburgh, PA 15237-1282

Talley, Terry R.
17011 Snow Creek Ln
Morrison, CO 80465-9682

Roeder, Larry R.
701 Tama St
Marion, IA 52302-4806

Rominger, M. Fran
1057 Guinda Street
Palo Alto, CA 94301

Rosini, Dennis
5113 Marble Falls Ln
Plano, TX 75093-7546

Taylor, Philip M
4435 Highgrove Pointe
Atlanta, GA 30319-1002

Thomas, Edgar A.
246 Santa Rosa Dr
Winter Haven, FL 33884-3801

Thomas, Gordon E.
1037 Thomas Rd
Winter Haven, FL 33880-5649

Rubenfeld, Caryl P.
5402 Godfrey Road
Coral Springs, FL 33067

Russell, Ronald C.
3174 Presidential Dr
Fairborn, OH 45324-2039

Sandler, Marvin M.
15654 Loch Maree Ln Apt 6404
Delray Beach, FL 33446-3219

Thomas, Irma M.
1037 Thomas Rd
Winter Haven, FL 33880-5649

Thomas, Phil A. & Karen S
1062 Thomas Rd
Winter Haven, FL 33880-5649

Thompson, Sharon D.
258 Calle Campesino
San Clemente, CA 92672-4553

SAS Group Inc., TTEE
220 White Plains Rd Ste 135
Tarrytown, NY 10591

Scavullo, Francisco
2 Ethel Road Suite 201 A
Edison, NJ 08817

Schaffer, Harriet C
8569 Cordes Cir Ste 1
Germantown, TN 38139-3317

Tonkin, Pamela M.
1717 Thomas Dr
Clearwater, FL 33759-1924

Tryggestad, Laurie
2708 Cub Lake Dr.
Loveland, CO 80538-8401

Tursky, Henry P. & Doris
6532 SW 107th St
Ocala, FL 34476-4809

Scheuner, Marcia L.
8569 Cordes Cir Ste 1
Germantown, TN 38139-3317

Schleich, Donald
194 Hudson Ave
Freeport, NY 11520-6243

Schmidt, John A. & Mary P.
7448 Pinewalk Dr S
Margate, FL 33063-8109

Umbach, Richard & Kristin L.
6040 State Route 53, Ste. A.
Lisle, IL 60532-3393

Urdan, Susan J
27793 N 130th Dr
Peoria, AZ 85383-7620

Veghte, John W.
2453 Lake Point Ln
Clearwater, FL 33762-3339

Schmiedel, Don
1648 Pawnee Dr
Las Vegas, NV 89169-3131

Schmitt, John H.
23623 N. Scottsdale Rd., Ste. D3
Scottsdale, AZ 85255-3471

Schnorf, James R TTEE
531 Estates Pl
Longwood, FL 32779-2857

Verant, Christine A.
119 Eagle Drive PO Box 477
Coleraine, MN 55722-0477

Voorhies, Talle
2515 Andover Pl.
Costa Mesa, CA 92626

Vossen, Michael
3450 Riverknoll Way
West Linn, OR 97068-3625

Schultz, Dana & Shirley
2949 Firethorne Ave
Fullerton, CA 92835-1938

Scott, Judith A.
9001 Southern Orchard Rd N
Davie, FL 33328-6985

Shaw, Jerald K. & Joanne C.
101 Promenade Ave., Apt. 231
Wayzaa, MN 55391-4020

Wade, Ruth I.
8569 Cordes Cir Ste 1
Germantown, TN 38139-3317

Ward, Wade L. & Linda T.
8804 SE 130th Loop
Summerfield, FL 34491-8256

Webb, Terrell O. Sr.
3106 Hurst Road
Auburndale, FL 33823

Weiner, Peter I.
5580 Emerald Ridge Pkwy Apt D
Solon, OH 44139-1878
CSNote holders

Weiss, Dennis
8569 Cordes Cir Ste 1
Germantown, TN 38139-3317

Weiss, Leo M.
3008 S Dallas Way
Denver Co. 80210

Fifth Third Bank
222 South Riverside Plaza, 30th Floor
MD GRVR0F
Chicago, IL 60606

Wachovia Bank, N.A.
Real Estate Financial Svcs General Banking Group, Mail Code: CA 6233
15750 Alton Parkway
Irvine, CA 92618

MMA/Transwestern Mezzanine Realty Partners IL, LLC
c/o MMA Realty Capital, Inc.
111 South Wacker Drive, Suite 4910
Chicago, IL 60606

Westmiller, Arlo & Verdell
21W 253 Woodview Dr.
Itaska, IL 60143

Widrig, Susanna Eve TTEE
5995 Chemin Corriveau
Compton, QC J0B ILO

Wiedersum, Beatrice
555 S Federal Hwy Ste 430
Boca Raton, FL 33432-5504

Barclays Capital Real Estate, Inc.
200 Park Avenue
New York, NY 10166

Barclays Capital Real Estate, Inc.
C/O CT CORPORATION SYSTEM
111 EIGHTH AVENUE
NEW YORK, NEW YORK, 10011

CDC Mortgage Capital, Inc.
9 West 57th Street
New York, NY 10019

Wilkalis, Catherine R.
3027 Warm Springs Road Suite # 100
Las Vegas, NV 89120

Williamson, Francis B. Jr.
8569 Cordes Cir Ste 1
Germantown, TN 38139-3317

Williamson, Henry E.
5002 W Waters Ave
Tampa, FL 33634-1313

Deutche Bank Mortgage Capital, LLC
60 Wall Street, 11th Floor, NYC60-1120
New York, NY 10005

CWCapital, LLC
One Charles River Place
63 Kendrick Street
Needham, MA 02494

INSOLVENCY UNIT
District Dir. Of IRS CHIEF (SPF)-Mstop 57
400 W. Bay Street
Jacksonville, FL 32202
Additional addresses added by Maria

Wilson, Eloise S.
4171 Aberdeen Ln
Lake Wales, FL 33859-5720

Wolf, John L.
799 Overlook Drive
Winter Haven, FL 33884

Wright, John D.
4362 Ulysses Way
Golden, CO 80403-1920

Internal Revenue Service
Insolvency Unit - Stop 5730
7850 S.W. 6th Ct. Room 165
Plantation, FL 33324

Internal Revenue Service
District Counsel-Dept. Treas.,STOP 8000
51 S.W. 1st Avenue, RM 1114
Miami, FL 33130

STATE OF FLORIDA DEPT OF REV
ATTN: BANKRUPTCY
POST OFFICE BOX 6668
TALLAHASSEE, FL 32314-6668

Zampaglione, Lucy
1 Craig Place
Fairfield, NJ 07004

Zurburg, Richard A.
8569 Cordes Cir Ste 1
Germantown, TN 38139-3317

Thomas Cadden, Cadden & Fuller, LLP
114 Pacifica, Suite 450
Irvine, CA 92618
Lawsuits

FLORIDA POWER & LIGHT
BANKRUPTCY DEPARTMENT (RRD-GO)
POST OFFICE BOX 025209
MIAMI, FL 33102-5209

Bernstein, Paul
c/o Issa F. Mikel, CADDEN & FULLER LLP
114 Pacifica, Suite 450
Irvine, CA 92618

Bonnie Richards
c/o Ed Kurzawa, SAS Group, Inc.
220 White Plains Road
Tarrytown, NY 10591

Kenneth Catanzarite, Catanzarite Law
2331 W. Lincoln Avenue
Anaheim, CA 92801

Steven R. Smith, Perkins Coie, LLP
500 N Akard St Ste 3300
Dallas, TX 75201

Tom VanArsdel, Winstead PC
1100 JPMorgan Chase Tower
600 Travis Street
Houston, TX 77002

Adam Kent
PROFESSIONAL PARTNERS GROUP, LLC
895 Dove Street, Suite 300
Newport Beach, California 92663

Brett Lieberman
Las Olas City Centre, Suite 1400
401 East Las Olas Boulevard
Ft. Lauderdale, Florida 33301

Eric Schaffer
Reed Smith LLP
225 Fifth Avenue
Pittsburgh, PA 15222-2716

Thomas Stark, Stark Law Group, PLLC
6011 Farrington Road, Suite 300
Chapel Hill,NC 27517

Daymark Realty Advisors, Inc.
110 E. Broward Blvd., Suite 1700
Fort Lauderdale, Florida, 33301

Nomura Credit & Capital, Inc.
2 World Financial Center, Building B
New York, NY 10281

NNN Capital Fund I, LLC
750 B St., Suite 2620
San Diego, CA 92101

American Arbitration Association
45 E. River Park Place West, Suite 308
Fresno, CA 93720

Collateralized Notes Resolution Company, LLC
750 B Street, Suite 2629
San Diego, California 2620

Archon Financial, L.P.
600 East Las Colinas Boulevard
Suite 450
Irving, TX 75039

Archon Financial, L.P.
200 West St
New York, NY 10282

German Americanm Capital Corporation
60 Wall Street, 11th Floor
New York, NY 10005
Unsecured claims on Schedule A

Felix Eden - Collection Administration
American Arbitration Association
120 Broadway 21st Floor
New York, NY 10271

Alex Mendelis & Vivian Mendelis
Trustees of the Mendelis Family Trust
5000 Rubio Avenue
Encino, CA 91436

Barry W. Breen
7 Cynthia Road
Windham, NH 03087

PNC Bank, National Association
10851 Mastin, Suite 300
Overland Park, KS 66210

UBS Real Estate Investments, Inc.
1285 Avenue of the Americas
11th Floor
New York, NY 10019

General Electric Capital Corporation
c/o GEMSA Loan Services, L.P.
1500 City West Blvd., Suite 200
Houston, TX 77042

Bruce Laing and Marilyn Laing
6295 Oak Leaf Ln N
Fayetteville PA 17222

Charles Garavaglia
145 Knobby View Drive
Highland, Michigan 48357

Charles R. Betz. TTE
4334 Mammoth Ave #10
Sherman Oaks, CA 91423

General Electric Capital Corporation
c/o GEMSA Loan Services, L.P.
929 GESSNER RD STE 1700
HOUSTON, TX 77024-2317

La Salle Bank, N.A.
135 South LaSalle Street, Suite 1225
Chicago, IL 60603

Fleet National Bank
111 Westminster Street, Suite 800
Providence, RI 02903

Cindy Chia-Wen Chiu Ugolick
244 Calle Concordia
San Dimas, CA 91773

Diana Beth Mohler
1 Tablazon Valley Dr.
Tijeras, NM 87059

Don Asher
915 Steele St
Denver, Colorodo 80206

Donald E. Gehrlein (Don)
54771 Grenelefe Cir E
South, Lyon, MI 48178-9482

Donald Keith Neihart
1349 Hidden Canyon
Prescott, AZ 86305

Dorothea S. Muller
5116 Telford Lane
Louisville, KY 40241

Rocco & Dixie Celebrezze
4101 Galway Cove
Buckner, KY 40010-8849

Ronald A. Leathers
102 Kilchurn Ln.
Inverness, IL 60067

Rosarie Pagliocca
3392 Tinya Ct.
Jacksonville, FL 32226

Duane Borgan
715 Olive St.
Hoffman Estates, Il 60169

Edward Van Wyckhouse
36 Surrey Drive
Wayne, NJ 07470

Fahn M. Rayl
616 N. Cherokee Way
Mustang,OK 73064

Scott Y. Nee/Hsiu Lin Nee
P.O. Box 4073
Culver City, CA 90231

Shellie Dispirito
4900 Overland Ave., #324
Cullver City, CA 90230-4292

Shin Pei Yu
10401 Strathmore Park Ct., #403
Rockville, MD 20852

Hasan M. Obedala and Ruth Obedala
507 McDonald Dr
Nashville, TN 37217

James L. Boger
P.O. Box 785
Richfield NC 28137

Janet S. McAfee,
Declaration of Trust date 3/11/04
412 Bayshore Drive
Osprey, FL 34229

Steven R. Tonkin
7410 Brentwood Circle
Lincoln, NE 68506

Susan Gadomski Pulley/John P Gebaroff
PO Box 74
Townsend, GA 31331

Steve and Jacqueline Rodriguez Trust
47 S. Circle Dr
Santa Cruz, CA 95060

Jeffrey White
6731 Lowes Creek CT
Eau Claire, WI 54701

Josef Riemhofer
8 Vistara Dr.
Rancho Mirage, CA 92270-4812

Kenneth & Roberta Lonoff
20554 N. Enchantment Drive
Surprise, Arizona 85387-2815

The Stromberg Family Trust 12/13/11
1720 Crestside Ct.
Sparks, NV 89436

Wayne & Donna Biasi
74 Brown Road
Middletown, NY 10941

Wayne Willhoft
The Willhoft Family Trust
4033 Mt Baldy Rd
Claremont, CA 91711

Kenneth Hall and Irene Hall Kibble
8211 Forest Lake Drive
Conway, SC 29526

Kimberly Hoggatt (Kimberly Guy)
1939 Lahoud Drive
Cardiff, CA 92007

Kristen Hislop, Trustee of the
Thomas Brunner Declaration of the Trust
DTD 6/20/06
113 York Ave
Saratoga Springs NY 12866

William and Bernadette Cowart, Rev. Trust
4116 Skyline Dr.
Farmington, NM 87401

William M. Ewald
1000 N. Harvey Ave.
Oak Park, IL 60302

William Schwartz
2427 Smokewood Fl
Escondido, CA 92026

Kristin & Curtis Bratland
1931 SE Yulcon St.
Portland OR 97202

Leonard Living Trust
Michael W. Leonard Trustee
817 Cahaba Rd.
Lexington, KY 40502

Lorraine J. Boehm
827 Carillon Dr. # 339
Bartlett, IL 60103-4690

Michael Juliano and Lisa Juliano
24 Trickett Road
Lynnfield, MA 01940

Richard G. Connolly Living Trust
Richard G. Connolly TTEE
95 Loring Road
Winthrop, MA 02152

NNN Durham Office Portfolio 1, LLC
and James Osmond
6011 Farrington Road, Suite 300
Chapel Hill, NC 27517

Lucy Zampaglione
1 Craig Place
Fairfield NJ 07004

Marcus D. Dumond. Trustee
125 Hickory Creek Drive
Brandon, FL 33511

Maria Cohen
11032 Via Lucca
Boynton Beach, FL 33437

NNN Durham Office Portfolio 2, LLC
and James Sun Yu Lam
6011 Farrington Road, Suite 300
Chapel Hill, NC 27517

NNN Durham Office Portfolio 3, LLC
and Gary Turtle
6011 Farrington Road, Suite 300
Chapel Hill, NC 27517

NNN Durham Office Portfolio 4, LLC
and Sherry Turtle
6011 Farrington Road, Suite 300
Chapel Hill, NC 27517

Marilynn Ito
4129 Ventura Cyn Ave.
Sherman Oaks, CA 91423

Mark Walters
9810 Helen Ave.
Sunland, CA 91040

Melvin T. and Gayle J. Laakso as JTWROS
102 Tain Court
Cary, NC 27511-6435

NNN Durham Office Portfolio 5, LLC
and Gregory Maloney
6011 Farrington Road, Suite 300
Chapel Hill, NC 27517

NNN Durham Office Portfolio 6, LLC
and Sharon Maloney
6011 Farrington Road, Suite 300
Chapel Hill, NC 27517

NNN Durham Office Portfolio 7, LLC
and Jack Miller
6011 Farrington Road, Suite 300
Chapel Hill, NC 27517

Michael and Joan Grimes
2320 15th St. NE
Sauk Rapids, MN 56379

Michael Ohara
1222 Kerr Gulch Rd
Evergreen, CO 80439

Normita P. Mischutin
44 Jasmine Road
Lumberton, NJ 08048

NNN Durham Office Portfolio 9, LLC
and PCL Property, LLC
6011 Farrington Road, Suite 300
Chapel Hill, NC 27517

NNN Durham Office Portfolio 10, LLC
and Frances Kieffer
6011 Farrington Road, Suite 300
Chapel Hill, NC 27517

NNN Durham Office Portfolio 11, LLC
and Frank Norman
6011 Farrington Road, Suite 300
Chapel Hill, NC 27517

Pamela Gattis, Max McGlohon (Executor)
7345 Clarincarde Ct.
Wake Forest, NC 27587

Robert A. and June Hurdle
2608 Wondberry Ct.
Columbia, MO 65203

Robert Xavier
87 Lakeshore Drive
San Francisco, CA 94132

NNN Durham Office Portfolio 12, LLC
and St. Kitts Investments, LLC
6011 Farrington Road, Suite 300
Chapel Hill, NC 27517

NNN Durham Office Portfolio 13, LLC
and The Estate of Fannie Blackwelder
6011 Farrington Road, Suite 300
Chapel Hill, NC 27517

NNN Durham Office Portfolio 14, LLC
and Samuel Davidson
6011 Farrington Road, Suite 300
Chapel Hill, NC 27517

NNN Durham Office Portfolio 15, LLC
and Frederick Hornbacher
6011 Farrington Road, Suite 300
Chapel Hill, NC 27517

NNN Durham Office Portfolio 16, LLC
and Roberta Masson
6011 Farrington Road, Suite 300
Chapel Hill, NC 27517

NNN Durham Office Portfolio 17, LLC
and William B. Wachter
6011 Farrington Road, Suite 300
Chapel Hill, NC 27517

NNN Durham Office Portfolio 18, LLC
and Susan Wachter
6011 Farrington Road, Suite 300
Chapel Hill, NC 27517

NNN Durham Office Portfolio 19, LLC
and Pell-Cruz Investments, Inc.
6011 Farrington Road, Suite 300
Chapel Hill, NC 27517

NNN Durham Office Portfolio 20, LLC
and Jack Brown
6011 Farrington Road, Suite 300
Chapel Hill, NC 27517

NNN Durham Office Portfolio 21, LLC
and Patricia Brown
6011 Farrington Road, Suite 300
Chapel Hill, NC 27517

NNN Durham Office Portfolio 22, LLC
and Jack LaFlesch
6011 Farrington Road, Suite 300
Chapel Hill, NC 27517

NNN Durham Office Portfolio 24, LLC
and James Merrill
6011 Farrington Road, Suite 300
Chapel Hill, NC 27517

NNN Durham Office Portfolio 26, LLC
and C.G.B.M. T. Enterprises, Inc.
6011 Farrington Road, Suite 300
Chapel Hill, NC 27517

NNN Durham Office Portfolio 27, LLC
and Susan Wagner
6011 Farrington Road, Suite 300
Chapel Hill, NC 27517

NNN Durham Office Portfolio 28, LLC
and Frederic Van Dis
6011 Farrington Road, Suite 300
Chapel Hill, NC 27517

NNN Durham Office Portfolio 29, LLC
and Lawrence and Stephanie Wattson
6011 Farrington Road, Suite 300
Chapel Hill, NC 27517

NNN Durham Office Portfolio 30, LLC
and Darrin Smith
6011 Farrington Road, Suite 300
Chapel Hill, NC 27517

NNN Durham Office Portfolio 32, LLC
and Kenneth McLamb
6011 Farrington Road, Suite 300
Chapel Hill, NC 27517

NNN Durham Office Portfolio 33, LLC
and Cynthia McLamb
6011 Farrington Road, Suite 300
Chapel Hill, NC 27517

NNN Durham Office Portfolio 34, LLC
and Mark and Carol Pista
6011 Farrington Road, Suite 300
Chapel Hill, NC 27517

Wells Fargo Bank, N.A., as indenture
trustee
Attn: James R. Lewis
150 East 42nd Street, 40th Floor
New York, NY 10017

Jeff Walker Ttee MHE Trust DTD 5/1/02
717 Kings Rd
Newport Beach, CA 92663

Robert A. Horning
6633 S. Halm Ave.
Los Angeles, CA 90056

Sanford L. Horning Rev. Trust
6633 S. Halm Ave.
Los Angeles, CA 90056

Wells Fargo Bank, as successor to Lasalle
Bank N.A.
c/o Matthew Kramer
Weinberg, Wheeler, Hudgins, Gunn & Dial
2601 South Bayshore Drive, St 1500
Miami FL 33133

Philip J. von Kahle, as Assignee for NNNRA
Michael Moecker & Associates Inc
1883 Marina Mile Blvd., Suite 106
Fort Lauderdale, FL 33315

Shirley Chung and David Shen
11521 Weatherby Road
Los Alamitos, CA 90720

David Mack and Joann Mack
4986 Shady Trail St.
Simi Valley, CA 93063-0217

Exhibit 3

IN RE THE MATTER OF THE AAA ARBITRATION

DAYMARK PROPERTIES REALTY, INC., f/k/a NNN PROPERTIES, INC.; DAYMARK REALTY ADVISORS, INC.; Claimants, vs. NNN 1818 MARKET STREET 16, LLC, a Delaware limited liability company; NNN 1818 MARKET STREET 21, a Delaware limited liability company, etc., et al., Respondents.	AAA File No.: 01-14-0000-9940-104 Volume I

DEPOSITION OF TODD MIKLES

Costa Mesa, California

Thursday, November 13, 2014

REPORTED BY: Michelle Milan Fulmer
CSR No. 6942, RPR, CRR, CLR

IN RE THE MATTER OF THE AAA ARBITRATION

DAYMARK PROPERTIES REALTY, INC., f/k/a NNN PROPERTIES, INC.; DAYMARK REALTY ADVISORS, INC.; Claimants, vs. NNN 1818 MARKET STREET 16, LLC, a Delaware limited liability company; NNN 1818 MARKET STREET 21, a Delaware limited liability company, etc., et al., Respondents.	AAA File No.: 01-14-0000-9940-104 Volume I

Deposition of TODD MIKLES, taken before Michelle Milan Fulmer, a Certified Shorthand Reporter for the State of California, with principal office in the County of Orange, commencing at 9:58 a.m., Thursday, November 13, 2014, in the offices of Hahn & Bowersock Court Reporters, 151 Kalmus Drive, Suite L-1, Costa Mesa, California.

Did you agree or disagree with what Ms. King wrote?

A Regarding Sugar Land Medical?

Q Regarding the fact that the guarantor had not met the conditions of the terms of the note.

10:14:25

A Well, for that specific property, yes.

Q Okay. How about for the guarantor on this property? Is it accurate to say it's the same guarantor?

10:14:37

A It is.

Q And is it accurate to say that similar provisions are in this particular note requiring a minimum net worth?

A You know, I'm not certain that the same guarantor exists. It may be a different guarantor.

10:14:50

Q Which is the guarantor then for the 1818 loan?

A Let me see here. So this references NNN Realty Advisors, Incorporated --

10:15:21

Q Yes, sir.

A -- which was a later entity and I believe the guarantor on this property is NNN Realty Investors.

Q Did NNN Realty Investors provide statements with respect to its net worth to LNR on behalf of

10:15:33

the lender in this particular instance for the 1818 property's loan?

A Not to my knowledge.

Q Can you tell me what type of information was provided to Berkadia that resulted in this notice letter?

10:15:54

A I don't recall. I don't know.

Q Are any of the statements, for example, of NNN Realty Advisors audited?

A No.

10:16:07

Q Are any of the statements of NNN Realty Investors audited?

A No, sir.

Q Are the statements of either entity reviewed?

10:16:16

A No, sir.

Q Is there any outside CPA or accounting firm for purposes of either of the entities?

A No, sir.

Q Are all statements then internally prepared?

10:16:24

A Yes, sir.

Q Are they prepared on a compilation basis or accrual basis, do you know?

A I believe it's accrual.

10:16:30

Q Are the statements consolidated?
A Yes.
Q Is there a consolidation statement that reflects and includes the consolidation of NNN Realty Advisors, Inc. with NNN Realty Investors, Inc.?
10:16:45
A I believe so, yes.
Q Does the consolidated statement of those entities reflect a net worth as of December 31 of 2013 of 18,574,997?
10:16:59
A No, I don't believe so.
Q Does NNN Realty Investors, Inc. have a separate financial statement?
A I believe they're prepared as consolidated.
10:17:20
Q If they're prepared as consolidated, do you know where the 18,000,000 negative number came from that appears in the Berkadia letter?
A I don't. I don't know where they received that number from.
10:17:34
Q If the -- if we -- if I take the --
Would you agree with me that if the statements are consolidated, that the statement that included the guarantor NNN Realty Advisors, Inc. with a negative net worth of 18,000,000 would be the same statement and the same negative net worth for
10:17:49

NNN Realty Investors?

MS. HOLMES: Calls for speculation and it's compound.

THE WITNESS: Do you have a statement or a question? Because I didn't hear a question there.

10:17:58

BY MR. CATANZARITE:

Q The statement. Would you agree that the statement would -- consolidated statement that combines Advisors and Investors, among other companies, reflecting a negative net worth for Advisors would also reflect a negative net worth then for Investors?

10:18:08

A The question you want to ask me is, are you asking me if NNRI or NNRA are liquid or solvent? Is that what you're asking me? Do they have a negative net worth? Is that the question?

10:18:24

Q Sure. Do they have a negative net worth?

A I think from the day that we stepped into the picture that they had a negative net worth.

Q And that negative net worth is reflected within the statements, financial and accounting statements?

10:18:33

A I believe so. And the net worth has only gotten worse over time.

Q Okay. Do you know what the negative net

10:18:40

worth was on a consolidated basis when you stepped in, as you say?

A Well, on RI's books, they had $16.8 million of senior collateralized notes at the time that were collateralized by nothing and senior to nothing and that was negative. Then I think there were some triggered recourse guarantees for people filing bankruptcy which these guys had guaranteed, NNRA and NNRI.

10:19:08 And so the number of loans that were guaranteed on a non-recourse basis was north of two billion dollars and I would imagine that probably close to 500 to maybe $600 million had filed for bankruptcy. So, you know, as a contingent

10:19:26 liability, I think they're pretty well out of the money, so --

Q Okay. When you conducted due diligence with respect to the 1818 property, did you review any files indicating that the management agreement

10:19:50 had been terminated?

A Again, could you clarify when, due diligence?

Q Prior to closing, which I understood was sometime in August of 2011, did you --

10:20:04 A Closing of the company?

CERTIFICATION

OF

CERTIFIED SHORTHAND REPORTER

I, the undersigned, a Certified Shorthand Reporter of the State of California do hereby certify:

That the foregoing proceedings were taken before me at the time and place herein set forth; that any witnesses in the foregoing proceedings, prior to testifying, were placed under oath; that a verbatim record of the proceedings was made by me using machine shorthand which was thereafter transcribed under my direction; further, that the foregoing is an accurate transcription thereof.

I further certify that I am neither financially interested in the action nor a relative or employee of any attorney of any of the parties.

IN WITNESS WHEREOF, I have this date subscribed my name _____

Dated: November 21, 2014

Certificate Number 6942

Exhibit 4

The New York Times

Cook Islands, a Paradise of Untouchable Assets

By Leslie Wayne

Dec. 14, 2013

Picture a paradise where you can be lawsuit-proof. A place to hide your hard-earned assets far from the grasp of former or soon-to-be-former spouses, angry business partners or, if you happen to be a doctor, patients who might sue you.

Lawyers drumming up business say they have found just the place: the Cook Islands. And, thanks to a recently released trove of documents, it's become clear that hundreds of wealthy people have stashed their money there, including a felon who ran a $7 billion Ponzi scheme and the doctor who lost his license in the Octomom case.

These flyspeck islands in the middle of the Pacific would be nothing more than lovely coral atolls, nice for fish and pearls, except for one thing: The Cooks are a global pioneer in offshore asset-protection trusts, with laws devised to protect foreigners' assets from legal claims in their home countries.

The Cayman Islands, Switzerland and the British Virgin Islands capture headlines for laws and tax rates that allow multinational corporations and the rich to shelter income from the American government. The Cook Islands offer a different form of secrecy. The long arm of United States law does not reach there. The Cooks generally disregard foreign court orders, making it easier to keep assets from creditors, or anyone else.

Win a malpractice suit against your doctor? To collect, you will have to go to the other side of the globe to plead your case again before a Cooks court and under Cooks law. That is a big selling point for those who market Cook trusts to a broad swath of wealthy Americans fearful of getting sued, and some who have been.

"You can have your cake and eat it too," says Howard D. Rosen, a lawyer in Coral Gables, Fla., who has set up Cook trusts for more than 20 years, in a video on his website. Anyone with more than $1 million in assets, his firm's site suggests, should consider Cook trusts for self-preservation, but especially real estate developers, health care providers, accountants, architects, corporate directors and parents of teenage drivers.

International regulators have become more aggressive in efforts to clamp down on tax haven countries, offshore banks and their customers, but they have paid scant attention to the Cooks. Yet Americans are the biggest customers of the trusts, which may be held only by foreigners, not

Cook Islanders. The islands' official website calls the Cooks a "prime choice" for "discerning wealthy clients." There are 2,619 trusts, according to the Cooks' Financial Supervisory Commission, offering anonymity as well as legal protections. The value of the assets is not disclosed and it is against the law in the Cooks to identify who owns the trusts or to provide any information about them.

But a cache of documents obtained by the International Consortium of Investigative Journalists, based in Washington, reveals the owners of about 700 Cook trusts. The Cook data were among 2.5 million documents containing information about customers of offshore havens throughout the world. Earlier this year, the release of some of those documents, disclosing the names of tax-averse companies or government officials and their close allies, caused an international furor.

A close study of the Cook Islands documents by The New York Times and the international consortium shows that these trusts are popular with the wealthy in Palm Beach, Fla., New York and Hollywood. The trust owners include people who have been convicted of Medicaid fraud, Ponzi schemes and bilking employee pension funds. Many others are simply rich.

A recent data leak revealed that R. Allen Stanford, who was convicted of running a $7 billion Ponzi scheme, held a Cook trust. Richard Carson/Reuters

The documents described a Cook trust held by Denise Rich, former wife of the disgraced trader Marc Rich, who was pardoned on the last day of the Clinton presidency. Her trust contained more than $100 million in assets, including her yacht, the 157-foot Lady Joy; a Learjet 60; and a Swiss bank account. In addition, more than $116 million in assets of the Cordish family of Baltimore, which owns one of the nation's largest privately held real estate conglomerates, were held in Cook trusts.

Cook trusts provide security along with secrecy, officials say. "Asset protection is to provide a layer of insurance for something that cannot be insured — the unforeseeable," said Jennifer A. Davis, chief executive of the Cook Islands Financial Services Development Authority.

There is nothing illegal about setting up a Cook trust, and putting assets into one does not eliminate the requirement to pay taxes on those assets' earnings. But the trusts have a following among those who suspect they could be sued: doctors facing malpractice suits, businessmen avoiding creditors and some who have been sued by the federal government.

R. Allen Stanford, who is serving a 110-year term for masterminding a $7 billion Ponzi scheme, had a "Baby Mama Trust" in the Cook Islands, named after a mistress with whom he had two children and who was the trust's beneficiary. "Baby Mama" contained proceeds from the sale of a $2.5 million Florida home — proceeds that were held in Swiss and Isle of Man accounts and are now among 30 offshore accounts subject to a forfeiture order to pay Mr. Stanford's victims.

Lawyers often aim their Cook trust pitches at doctors, many of whom say they fear frivolous malpractice claims. But the trusts can also protect those who have committed serious transgressions. Dr. Michael M. Kamrava, who lost his medical license after implanting embryos allowing Nadya Suleman, the so-called Octomom, to give birth to octuplets, placed his interest in a Beverly Hills surgery center and a Swiss bank account in his "Athena Trust."

There is also Dr. James Naples, a Texas podiatrist who pleaded guilty in 2004 to federal charges of obstructing justice in connection with treating cancer patients with a pesticide and then billing Medicare and insurance companies. Another Cook trust holder is Dr. Richard Edison, a Fort Lauderdale, Fla., plastic surgeon, called "Dr. Dread," who was sued after five patients at his Florida plastic surgery clinic died and he left a medical sponge in a woman's breast. After the 2004 death of a patient, the Florida health department restricted his medical license.

"There will always be a need for these trusts," said Bernard A. Singer, the Florida lawyer who set up the trust for Dr. Edison. "A lot of people are concerned that we live in a litigious society, and they want to be protected." He added that Dr. Edison voluntarily settled with his patients. He said they never went after the doctor's trust assets, which, documents show, included a $1.6 million Austrian bank account and was set up after he was sued in the sponge incident.

Critics of Cook trusts say they undermine the basic premise of the American legal system, which is to hold people accountable for the consequences of their actions. "U.S. jurisdiction stops at the Pacific and on the beach," said Jay D. Adkisson, a California lawyer and critic of offshore trusts.

"Nothing will happen. That's why those with Cook trusts include a high number of the unscrupulous who have committed fraud and are trying to hide their ill-gotten gains."

Even the United States government has had a hard time going up against a Cook trust. In a lawsuit that has dragged on for years, Fannie Mae, a government-sponsored lender, is still waiting to collect on a $10 million judgment against an Oklahoma developer who defaulted on his loans. In legal filings, Fannie Mae says it has collected only $12,000 — and "that is not for lack of trying." The "clear purpose" of the trust, Fannie Mae's complaint said, "is to avoid payment of the judgments obtained by Fannie Mae," efforts that the agency called "brazen."

Dr. Michael Kamrava, a fertility doctor who lost his license in the "Octomom" case, also had assets in the Cook Islands. Nick Ut/Associated Press

The Federal Trade Commission, as well, has come up dry. In 2007, the F.T.C. won a $37.5 million judgment against Kevin Trudeau for "airing blatantly deceptive infomercials" for his diet book "The Weight Loss Cure," but has collected nothing so far. Mr. Trudeau, who lives in Chicago, had

been jailed for contempt over his refusal to testify about his Cook Islands trust and other offshore accounts. The government claims Mr. Trudeau "uses sophisticated asset-protection devices designed to defeat the jurisdiction of American courts."

"The whole purpose of the legal system is accountability," said Jack A. Blum, chairman of Tax Justice Network USA, a nonprofit that campaigns against tax havens. "It's the idea of being outside the rule of law: that you can put money into a trust, do something wrong and not have to worry about answering in court for your actions. It's a way of making that money disappear. It's not nice and it's not right."

Americans have parked approximately $1 trillion in offshore accounts around the world, and the United States government has begun to make an issue of it. But the Cooks, a self-governing state associated with New Zealand, have gotten little attention from American regulators or legislators so far, perhaps because the islands do not appear to have been widely used by multinational corporations to avoid paying taxes and because they have not been linked to terrorist financing or money laundering.

In August 2012, Hillary Clinton became the first secretary of state to visit the islands. Her public remarks on the main island, Rarotonga, did not contain a word about the trusts. A Congressional Research Service study on tax havens released in January cited offshore trusts, in the Cooks and elsewhere, as possible conduits for evading taxes, with little follow-up.

"There's been a lot of pressure on the Caymans and other places to clean up," said Heather Lowe, director of government affairs at Global Financial Integrity, a Washington research and advocacy group. "There are many areas where pressure is not exerted, and the Cooks is one of them. Using a Cook trust to hide assets from your spouse may not make the headlines."

Given the Cooks' success in attracting money, a number of other countries — about 25 and growing — and about 14 states have developed some form of asset protection law. In the United States, the first was Alaska, which enacted an asset protection statute in 1997. Delaware followed, along with South Dakota, Nevada, Wyoming and others. Many domestic trusts, however, have been broken open — "pierced," in legal parlance — allowing creditors who win judgments to tap into the assets. Most other countries' asset protection laws are not considered as tough as those of the Cooks.

For the islands, the trust business has been a bonanza. The Cooks have a stable government and a sophisticated judiciary based in English common law. Business generated by the trusts — registration fees, taxes on trust companies and their employees, and various support services — accounts for just above 8 percent of the $300 million Cooks economy, after tourism and ahead of fishing. Cash and investment accounts, along with real estate and businesses, are typically registered in the trusts. None of the items have to be physically located in the Cooks, and business can be conducted electronically.

The Cooks law was written with Americans in mind. In fact, it was drafted by a Denver lawyer, Barry Engel. A Cook official, seeking revenue for the islands, read in The Economist about Mr. Engel's firm, which was pioneering the concept of asset protection trusts, and hired Mr. Engel to help write the 1989 law.

"Lawyers can debate the morality of these trusts," said Mr. Engel, who has established more than 1,300 Cook trusts. "My first duty is to my clients and my clients have a need. This is in response to a legal system that has spun a little out of control and is abused by lawyers for legal extortion and who can throw someone's life into a tailspin. Trusts are our response to that abuse of the legal system."

Denise Rich, ex-wife of the disgraced trader Marc Rich, had a Cook trust worth more than $100 million. Dimitrios Kambouris/Getty Images for Princess Grace Foundation

The newly released documents show that many trusts were set up just before or while some Cook clients engaged in activities that later got them into trouble.

For example, in 2001, Robert T. Harvey set up the "Lo-Ry Principle International Trust" and by 2004 it contained $1.2 million. That is the same year, according to the Securities and Exchange Commission, in which he helped mastermind a Ponzi scheme that bilked investors of $52 million over the next two years. In 2010, Mr. Harvey was permanently barred from the securities industry. A lawyer representing him said he was not aware that Mr. Harvey had a Cook trust, which he closed in 2007. Nor were his victims.

In March, Eric T. Schneiderman, the New York State attorney general, announced a settlement with a credit card processing company, Northern Leasing Systems, that was accused of skimming $3.6 million from mom-and-pop stores across the country. Northern Leasing agreed to refund the money and halt the skimming. Two of the company's principals, Jay Cohen and Leonard Mezei, turned out to have Cook trusts. Neither was held personally liable. Their lawyer declined to comment, and the attorney general's office did not respond to requests for comment.

Lawyers who arrange Cook trusts see them as a negotiating tool: If litigation arises, many creditors will settle for cents on the dollar, rather than face the expense of a long and difficult lawsuit halfway across the Pacific.

"You are paying blood money to stop the madness," said Jeffrey M. Verdon, a lawyer in Newport Beach, Calif., who sets up Cook trusts. Mr. Verdon said he settled a $78 million judgment for $7 million and a $5 million one for $100,000. Since settlements are private, those numbers could not be verified.

Mr. Engel, the lawyer in Denver, said a victory in American courts was merely "academic," and pointed to testimonials on his website. One unnamed client, described as a Midwestern real estate developer, settled a $7 million judgment for $125,000. "Cook Islands scares them," said the developer's testimonial.

Cook trusts can backfire on their owners. That happened in the case of Gregory M. Bell, who was released last month after four years in federal prison for his role in a $3.5 billion Ponzi scheme. Because Mr. Bell, who lived in suburban Chicago, was born in Russia and had a Cook trust, the courts considered him a flight risk. He was jailed for 14 months and denied bail. Cook law prevents trust assets from being entered under duress, so he was unable to use the $15 million in the Cook trust to settle with the S.E.C.

In the end, the Cook trustee relented, and the money was distributed to Mr. Bell's victims as part of a plea deal, said Vincent P. Schmeltz, his lawyer.

Cook officials say they are planning to build on their success with Americans by marketing the trusts to customers in China and elsewhere in Asia. The islands are, after all, roughly midway between the United States and Asia. "We can literally get something done for you yesterday if you are an Asian client," said Ms. Davis, chief executive of the Cooks financial services authority.

New Asian customers can help the islands should American officials turn their attention to Cook trusts. But at the moment, that shift is not happening.

"Washington looks at where the big money is," said Stephen E. Shay, a tax professor at Harvard Law School and a former Treasury official. "That means tax avoidance by multinationals. But as the government squeezes these big places, more money will go into smaller and smaller quarters, and that will make the Cooks a target."

A version of this article appears in print on Dec. 14, 2013, on Page BU1 of the New York edition with the headline: Paradise of Untouchable Assets