

UNITED STATES DISTRICT COURT
NORTHERN DISTRICT OF ILLINOIS, EASTERN DIVISION

_____)	
UNITED STATES SECURITIES)		
AND EXCHANGE COMMISSION,)		
)		Civil Action No. 18-CV-5587
Plaintiff,)		
v.)		
)		Hon. John Z. Lee
EQUITYBUILD, INC.,)		
EQUITYBUILD FINANCE, LLC,)		
JEROME H. COHEN, and)		Magistrate Judge Young B. Kim
SHAUN D. COHEN,)		
)		
Defendants.)		
_____)	

**RECEIVER’S REPLY TO OBJECTIONS TO TENTH MOTION TO CONFIRM
THE SALE OF CERTAIN REAL ESTATE AND FOR THE AVOIDANCE
OF CERTAIN MORTGAGES, CLAIMS, LIENS, AND ENCUMBRANCES**

The objections of Institutional lenders Citibank, Freddie Mac, and UBS (“the objectors”) to the sales of eight of the fourteen properties presented in the Receiver’s Tenth Motion for Approval of Sales (Dkt. No. 820) is another effort to stop the Receiver from preserving Receivership Assets and maximizing funds for subsequent distribution to the Cohens’ victims and other creditors. The objectors’ arguments are virtually identical to the objections they offered in opposition to the Receiver’s Ninth Motion to approve property sales. (*Compare* Dkt. No. 820 with Dkt. No. 769) Because the Receiver and the SEC have already responded to identical objections (Dkt. Nos. 787, 790), the Receiver incorporates his and the SEC’s prior responses. The Receiver further incorporates the Court’s Order granting the Receiver’s Ninth Sales Motion. (Dkt. No. 825) Because Court already rejected the identical arguments in the current objections, the Order is dispositive of the current objections. Moreover, as the Court itself noted, most of the objections

raised in opposition to the Ninth Sales Motion were themselves previously rejected by the Court. (Dkt. No. 825, at 4 (citing Dkt. Nos. 540, 601 & 676))

Virtually all of the points raised in the latest objections have been voiced in other filings. The Receiver notes there is an extensive record addressing and refuting these objections. The Receiver disputes each. For purposes of judicial economy, and without waiving or conceding any of these repeated objections, the Receiver attempts below to only address new objections, objections specific to the properties at issue, or objections that ignore more recent information.

ARGUMENT

I. The Receiver Seeks to Sell the Properties with Due Regard for their True and Proper Value.

Once again, as with their prior objections, the objectors offer no evidence that the *Court-approved* bid process the Receiver used did not give due regard to the true and proper value of the properties. (See Dkt. No. 825, at 5; *see also, e.g.*, Dkt. No. 699, Baasch Decl., ¶¶ 16-17 (describing nature of pricing and marketing used); *see also* Dkt. No., 537, 9/24/2019 Baasch Decl., ¶¶ 23-26; Dkt. No. 166, at 3-5; Dkt. No. 681 (approving the sale process and authorizing the Receiver to implement the approved sale process for these properties)) These properties benefited from and were listed, marketed, and sold with due regard for their true and proper value pursuant to the process approved by the Court, resulting in sales prices commensurate with what the market for these properties provided. (Ex. 1, Baasch Declaration) In fact, all but one of the properties at issue generated higher bids than the list prices. (See Dkt. No. 809, at 7-27; *see also* SEC Reply, Dkt. No. 845, at 2 (chart)) The exception generated 89% of the list price. The others generated between 114% and 148% of the list prices. These results are consistent with similar results that the Court has previously approved. (Dkt. No. 825, at 5-6)

II. The Receiver Has Operated These Properties at a Profit.

While criticizing the Receiver for his handling of the properties, the objectors do not disclose that the Receiver has operated most of these properties with positive cash flow over the course of the receivership. In fact, the property managers' reporting for September 2020, shared with the lenders a few days before they filed their latest objections, shows that income exceeded expenses for each of these eight properties.¹ Collectively, these eight properties had at least \$647,243.84 in accumulated net income. As an example, the property at 4611-17 S. Drexel had accumulated net income of \$174,221.83.

III. Citibank's Claim of a Secured Lien Is Not Alone and Delay in Addressing Claims Has Resulted from Institutional Lender Objections.

With respect to 6217-27 South Dorchester, and contrary to the objectors, the Receiver has not "admit[ted] that the property is subject to only one lien claim—Citibank as Trustee's mortgage." (Dkt. No. 820, at 8) To the contrary, the first page of the motion states: "This motion takes no position with respect to the validity or priority of any encumbrance referenced herein." (*Id.* at 1) Put differently, the motion to approve the sales of this property itself does *not* take a position on secured nature or priority of any of the claims that have been asserted, including Citibank's claim.

The description of the liens against this property contained in the motion inadvertently omitted a lien which further clouds the title. (Dkt. No. 809, ¶ 27) One or more of the PINs associated with the 6217 Dorchester property is subject to an EBF mortgage, which was recorded prior to the Citibank mortgage and remains on title. (See Ex. 2)

¹ Each of these lenders receives monthly financial reporting, including monthly expenses and rent rolls, from the property manager. Each lender also receives an additional report on expenses from the Receiver for each month. As these reports contain tenants' personal identification information, they are not attached hereto, but they can be provide to the Court for inspection upon request.

The objection further asserts that “any claims by investors as to 6217 Dorchester are unsecured claims for which there can be no recovery, as they are subordinate to Citibank....” (Dkt. No. 820, at 8) This objection ignores that there are numerous other allegedly secured claims by investor-lenders against 6217 Dorchester. (*See, e.g.*, Dkt. No. 839, Ex. 8; *see also* SEC Reply, Dkt. No. 845, at 3 & n.1 (“at least 50 investors have submitted claims related to that property”) (citing Dkt. No. 693, at 18-19)). It further ignores that the objectors opposed the Receiver’s role in security and priority issues with respect to their asserted liens and that the Court only recently resolved that issue by saying that the Receiver may address lien priority in connection with the claim process. (*E.g.*, Dkt. Nos. 708, 801) Finally, the objections ignore, with respect to all properties, that the Court has said that “all issues with regard to a property should be resolved during the claims process, including any issues with regard to fraudulent transfer, inquiry notice. Whatever issues there are, I want it all resolved when the property is up for adjudication during this claims process.” (7/15/2020 Tr., at 45:8-13)

It is helpful to also consider the objections in context. In February 2019, the Receiver proposed “a claims procedure to efficiently, equitably, and promptly identify potential claimants and the amount and validity of any claim.” (Dkt. No. 241, at 5) The Receiver further states that the claims process could not be completed, nor distributions occur, until “all claims have been received and analyzed, and the claims process has been administered.” (*Id.*) In proposing a summary claims procedure, the Receiver further indicated that the process of “investigating and calculating the claims of investors and creditors would take at least a year from the proposed bar date because the [anticipated] process [would] entail a period for discovery related activities, the final review and confirmation of all investor and non-investor claims by the Receiver, and if appropriate, the filing of objections to any claims determined to be unacceptable and resolution of

all claims disputes by the Court.” (Dkt. No. 241, at 4-5) The institutional lenders vociferously objected to this process, and delayed by over 20 months the Receiver’s efforts to implement and move forward with the claims process; unquestionably, very significant delays in resolving claims have resulted from the litigation tactics of the institutional lenders.² (*See, e.g.*, Dkt. Nos. 483, 824; *see also* Dkt. No. 797 (noting the institutional lenders had then filed more than fifty substantive motions, objections, and appeals that have required the Receiver’s attention – a number that is *now more than sixty*)) Had the Receiver’s initial recommendations for the claims process been followed, the Receiver expected to have completed the claims and provided all of his objections by this point in time.

IV. The Receiver Remains Willing to Work with Claimants and Counsel to Attempt to Resolve Disputes by Reasonable and Cost-Effective Means.

These lenders object that the Receiver has not worked with them and has rebuffed them. (Dkt. No. 820, at 24) First of all, that is false, which a few examples make clear. The Receiver has worked with certain lenders’ counsel extensively, for example, on procedural measures relating to the claims process, including standard discovery requests, a protective order, and an EquityBuild documents database. The Receiver worked with other lender’s counsel on the credit bidding process. And the Receiver has worked with other lender’s counsel to ready a large portfolio of properties for sale. The Receiver has always been willing to work with reasonable counsel and parties. However, there have been a small number of litigants and their counsel who

² The objectors repeat their false assertion about the Receiver’s daily fees (Dkt. No. 820 at 8 n.4), which has been previously debunked. (*See, e.g.*, Dkt. No. 800, at 22 n.6) The Court has noted that “the Receiver and his legal professionals have devoted significant resources responding to various motions, objections, and inquiries made by lenders, with these efforts increasing the amount of fees to which the Receiver is reasonably entitled ... [and] that, commensurate with the level of activity in this case, the Receiver’s average billing rates for the first and second quarters of 2020 were the lowest since the inception of the Receivership....” (Dkt. No. 824, at 3)

do not wish to cooperate, collaborate, or contribute. They typically dictate demands and timelines, with no reasonable room for compromise and no consideration of the due process interests of other stakeholders. When their one-sided demands are not met, they threaten and file, demonstrating a complete disregard of economic reality and practicality. Rather than work with the Receiver to compromise and find reasonable cost-effective paths, they increase costs and delay. The many instances where the Receiver has worked successfully and reasonably with lenders and their counsel do not make the headlines because there is no dispute brought to the Court for resolution.

Contrary to the objectors' suggestion, the Receiver remains prepared to attempt to resolve claims where there is no priority dispute. However, as noted in other filings, the Receiver intends to comply with the Court's process for addressing claims, and perform the necessary tasks of reviewing the validity, legality and amount of the submitted claims; and the lenders' description of the Receiver's position regarding U.S. Bank's turnover motion ignores that there were other reasons that precluded a present resolution of the claimant's asserted undisputed claim. (*Compare* Dkt. 820 at 28 n.21 *with* Dkt. No. 806) If after implementing the process the Court approves, the Receiver determines that there is no priority dispute, the Receiver will report that to the Court and the claimants. And the Receiver will work to resolve any disputes related to claimants whom the Receiver believes have undisputed priority, but that still must entail a full and complete evaluation of the claim (including any necessary discovery), the process for which remains under review by the Court.

V. Citibank's Objection to the Sale of 4611 Drexel Is Frivolous.

Citibank even argues that the sale of 4611 Drexel should not proceed when it admits that the amount of the sale proceeds would more than satisfy its asserted claim. (Dkt. No. 820, at 29) If that were the standard, no property owner could ever sell its property so long as the mortgagee

disagreed with the manner in which it was sold even if the sale more than covered the mortgagee's debt. It is not in any manner a reasonable argument. It is plainly frivolous.

CONCLUSION

For the reasons set forth herein and in his Ninth and Tenth Motions for Approval of Sale, as well as his reply for the Ninth Motion and the SEC's replies for the same motions, the Receiver respectfully requests that the Objections be overruled forthwith so that the sales can proceed as quickly as possible.

Dated: November 6, 2020

Kevin B. Duff, Receiver

By: /s/ Michael Rachlis

Michael Rachlis
Jodi Rosen Wine
Rachlis Duff & Peel, LLC
542 South Dearborn Street, Suite 900
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EXHIBIT 1

**UNITED STATES DISTRICT COURT
NORTHERN DISTRICT OF ILLINOIS
EASTERN DIVISION**

UNITED STATES SECURITIES AND EXCHANGE COMMISSION,)	
)	
Plaintiff,)	Civil Action No. 18-CV-5587
v.)	
)	Hon. John Z. Lee
EQUITYBUILD, INC., EQUITYBUILD FINANCE, LLC, JEROME H. COHEN, and SHAUN D. COHEN,)	
)	Magistrate Judge Young B. Kim
Defendants.)	
)	

DECLARATION OF JEFFREY BAASCH

I, Jeffrey Baasch, under penalty of perjury and in accordance with the requirements of 28 U.S.C. § 1746, hereby declare and state as follows:

1. I am over 18 years of age and a resident of the State of Illinois.
2. I have personal knowledge of the facts stated herein and if called as a witness could testify competently thereto.
3. I am Senior Vice President at SVN Chicago Commercial (“SVN”). Prior to working for SVN, I worked for JMB Institutional Realty/Heitman Capital Management, Transwestern Commercial Services, and KPMG Peat Marwick.
4. I am a licensed real estate broker in Illinois with over thirty years of experience in commercial real estate. I am a Certified Public Accountant (CPA). I have a Master of Business Administration (MBA) degree and a Bachelor of Science degree in Accounting.
5. I possess more than 30 years of experience in commercial real estate. I specialize in the sale of multifamily property in the greater Chicagoland area. My experience allows me to

oversee all aspects of the transactional process including valuation, marketing, due diligence, and negotiations. I am not just a real estate broker. I am a real estate expert with significant experience in asset management, property management, accounting, and strategic planning.

6. I lead one of the most active brokerage teams in the South Side multifamily market. Over the last five years we have sold, procured contracts to sell, or are now actively marketing over \$100 million in South Side multifamily properties containing in excess of 2,700 dwelling units.

7. I was recognized as the top multifamily broker in Chicago in 2019 by the Chicago Association of Realtors, which bestowed upon me the Commercial Forum Platinum Sales Award for Multi-Family 5+ Sales Dollar Volume.

8. SVN maintains strong relationships and possesses experience with all known active buyers of multifamily properties in the Chicago South Side market. SVN also operates a leading national marketing platform that it uses to reach potential buyers. SVN fully cooperates with other brokerage firms and uses its cooperation policies as a strength to maximize marketing exposure nationally and to provide increased access to less active local buyers.

9. The Receiver, Kevin B. Duff, retained SVN to serve as real estate broker in connection with the marketing and sale of the Chicagoland properties within the EquityBuild Receivership Estate, and I am the broker principally responsible for providing real estate services to the Receiver in connection with his efforts to market and sell those properties. I have actively participated in the development and execution of the marketing strategies for the properties in the EquityBuild portfolio, including the pricing of the properties and the preparation of the bid procedures.

10. Our marketing effort is designed to create buyer urgency, generate competition, and allow all offers to be reviewed at the same time to maximize offer prices. SVN's marketing effort uses various websites which are recognized as the best sources of listing information in the multifamily commercial real estate industry. Additionally, SVN maintains an extensive database of local, national, and international owners and investors in multifamily properties to whom we consistently transmit marketing information, all of which were used for SVN's marketing efforts here.

11. The marketing efforts have proven successful. There has been great interest generated in properties even within the challenging pandemic environment. Further, the vast majority of the properties that SVN has marketed for the Receiver have garnered contracts at or above the asking price.

12. As for the properties located at 4611-17 South Drexel Boulevard, 6217-27 South Dorchester Avenue, 7024-32 South Paxton, 7255-57 South Euclid Avenue, 4750-52 South Indiana Avenue, 1422-24 East 68th Street, 2800-06 East 81st Street, and 7840 South Yates Avenue, SVN undertook and performed the marketing, the property showings, the dissemination of due diligence materials, and negotiations with potential purchasers with and on behalf of the Receiver. The marketing efforts for those properties were consistent with what is described above and with the sales approved by the Court, and designed to realize the true and proper value for the properties.

13. For 4611-17 South Drexel Boulevard, 16 groups toured the property; and as part of the process, the Receiver solicited bids through five rounds of bidding.

14. For 6217-27 South Dorchester Avenue, 23 groups toured the property; and, as part of that process, the Receiver solicited three rounds of bidding.

15. For 7024-32 South Paxton, 14 groups toured the property; and, as part of that process, the Receiver solicited three rounds of bidding.

16. For 7255-57 South Euclid Avenue, 15 groups toured the property; and, as part of that process, the Receiver solicited three rounds of bidding.

17. For 4750-52 South Indiana Avenue, 21 groups toured the property; and, as part of that process, the Receiver solicited four rounds of bidding.

18. For 1422-24 East 68th Street, 15 groups toured the property; and, as part of that process, the Receiver solicited two rounds of bidding.

19. For 2800-06 East 81st Street, 15 groups toured the property; and, as part of that process, the Receiver solicited two rounds of bidding.

20. For 7840 South Yates Avenue, 14 groups toured the property; and, as part of that process, the Receiver solicited two rounds of bidding.

21. At each of these properties, SVN selected the units to be seen and inspected by potential third party purchasers. The property managers did not determine which of the units could be seen and inspected by potential third party purchasers, and had no involvement whatsoever in such matters.

22. SVN provided information regarding the properties, including detailed information on the property, current rent rolls, operating expenses, and tenant delinquencies to prospective purchasers in due diligence materials, and also made the property available for showings so that all prospective purchasers could gather additional information regarding the condition of the properties.

23. Citibank, Freddie Mac, and UBS for those eight properties, respectively, were provided the same due diligence information that was provided to all of the prospective purchasers.

I note that while credit bids were invited, no credit bids were received for the properties that are the subject of the Receiver's tenth sales motion. Indeed, for the entirety of the sales process to this point, there has been only one credit bid received.

24. No bidder played any role in the evaluation or acceptance of bids for any of the properties. All bidders were treated fairly and received the same information prior to the Receiver's selection of its bid as the winning bid. Additional rounds of best and final bidding were used wherever possible in the effort to obtain the maximum amount for a property. The sealed bid process was run through SVN, and communications in regards to bidding was done solely through SVN. The selected bidders provided the highest bids for each of the properties through that sealed bid process, and is precisely why they were the winning bidders for these properties.

25. In regards to working with claimants, I note that colleagues at SVN who work on single family homes have worked collaboratively with institutional lender Midland Loan Services for many months as well as counsel for the Receiver to prepare the single family residence portfolio for marketing and sale.

26. In addition, counsel for lender Liberty contributed to the credit bid procedures in particular as a result of communications and collaboration with the Receiver.

27. In each instance that the Receiver received a request from a lender to perform an appraisal, I or others working for the Receiver facilitated coordination with the property managers to ensure that the appraisals could be conducted. None of the lenders provided me or the Receiver copies of any of those appraisals.

28. With respect to each of the properties mentioned in this declaration, I provided counsel for each of the lenders notice of the listing price for the properties, all due diligence

materials provided to prospective purchasers, notice of the highest bid received, and notice of the estimated closing costs for the properties.

29. In my professional opinion, the price achieved for each properties is consistent with their true and proper market value.

30. Further declarant sayeth not.



Jeffrey Baasch

EXHIBIT 2

Illinois Anti-Predatory Lending Database Program

Certificate of Exemption



Report Mortgage Fraud
844-768-1713



Doc# 1717413025 Fee \$54.00

RHSP FEE:\$9.00 RPRF FEE: \$1.00

KAREN A. YARBROUGH

COOK COUNTY RECORDER OF DEEDS

DATE: 06/23/2017 10:54 AM PG: 1 OF 9

The property identified as: **PIN:** 20-14-415-003-0000

Address:

Street: 1408-10 E. 62nd Place

Street line 2:

City: Chicago

State: IL

ZIP Code: 60637

Lender: The Persons Listed on Exhibit A to the Mortgage of EquityBuild Finance, LLC

Borrower: 6217-27 S. Dorchester, LLC

Loan / Mortgage Amount: \$3,650,000.00

This property is located within the program area and is exempt from the requirements of 765 ILCS 77/70 et seq. because it is not owner-occupied.

Certificate number: 712BCC93-385C-4118-B875-1D0ED2B6AF1F

Execution date: 2/28/2017

✱

Mail To: + Prepared by:

EquityBuild Finance LLC
5868 W. Plano Pkwy, # 300
Plano, TX 75093

[The Above Space For Recorder's Use Only] _____

MORTGAGE

THIS MORTGAGE ("Security Instrument") is given on February 28th, 2017. The mortgagor is 6217-27 S Dorchester, LLC ("Borrower").

This Security Instrument is given to The Persons Listed on Exhibit A to the Mortgage C/O EquityBuild Finance, LLC whose address is 5068 West Plano Pkwy. #300 Plano, TX 75093 ("Lender").

Borrower owes Lender the principal sum of Three Million Six Hundred Fifty Thousand and 00/100 Dollars (U.S. \$3,650,000.00). This debt is evidenced by Borrower's notes dated the same date as this Security Instrument (Mortgage) unless otherwise specified on the notes, which provides for a final payment of the full debt, if not paid earlier, due and payable September 1st, 2018 unless otherwise specified on the notes. This Security Instrument secures to Lender:

(a) the repayment of the debt evidenced by the Note, with interest, and all renewals, extension and modifications; (b) the payment of all other sums, with interest advanced under paragraph 7 to protect the security of this Security Instrument; and (c) the performance of Borrower's covenants and agreements under this Security Instrument and the Note. For this purpose, Borrower does hereby mortgage, grant and convey to Lender the following described property located in COOK County, Illinois:

PIN: 20-14-415-003-0000

PIN: 20-14-415-007-0000

PIN: 20-14-415-008-0000

which has the address of 1408-10 E. 62nd Place, 1414 E. 62nd Place and 1416 E. 62nd Place. Chicago, IL 60637 ("Property Address");

TOGETHER WITH all the improvements now or hereafter erected on the property, and all easements, rights, appurtenances, rents, royalties, mineral, oil and gas rights and profits, water rights and stock and all fixtures now or hereafter a part of the property. All replacements and additions shall also be covered by this Security Instrument. All of the foregoing is referred to in this Security Instrument as the "Property."

BORROWER COVENANTS that Borrower is lawfully seized of the estate hereby conveyed and has the right to mortgage, grant and convey the Property and that the Property is unencumbered, except for encumbrances of record. Borrower warrants and will defend generally the title to the Property against all claims and demands, subject to any encumbrances of record.

THIS SECURITY INSTRUMENT combines uniform covenants for national use and non-uniform covenants with limited variations by jurisdiction to constitute a uniform security instrument covering real property.

UNIFORM COVENANT. Borrower and Lender covenant and agree as follows:

1. Payment of Principal and Interest; Prepayment and Late Charges. Borrower shall promptly pay when due the principal of and interest on the debt evidenced by the Note and any prepayment and late charges due under the Note.

2. Hazard Insurance. Borrower shall keep the improvements now existing or hereafter erected on the Property insured against loss by fire, hazards included within the term "extended coverage" and any other hazards for which Lender requires insurance. This insurance shall be maintained in the amounts and for the periods that Lender requires. The insurance carrier providing the insurance shall be chosen by Borrower subject to Lender's approval which shall not be unreasonably withheld.

All insurance policies and renewals shall be acceptable to Lender and shall include a standard mortgage clause. Lender shall have the right to hold the policies and renewals. If Lender requires, Borrower shall promptly give to Lender all receipts of paid premiums and renewal notices. In the event of loss, Borrower shall give prompt notice to the insurance carrier and Lender. Lender may make proof of loss if not made promptly by Borrower.

Unless Lender and Borrower otherwise agree in writing, insurance proceeds shall be applied to restoration and repair of the Property damaged, if the restoration or repair is economically feasible and Lender's security is not lessened. If the restoration or repair is not economically feasible or Lender's security would be lessened, the insurance proceeds shall be applied to the sums secured by this Security Instrument, whether or not then due, with any excess paid to Borrower. If Borrower abandons the Property, or does not answer within 30 days a notice from Lender that the insurance carrier has offered to settle a claim, then Lender may collect the insurance proceeds. Lender may use the proceeds to repair or restore the Property or to pay sums secured by this Security Instrument, whether or not then due. The 30-day period will begin when the notice is given.

Unless Lender and Borrower otherwise agree in writing, any application of proceeds to principal shall not extend or postpone the due date of the monthly payments referred to in paragraphs 1 and 2 or change the amount of the payments. If under paragraph 19 the property is acquired by Lender, Borrower's rights to any insurance policies and proceeds resulting from damage to the Property prior to the acquisition shall pass to Lender to the extent of sums secured by this Security Instrument immediately prior to the acquisition.

3. Preservation and Maintenance of Property; Leaseholds. Borrower shall not destroy, damage or substantially change the Property, allow the Property to deteriorate or commit waste. If this Security Instrument is on a leasehold, Borrower shall comply with the provisions of the lease, and if Borrower acquires fee title to the Property, the leasehold and fee title shall not merge unless Lender agrees to the merger in writing.

4. Protection of Lender's Rights in the Property; Mortgage Insurance. If Borrower fails to perform the covenants and agreements contained in this Security Instrument, or there is a legal proceeding that may significantly affect Lender's rights in the Property (such as a proceeding in bankruptcy, probate, for condemnation or to enforce laws or regulations), then Lender may do and pay for whatever is necessary to protect the value of the Property and Lender's rights in the Property. Lender's actions may include paying any sums secured by a lien which has priority over this Security Instrument, appearing in court, paying reasonable attorneys' fees, and entering on the Property to make repairs. Although Lender may take action under this paragraph 4, Lender does not have to do so.

5. Successor and Assigns Bound; Joint and Several Liability; Co-signers. The covenants and agreements of this Security Interest shall bind and benefit the successors and assigns of Lender and Borrower, subject to the provisions of paragraph 9. Borrower's covenants and agreements shall be joint and several. Any Borrower who co-signs this Security Instrument but does not execute the Note: (a) is co-signing this Security Instrument only to mortgage, grant and convey the Borrower's interest in the Property under the terms of this Security Instrument; (b) is not personally obligated to pay the sums secured by this Security Instrument; and (c) agrees that Lender and any other Borrower may agree to extend, modify, forebear or make any accommodations with regard to the terms of this Security Instrument or the Note without the Borrower's consent.

6. Notices. Any notice to Borrower provided for in this Security Instrument shall be given by delivering it or by mailing it by first class mail unless applicable law requires use of another method. The notice shall be directed to the Property Address or any other address Borrower designates by notice to Lender. Any notice to Lender shall be given by first class mail to Lender's address stated herein or any other address Lender designates by notice to Borrower. Any notice provided for in this Security Instrument shall be deemed to have been given to Borrower or Lender when given as provided in this paragraph.

7. Governing Law; Severability. This Security Instrument shall be governed by federal law and the law of jurisdiction in which the Property is located. In the event that any provision or clause of this Security Instrument or Note conflicts with applicable law, such conflict shall not affect other provisions of this Security Instrument or the Note which can be given effect without the conflicting provision. To this end the provisions of this Security Instrument and the Note are declared to be severable.

8. Borrower's Copy. Borrower shall be given one conformed copy of the Note and of this Security Instrument.

9. Transfer of the Property or a beneficial Interest in Borrower. If all or any part of the Property or any interest in it is sold or transferred (or if a beneficial interest in Borrower is sold or transferred and Borrower is not a natural person) without Lender's prior written consent, Lender may, at its option, require immediate payment in full of all sums secured by this Security Instrument. However, this option shall not be exercised by Lender if exercise is prohibited by federal law as of the date of this Security Instrument.

If Lender exercises this option, Lender shall give Borrower notice of acceleration. The notice shall provide a period of not less than 30 days from the date the notice is delivered or mailed within which Borrower must pay all sums secured by this Security Instrument. If Borrower fails to pay these sums prior to the expiration of this period, Lender may invoke any remedies permitted by this Security Instrument without further notice or demand on Borrower.

NON-UNIFORM COVENANTS. Borrower and Lender further covenant and agree as follows:

10. Release. Upon payment of all sums secured by this Security Instrument, Lender shall release this Security Instrument without charge to Borrower. Borrower shall pay any recordation costs.

11. Assignment of Rents and Leases. As additional security for the payment of the Indebtedness, Mortgagor assigns and transfers to Mortgagee, pursuant to 1953 PA 210, as amended by 1966 PA 151 (MCLA 554.231 et seq., MSA 26.1137(1) et seq.), all the rents, profits, and income under all leases, occupancy agreements, or arrangements upon or affecting the Premises (including any extensions or amendments) now in existence or coming into existence during the period this Mortgage is in effect. This assignment shall run with the land and be good and valid as against Mortgagor and those claiming under or through Mortgagor. This assignment shall continue to be operative during foreclosure or any other proceedings to enforce this Mortgage. If a foreclosure sale results in a deficiency, this assignment shall stand as security during the redemption period for the payment of the deficiency. This assignment is given only as collateral security and shall not be construed as obligating Mortgagee to perform any of the covenants or undertakings required to be performed by Mortgagor in any leases. In the event of default in any of the terms or covenants of this Mortgage, Mortgagee shall be entitled to all of the rights and benefits of MCLA 554.231-.233, MSA 26.1137(1)-(3), and 1966 PA 151, and Mortgagee shall be entitled to collect the rents and income from the Premises, to rent or lease the Premises on the terms that it may deem best, and to maintain proceedings to recover rents or possession of the Premises from any tenant or trespasser. Mortgagee shall be entitled to enter the Premises for the purpose of delivering notices or other communications to the tenants and occupants. Mortgagee shall have no liability to Mortgagor as a result of those acts. Mortgagee may deliver all of the notices and communications by ordinary first-class U.S. mail. If Mortgagor obstructs Mortgagee in its efforts to collect the rents and income from the Premises or unreasonably refuses or neglects to assist Mortgagee in collecting the rent and income, Mortgagee shall be entitled to appoint a receiver for the Premises and the income, rents, and profits, with powers that the court making the appointment may confer. Mortgagor shall at no time collect advance rent in excess of one month under any lease pertaining to the Premises, and Mortgagee shall not be bound by any rent prepayment made or received in violation of this paragraph. Mortgagee shall not have any obligation to collect rent or to enforce any other obligations of any tenant or occupant of the Premises to Mortgagor. No action taken by Mortgagee under this paragraph shall cause Mortgagee to become a "mortgagee in possession."

BY SIGNING BELOW, Borrower accepts and agrees to the terms and covenants contained in this Security Instrument and in any rider(s) executed by Borrower and recorded with it.

Signed, sealed and delivered in the presence of:

BORROWER: 6217-27 S Dorchester, LLC

 (SEAL)
Jerry Cohen, Sole Member

_____ [Space Below This Line For Acknowledgement] _____

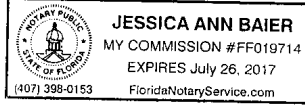
STATE OF FLORIDA, Manatee County ss:

I hereby certify that on this day, before me, an officer duly authorized in the state aforesaid and in the county aforesaid to take acknowledgements, personally appeared Jerry Cohen, to me known to be the person described in and who executed the foregoing instrument and acknowledged that he/she executed the same for the purpose therein expressed.

WITNESS my hand and official seal in the county and state aforesaid this 28th day of February, 2017.

My Commission expires: July 26, 2017

{Seal}
Jessica Ann Baier
Notary Public



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EXHIBIT A

Lender Name	Principal Amount	Percentage of Loan
Arman Kale Heaton and Natoshia Lamborn Heaton	\$50,000	1.41%
Blue Mountain Ventures (S/D IRA)	\$84,255	2.37%
Concord Management LLC	\$30,000	0.85%
Conor Benson King	\$15,000	0.42%
Cree Capital Ventures, LLC	\$225,000	6.34%
David M. Harris	\$48,145	1.36%
Duane Young	\$40,000	1.13%
Duke E. Heger and Viviana Heger	\$50,000	1.41%
Erwin J. Page Trust	\$50,000	1.41%
EquityBuild, Inc.	\$110,000	3.10%
Fredric R. Gottlieb, Revocable Trust, DTD 7/31/08	\$15,740	0.44%
Girl Cat Capital West LLC	\$12,145	0.34%
Hillside Fund LLC	\$65,000	1.83%
iPlanGroup Agent for Custodian FBO Elizabeth Zeng IRA	\$94,000	2.65%
iPlanGroup Agent For Custodian FBO Gina Meyer Roth IRA	\$75,855	2.14%
iPlanGroup Agent for Custodian FBO Laura Dimberger Roth IRA	\$7,800	0.22%
iPlanGroup Agent for Custodian FBO Lyle J. Swiney IRA	\$100,000	2.82%
iPlanGroup Agent for Custodian FBO Michael Dimberger Roth IRA	\$7,200	0.20%
iPlanGroup Agent for Custodian FBO Michelle Grimes IRA #3301097	\$50,000	1.41%
IRA Services Trust Company CFBO Linda Lipschultz IRA	\$18,500	0.52%
IRA Services Trust Company CFBO Steven Lipschultz IRA	\$22,000	0.62%
Jerome B. Shaffer Trust	\$100,500	2.83%
JN Investment Trust	\$50,000	1.41%
Joe Siracusa	\$60,000	1.69%
Karl R. DeKlotz	\$150,000	4.23%
Kevin Randall	\$70,000	1.97%
LINDA MARIE LIPSCHULTZ & STEVEN CHARLES LIPSCHULTZ TRS FBO LML TRUST UA APR 08, 2016	\$85,000	2.39%
Madison trust company FBO Ernest Marcus M1612087	\$59,000	1.41%
Matthew Hutchings	\$50,000	1.41%
MidAtlantic IRA, LLC FBO Charles McEvoy IRA	\$150,000	4.23%
Mountain West IRA, Inc. FBO Rachael Clark	\$50,000	1.41%
Nathan and/or Brandi Hennefer	\$25,000	0.70%
Next Generation Trust Services FBO Mark Kapsky IRA 2396	\$40,000	1.13%
NGTS FBO Irene B. Kapsky FFBO Mark S. Kapsky IRA 3207	\$10,000	0.28%
Optima Property Solutions, LLC	\$71,307	2.01%
Pacific Ocean Services, Inc	\$100,000	2.82%
Pat Desantis	\$250,000	7.04%
Paul N. Wilmesmeier	\$50,000	1.41%
PNW Investments, LLC	\$5,000	0.14%
QUEST IRA INC. FBO Rebeca E. Savory-Romero ROTH IRA # 15528-21	\$19,500	0.55%
R.D. Meredith General Contractors, LLC 401K Plan	\$150,750	4.25%
R2V2 Investments, LLC	\$30,188	0.85%
REAP, LLC	\$100,000	2.82%
Reymone Randall	\$50,500	1.42%
Russell & Uschi Waite	\$85,425	2.41%
Scott H. Eaton	\$25,000	0.70%
Self Directed IRA Services Inc. FBO Gary Wayne Williams Acct #100010381	\$50,000	1.41%
Shankar Thiruppathi	\$84,190	2.37%
Shengjie Li and Yuye Xu	\$35,000	0.99%
Steven Roche	\$10,000	0.28%

Sunwest Trust c/f Ann Marie Shuster, IRA Acct. #1712719	\$47,000	1.32%
Sunwest Trust Inc. fbo john b. allred IRA (acct #1612618)	\$35,000	0.99%
The Falkowitz Group Retirement Trust	\$50,000	1.41%
Timothy Sharp	\$100,000	2.82%
Top Mark Home Solutions Inc.	\$30,000	0.85%
Wisemove Properties, LLC.	\$100,000	2.82%
Xiaoging Chen	\$10,000	0.28%

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Parcel 1:

Lot 15 and the West 10 feet of Lot 16 in Block 3 in O. A. Bogue's Subdivisio0n of that part of the Southeast 1/4 of the Southeast 1/4 of Section 14, Township 38 North, Range 14, East of the Third Principal Meridian, in Cook County, Illinois

Parcel 2:

Lot 17 and the East 15 feet of Lot 16 in Block 3 in O. A. Bogue's Subdivision of that part of the Southeast 1/4 of the Southeast 1/4 of Section 14, Township 38 North, Range 14, East of the Third Principal Meridian, in Cook County, Illinois

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