

DOWNEY BRAND

MEMORANDUM

To: MIKE STAUDENMAYER, NORTHSTAR COMMUNITY SERVICES DISTRICT

From: ANDREW L. COLLIER AND AUSTIN C. CHO

Date: SEPTEMBER 6, 2019

Re: **PUBLIC STATUS OF CASE NO. SCV-0042801**

Community Facilities District No. 1 of the Northstar Community Services District v. ACM Northstar Holdings I LLC and ACM Northstar Holdings II LLC, Case No. SCV-0042801.

This memorandum provides a brief, non-privileged summary of the public status of the foreclosure litigation matter brought by the Northstar Community Services District (NCSD) on behalf of the Northstar Community Facilities District No. 1 (CFD), currently pending in Placer County Superior Court (**Case No. SCV-0042801**). A more detailed, confidential report for the NCSD Board to consider in closed-session will be prepared as requested. The pleadings and other public documents in this case are on file at the Placer County Superior Court.

On April 4, 2018, the CFD filed a complaint against ACM Northstar Holdings I LLC (“ACM I”) and ACM Northstar Holdings II LLC (“ACM II,” together with ACM I, the “ACM Defendants”). At issue in this complaint were special tax delinquencies for the 2017/2018 tax year on Placer County Assessor’s Parcel Numbers (APNs) 706-204-000-000 and 114-020-004-000, owned by ACM I and ACM II, respectively. At the time of the complaint the delinquencies, penalties, and interest were \$7,214.95 for the ACM I parcel, and \$303,658.80 for the ACM II parcel. On May 24, 2019, the CFD recorded a lis pendens on the subject parcels, putting the ACM Defendants and any bona fide prospective purchasers on notice of the pending foreclosure litigation.

The CFD dismissed the two other defendants, Cassin & Cassin LLP and Atalaya Capital Management LP, upon confirmation that those entities hold no ownership interests in either parcel. The ACM Defendants failed to file an answer or otherwise respond to the complaint by their deadline, prompting the CFD to file a Request for Entry of Default on July 22, 2019. The Court subsequently entered the default and set a “prove-up” hearing for the CFD to obtain a default judgment on February 21, 2020.

Further information will be provided as it becomes available.