

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

<b>UNITED STATES SECURITIES</b>	)	
<b>AND EXCHANGE COMMISSION,</b>	)	
	)	
<b>Plaintiff,</b>	)	
	)	<b>Civil Action No. 18-cv-5587</b>
<b>v.</b>	)	
	)	<b>Hon. Manish S. Shah</b>
<b>EQUITYBUILD, INC., EQUITYBUILD</b>	)	
<b>FINANCE, LLC, JEROME H. COHEN,</b>	)	<b>Magistrate Judge Young B. Kim</b>
<b>and SHAUN D. COHEN,</b>	)	
	)	
<b>Defendants.</b>	)	

**RECEIVER’S SUBMISSION ON GROUP 2 CLAIMS**

Kevin B. Duff, as the receiver (“Receiver”) for the Estate of Defendants EquityBuild, Inc., EquityBuild Finance, LLC, their affiliates, and the affiliate entities of Defendants Jerome Cohen and Shaun Cohen, and pursuant to the powers vested in him by the Order of this Court entered on August 17, 2018, submits the following to assist the Court in regards to the resolution of Group 2 claims asserted against five properties: (a) 6160-6212 S Martin Luther King Drive (Property 79); (b) 5450-52 S Indiana Avenue (Property 4); (c) 7749-59 S Yates Boulevard (Property 5); (d) 1700-08 Juneway Terrace (Property 1); and (e) 6949-59 S Merrill Avenue (Property 101).

There are a total of 306 claimants in Group 2 who have submitted proof of claims forms as ordered by the Court.<sup>1</sup> The Group 2 participants have exchanged both written and oral discovery. The Receiver has reviewed each of the claims submitted, the discovery identified above, the position statements submitted by Group 2 claimants, various EquityBuild records, and other

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<sup>1</sup> Several individuals or entities submitted claims against more than one property in Group 2. For purposes of this submission, those individuals or entities are considered a separate claimant for each property.

information, for purposes of providing recommendations. Exhibits 1-9, attached hereto, are spreadsheets for each of the five properties in Group 2, and contain: (i) the Receiver's recommendations in regards to whether each non-institutional lender claim is secured or unsecured and the maximum amount to be distributed to such claimant, if funds are available (Exhibits 1-5); and (ii) similar information regarding the claims of each institutional lender asserted against each property (Exhibits 6-9).

Section I of this submission sets forth the Receiver's recommendation on the issue of priority between the investor-lender claimants and the institutional lenders as it relates to each of the five properties. Section II addresses certain general principles that support the Receiver's recommendations that are applicable to all claimants in Group 2. Section III addresses special circumstances that are applicable to certain claims that are also included in Exhibits 1-5.

#### **I. Priority and Other Recommendations for Group 2 Properties**

Consistent with the instructions of the Court and its February 9, 2021 Order, the Receiver makes the following recommendations regarding the claims submitted to the Receiver. (Dkt. 941)

##### **A. The Receiver Recommends that the Investor-Lenders Have Priority in Regards to 6160-6212 S Martin Luther King Drive.**

With regard to the priority dispute between Direct Lending Partners LLC ("DLP") (the institutional lender) and the investor-lenders, the Receiver recommends that the Court find that the investor-lenders' mortgage has priority over the later-recorded DLP mortgage. The Receiver adopts and incorporates the argument of the SEC on this issue (Dkt. 1556), as well as arguments of other claimants on that position (*e.g.*, Dkt. 1564 at 4-8). As those claimants and the SEC have articulated, the investor-lenders' recorded mortgage secured by 6160 S Martin Luther King was first in time and not properly released; nor was the earlier loan repaid, from the proceeds of the

DLP loan or otherwise.<sup>2</sup> In this circumstance, the Receiver recommends, consistent with principles of law and equity (as well as this Court’s 2/15/2023 memorandum opinion and order) (Dkt. 1386), that these investor-lenders’ mortgage interests be found to have priority over DLP’s mortgage interest.

The investor-lenders that the Receiver recommends be recognized as having priority and entitled to a percentage share of the prior-recorded mortgages ahead of other claimants are not in all cases the same lenders that are listed on Exhibit A to the mortgage at issue here because of subsequent buyouts and assignments of percentage shares of the mortgage. Relatedly, not all of the investor-lenders who have submitted claims have retained their first-priority secured interest, due to subsequent assignments, rollovers, principal repayments, and the like, as detailed in Exhibit 1 and Section III below. The Receiver has taken these transfers of interest into consideration in making his recommendations.

If the Court finds that the investor-lenders have priority, the Court need not address the issues raised by the Receiver (and others) in regards to fraudulent transfers and inquiry notice as

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<sup>2</sup> DLP’s reliance upon a state trial court order in *5201 Wash. Investors LLC & Arthur Bertrand v. Equitybuild, Inc.*, 2023 Ill. Cir. LEXIS 79 (which is currently on appeal), is of no moment. Notably, while nominally against “Equitybuild, Inc.,” any claims against EquityBuild in that action were stayed pursuant to this Court’s Order Appointing Receiver (Dkt. 16), and the action was only allowed to proceed under the restriction that EquityBuild and the Receiver would not need to participate in those proceedings. (Dkt. 1176 at 2 (granting relief from stay)) The case is readily distinguishable on the basis that the issue there was the import of a property buyer’s reliance on a title report; it did not involve, like here, the due diligence of a lender and the information available to it that the borrower was engaged in fraud in connection with issuing a mortgage loan. Even were the state trial court’s ruling applicable, which is disputed, DLP has made no effort to—nor could it—show that it was similarly situated to Fannie Mae in that case. By way of example only, the court found that Fannie Mae took its assignment of the loan in good faith, for value, and without any notice that the recorded Release was allegedly unauthorized or subject to challenge. For the reasons set forth herein and in the Receiver’s Disclosure, DLP was on inquiry notice of facts that would have lead a reasonable person to inquire further about potentially fraudulent activity within EquityBuild. (Dkt. 1537; *see also* Dkt. 1556, 1564 at 4-8)

it relates to whether DLP should be deemed a secured or unsecured creditor, because there are not enough funds from the property account that would be available to address DLP's claim if it is determined to be in a second secured position. However, to the extent the Court deems it necessary and appropriate to address this issue, the Receiver recommends that the Court find that any security interest DLP retains is a voidable transfer under the Illinois Uniform Fraudulent Transfer Act, 740 ILCS 160. The legal and factual bases for the Receiver's position in this regard are set forth in the Receiver's Disclosure (Dkt. 1537) which reflects that DLP was on inquiry notice of facts that would have lead a reasonable person to inquire further about potentially fraudulent activity within EquityBuild. As a result, the Receiver recommends that the claim of DLP be subordinated from an alleged first priority secured claim to an unsecured claim.

**B. The Receiver Recommends that the Investor-Lenders Have Priority in Regards to 5450-52 S Indiana Avenue and 7749-59 S Yates Boulevard.**

Shatar Capital Partners ("Shatar") is an institutional lender that claims its loan is secured by both 5450 S Indiana and 7749 S Yates. As a result, the Receiver's recommendations in regards to both of these properties are addressed together in this section.

With regard to the priority dispute between Shatar (the institutional lender) and the investor-lenders for the both Indiana and Yates properties, the Receiver recommends that the Court find that the investor-lenders' mortgages have priority over the Shatar mortgage. The Receiver's recommendation in this regard is based on several grounds, equitable and otherwise. One such basis is evidence of an agreement reached between EquityBuild and Shatar that the loan from Shatar be treated as an equity investment. Specifically, the principals of both entities (*i.e.*, Shatar and EquityBuild) expressly agreed in writing that that they wanted the loan proceeds to be governed under the principles of "Heter Iska." *See* Exhibit 10, DX-13 (Shatar 30(b)(6) deposition)

(“This e-mail is to confirm our agreement that all loans from Shatar or related entities to you shall be subject to the provisions of a Heter Iska.”). A “heter iska” is a concept within Jewish law where money provided from one entity to another is not to be considered a loan but an investment in a joint business venture, with profits to be shared between the owner of the capital and the one who has been granted the right to use it and deal with it. *See, e.g., Koenig v. Middlebury Land Associates, LLC*, 2008 WL 3308816 at \*2 n.5 (Conn. Sup. Ct. July 23, 2008).

Put differently, a *heter iska* agreement effectively acts to recharacterize a debt instrument into an equity instrument and thereby allows the parties to recharacterize the debtor’s interest payments as a return on the creditor’s equity. *See, e.g., Sharfman, Economic Analysis of Jewish Law*, 36 *Touro L. Rev.* 231, 240-41 (2020). Under such circumstances, Shatar would not have priority over creditors and debt holders such as the investor-lenders, consistent with the general proposition that equity holders stand behind secured creditors in regards to any distributions. This well-recognized principle finds itself expressed in bankruptcy practice and law in the form of the “absolute priority” rule where “fairness and equity required that ‘the creditors ... be paid before the stockholders could retain [equity interests] for any purpose whatever.’” *Bank of America Nat’l Trust & Sav. Ass’n v. 203 N. LaSalle St. P’ship*, 526 U.S. 434, 444 (1999) (reversing appellate court decision which allowed equity holder to maintain interest in commercial property without full payment to secured creditor) (citation omitted); *Wilkow v. Forbes, Inc.*, 241 F.3d 552, 554 (7th Cir. 2001) (discussing the *203 N. LaSalle St.* case, stating: “The absolute priority rule, codified in 11 U.S.C. § 1129(b)(2)(B)(ii), forbids confirmation of a plan of reorganization over the objection of an impaired class of creditors unless ‘the holder of any claim or interest that is junior to the claims of such [impaired] class will not receive or retain under the plan on account of such junior claim or interest any property.’ In other words, creditors may insist on priority of payment:

secured creditors must be paid in full before unsecured creditors retain any interest, and unsecured creditors must be paid off before equity holders retain an interest.”) Under these circumstances and the agreement between EquityBuild and Shatar, Shatar is properly considered an investor in a joint business venture with EquityBuild and, thus, subordinate to the investor-lenders’ claims on the Indiana and Yates properties.

Separately, but additionally, the Receiver adopts and incorporates the substantive arguments of other claimants in support of the position that the investor-lenders have priority over Shatar (the institutional lender in regards to the Yates and Indiana properties) (*e.g.*, Dkt. 1564 at 8-18). As those claimants have articulated, the mortgage agreements between the investor-lenders and EquityBuild in regards to these properties were mostly completed *well before* the agreement with Shatar was made, yet a combined mortgage and purported first secured position was provided to Shatar for the Yates and Indiana properties and recorded first. Importantly, Shatar was well-versed in EquityBuild’s business operations and understood that EquityBuild was “crowdfunding” investors and promising them first-priority mortgage liens in regards to these properties. (*See* Dkt. 1537 at 5-12) To that point, while Shatar had originally understood that it was going to make a purchase money loan as to the Yates property, Shatar learned well before any closing that in fact its loan was a refinance because EquityBuild had already purchased the Yates property with funding obtained from the investor-lenders. (*Id.*; *see also* Exhibit 11 hereto, 30(b)(6) Shatar Tr. at 41:15-42:12 (discussing Yates property); 61:18-62:5 (different steps necessary for purchase money loan than refinance); Exhibit 12 hereto, DX-9 (e-mail chain provided to Shatar’s 30(b)(6) representative which included notification to Shatar that the “purchase loan” for Yates closed and providing a closing statement)) The Receiver also has not seen any evidence that investor-lenders from any of these properties were repaid, from the proceeds of the Shatar loan or otherwise. Under

such circumstances, the Receiver recommends, consistent with principles of law and equity, that these investor-lenders' mortgage interests be found to have priority over Shatar's mortgage interest.

The investor-lender claimants whom the Receiver recommends be recognized as having priority and entitled to a percentage share of the mortgages ahead of other claimants, are not in all cases the same lenders that are listed on Exhibit A to each of the two mortgages at issue here as a result of subsequent buyouts and assignments of percentage shares of their interests. Relatedly, not all of the investor-lenders who have submitted claims have retained their first-priority secured interest, due to subsequent assignments, rollovers, principal repayments, and the like, as detailed in Exhibits 2-3 and Section III below. The Receiver has taken these transfers and changes of interest into consideration in making his recommendations.

If the Court finds that the investor-lenders have priority on this basis, the Court need not address the issues raised by the Receiver (and others) in regards to fraudulent transfers and inquiry notice as it relates to Shatar, because there are not enough funds from the property account that would be available to address Shatar's claim if it is determined to be in a second secured position. However, to the extent the Court deems it necessary and appropriate to address this issue, the Receiver recommends that the Court find that any security interest Shatar retains is a voidable transfer under the Illinois Uniform Fraudulent Transfer Act, 740 ILCS 160. The legal and factual bases for the Receiver's position in this regard are set forth in the Receiver's Disclosure (Dkt. 1537), which reflects that Shatar was on inquiry notice of facts that would have lead a reasonable person to inquire further about potentially fraudulent activity within EquityBuild. As a result, the Receiver recommends that the claim of Shatar be subordinated from an alleged first priority secured claim to an unsecured claim.

However, if this Court were to find that Shatar has priority, the Receiver recommends that Shatar receive no more than the principal amount of the loan in the amounts set forth in the schedule attached as Exhibit 7, and that the remainder of the funds in the accounts held for these properties be distributed *pro rata* (consistent with their percentage of similarly situated claims) among the secured investor-lenders as set forth in Exhibits 2 and 3.

**C. The Receiver Recommends that the Institutional Lender Has Priority in Regards to 1700-08 Juneway Terrace.**

With regard to the priority dispute between Thorofare Asset Based Lending REIT Fund IV, LLC (“Thorofare”) (the institutional lender) and the investor-lenders with respect to 1700 Juneway, the Receiver recommends conditionally that Thorofare has a secured first position priority given that its purchase money mortgage was recorded first in time and apparently without notice of the investor-lenders’ mortgage. The Receiver conditionally recommends that the investor-lenders’ mortgage is in second position, with the secured investor-lenders eligible to receive, as they should, a *pro rata* distribution (consistent with their percentage of similarly situated claims) up to the amount of their maximum potential distribution recommended by the Receiver.<sup>3</sup> However, because the mortgage security is insufficient to cover the entirety of both Thorofare’s and the investor-lenders’ claims, the Receiver recommends that the Court exercise its discretion in regard to distributions to find that because all of the secured claimants are defrauded investors with a security interest in the asset, Thorofare should not be entitled to a distribution in

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<sup>3</sup> The investor-lenders who the Receiver recommends should maintain their secured interest in 1700 Juneway, and thus be entitled to a percentage share of their mortgage ahead of other claimants, are not in all cases the same lenders that are listed on Exhibit A to the mortgage at issue here as a result of certain subsequent buyouts and assignments of percentage shares of their interests. Relatedly, not all of the investor-lenders who submitted claims have retained their first-priority secured interest, due to subsequent assignments, rollovers, principal repayments, and the like, as detailed in Exhibit 4 and Section III below. The Receiver has taken such transfers of interest into consideration in making his recommendations.



excess of its principal investment.<sup>4</sup> (Schedules for recommendations regarding the maximum distributions to these claimants are found in Exhibits 4 and 8.) The Receiver's recommendations in this regard are based upon, *inter alia*, circumstances and conduct described below which the Receiver believes important for the Court to consider, as a matter of law and equity, in regards to these distribution issues (addressed further below in Section II).

EquityBuild Finance executed the investor-lenders' mortgage on the same day as it executed Thorofare's mortgage. However, the loans the investor-lenders made to EquityBuild, which EquityBuild represented as being in first position, were signed by EquityBuild and funded by the individual lenders well *before* Thorofare entered the picture. It is part of the artifice of the Cohens' Ponzi scheme that the investor-lender's mortgage was not recorded until two months *after* the Thorofare mortgage was recorded.

Moreover, while it is not clear that Thorofare had knowledge of the investor-lenders' mortgage, or of EquityBuild's model of financing, they were clearly aware that EquityBuild's business was sketchy and run by a "fugitive from justice," as disclosed by a Thorofare employee working on the loan (*See* Exhibits 13-15) There is a strong argument that more could (indeed, should) have been done by Thorofare, consistent with principles of inquiry notice, that would have uncovered additional issues associated with the Cohens' fraud, including, *e.g.*, that EquityBuild's business model was to crowdfund its investments through largely unsophisticated investor-lenders

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<sup>4</sup> This case is unlike ordinary cases where the majority of creditors are unsecured and one or a few creditors are secured by select assets. Here, EquityBuild granted the lion's share of creditors first-position secured interests in the real property, collectively in amounts far exceeding the value of the asset, consistent with the Cohens' fraudulent scheme. Under these circumstances, it would be inequitable to allow one creditor the entire benefit of its contractual arrangement, which was entered within the context of that fraudulent scheme, at the expense of all the other creditors recovering even a portion of their secured loans, merely by virtue of EquityBuild's manipulation of recording dates.

who lent their money to EquityBuild in exchange for a promised first lien secured interest, and that EquityBuild was doing so at the same time and on the same property that Thorofare was financing. This is a point raised by certain investors (Dkt. 1564 at 18-20) and also noted by this Court in consideration of Group 1 claims.<sup>5</sup> (Dkt. 1386 at 28)

In the alternative to the recommendation provided above, based on the circumstances at issue, should the Court accept the investor-lenders' argument, the Court could treat Thorofare and the investor-lenders as equally situated for priority purposes given the aforementioned conduct described. If the Court were to adopt such an approach, the Receiver would prepare and submit a proposed distribution schedule allocating the available funds *pro rata* based on the amounts of the maximum potential distributions recommended by the Receiver for all of the claimants. And finally, if the Court were to decide that Thorofare does not have a secured claim, then all of the funds held in this account would be distributed to the secured investor-lenders consistent with the schedule attached as Exhibit 4, with any remainder being transferred to the Receiver's account.

**D. The Receiver Conditionally Recommends that the Institutional Lender Has Priority over Other Claimants in Regards to 6949-59 S Merrill Avenue.**

With regard to the priority dispute between Thorofare (the institutional lender) and other claimants asserting an interest in the property at 6949 S Merrill, the Receiver recommends that the Court find that the mortgage recorded by Thorofare has priority. This is based on the fact that the other claimants do not hold secured interests in the property.

However, the Receiver notes again for the Court that Thorofare was aware that EquityBuild's owners were "fugitives from justice," as discussed in Section C, *supra*. To that

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<sup>5</sup> The Receiver acknowledges that the Court's Group 1 ruling is not determinative here, but the Court's prior statement in this regard is on point.

point, having done due diligence that revealed sketchy business practices by EquityBuild and their owners, as a matter of equity, Thorofare's recovery should be limited to its principal investment lost as a result of the EquityBuild Ponzi scheme.

Accordingly, if Thorofare is deemed to be in first position, the Receiver recommends distribution of funds up to the amount of the principal actually invested, which does *not* include the portion of the principal that was held back in reserve by Thorofare (which reserve the Receiver recommends be released back to Thorofare, acting as a setoff on the original principal amount), and with a setoff for certain loan origination fees, points, and interest EquityBuild paid to Thorofare using commingled investor funds, as set forth in Exhibit 9. Following distribution to Thorofare in accordance with the foregoing, the Receiver recommends that any remaining amount in the 6949 Merrill account be transferred to the Receiver's account. If the Court were to decide that Thorofare does not have a secured claim, then there would be no secured claimant on the 6949 Merrill property and all of the funds held in the 6949 Merrill account would be transferred to the Receiver's account.

## **II. General Issues Regarding Elements of All Claims that the Receiver Recommends Be Excluded from Consideration**

Most claimants in Group 2 are seeking amounts in addition to the return of the principal amounts that they lent to EquityBuild. For example, many claimants seek unpaid interest for the period after the establishment of the Receivership (whether it be termed contract interest, default interest, or the like). Other claimants seek to recover various types of penalties, attorneys' fees, and other additional amounts. The Receiver recommends that—beyond return of principal—none of those categories be allowed, and provides the following explanation for that position.

**A. A Disallowance of Post-Receivership Interest, Penalties, Fees, and Other Such Amounts Is Appropriate.**

As a general rule, in equity receiverships, interest on a debtor's obligations ceases to accrue at the inception of the proceeding. *See, e.g., Vanston Bondholders Protective Committee v. Green*, 329 U.S. 156, 163 (1946); *see also Matter of Fesco Plastics Corp.*, 996 F.2d 152, 155 (7th Cir. 1993) (referring to bankruptcy cases; "The age-old rule in bankruptcy, adopted from the English system, is that interest on claims stops accruing when the bankruptcy petition is filed."); 11 U.S.C. § 502(b)(2). One of the many purposes of the rule is that the courts are charged with preserving and protecting the estate for the benefit of all interests involved. *Vanston*, 329 U.S. at 163. To that point, the *Vanston* Court made clear that interest is not permitted in a federal equity receivership – whether to a secured or unsecured creditor. The Supreme Court's explanation of that position is relevant and important here:

When and under what circumstances federal courts will allow interest on claims against debtors' estates being administered by them has long been decided by federal law. Cf. *Board of Com'rs of Jackson County v. United States*, 308 U.S. 343, 60 S.Ct. 285, 84 L.Ed. 313; *Royal Indemnity Co. v. United States*, 313 U.S. 289, 61 S.Ct. 995, 85 L.Ed. 1361. *The general rule in bankruptcy and in equity receivership has been that interest on the debtors' obligations ceases to accrue at the beginning of proceedings. exaction of interest, where the power of a debtor to pay even his contractual obligations is suspended by law, has been prohibited because it was considered in the nature of a penalty imposed because of delay in prompt payment—a delay necessitated by law if the courts are properly to preserve and protect the estate for the benefit of all interests involved. Thus this Court has said: 'We cannot agree that a penalty in the name of interest should be inflicted upon the owners of the mortgage lien for resisting claims which we have disallowed. As a general rule, after property of an insolvent passes into the hands of a receiver or of an assignee in insolvency, interest is not allowed on the claims against the funds. The delay in distribution is the act of the law; it is a necessary incident to the settlement of the estate.'* *Thomas v. Western Car Co.*, 149 U.S. 95, 116, 117, 13 S.Ct. 824, 833, 37 L.Ed. 663. Cf. *American Iron & Steel Mfg. Co. v. Seaboard Air Line Ry.*, 233 U.S. 261, 34 S.Ct. 502, 58 L.Ed. 949. Courts have felt that it would be inequitable for anyone to gain an advantage or suffer a loss because of such delay. *Sexton v. Dreyfus*, 219 U.S. 339, 346, 31 S.Ct. 256, 258, 55 L.Ed. 244. ...

*Vanston*, 329 U.S. at 163-64 (emphasis supplied). *See also* Clark on Receivers, § 660(b) (3d ed. 1959) (“If the mortgage security is not enough to cover the claim and interest, then the court appointing the receiver would not be justified in ordering interest paid out of general funds.”).

Such a recommendation here is consistent with the fact that this Court has broad discretion in its handling of distributions, which the Receiver notes is *not* impinged by the bankruptcy statutes or decisions arising from bankruptcy relative to its recommendations regarding distributions. *See Duff v. Central Sleep Diagnostics, LLC*, 801 F.3d 833, 844 (affirming distribution plan and broad discretion of the district court in such matters, and stating: “A federal receivership is not governed by the Bankruptcy Code.”); *SEC v. Wealth Mgt.*, 628 F. 3d 323, 332-333 (7th Cir. 2010) (affirming district court’s approval of distribution plan, rejecting arguments, *inter alia*, that state law precluded actions; “In supervising an equitable receivership, the primary job of the district court is to ensure that the proposed plan of distribution is fair and reasonable. [citation omitted] The district court has broad equitable power in this area, so appellate scrutiny is narrow; we review the decision below for abuse of discretion.”); *SEC v. Credit Bancorp, Ltd.*, 2000 WL 1752979 \*19 (S.D.N.Y. Nov. 29, 2000) (“Rather, this is a case in which numerous victims of a fraud have competing claims to a limited receivership res. The relief sought by the SECO Intervenors would come at the direct expense of the other Credit Bancorp victims. As this Court noted in *Credit Bancorp I*, under these circumstances, “[t]he Receiver at once represents the interests of all and none of Credit Bancorp’s customers .... To the extent that the Receiver the interests of all in mind, he is the adversary of the individual customer—whose concern is only for the return of his deposits.” *SEC v. Credit Bancorp, Ltd.*, 194 F.R.D. 457, 461 (S.D.N.Y 2000) (citing *SEC v. Elliott*, 953 F.2d 1560, 1577 (11th Cir. 1992)); *cf. In re Teltronics, Ltd.*, 649 F.2d 1236, 1239 (7th Cir. 1981) (rejecting, under Illinois receivership law, argument that receiver takes no better title to

property than person subject to receivership, since receiver is empowered to manage the claims of defrauded rightful owners).”).

As a matter of both law and equity, and under the circumstances described above in Section I, the Receiver recommends that post-receivership interest be disallowed for every claim against any of the properties in Group 2.<sup>6</sup>

And, consistent with this same authorities and its logical underpinnings, the Receiver recommends that the request for late fees, penalties (pre-payment or otherwise), attorneys fees, and all such other costs also be rejected. These amounts, like interest, are equally detrimental to the interests of all creditors who are to be protected. Such protection is consistent with and supports the primary purpose of receiverships which is “to promote orderly and efficient administration of the estate’ for the benefit of all creditors.” *SEC v. Capital Cove Bancorp LLC*, 2015 WL 9701154 at \*12 (C.D. Cal. Oct. 13, 2015) (citing *SEC v. Hardy*, 803 F.2d 1034, 1038 (9th Cir. 1986)). Moreover, and as this Court is aware, the Receivership was put in place involuntarily, over the objections of the Defendants, which also renders the various penalty clauses unenforceable. *See also, e.g., Village of Rosemont v. Maywood-Proviso State Bank*, 149 Ill. App.

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<sup>6</sup> The Receiver acknowledges that some claimants have and may argue a right to interest under Section 506 of the bankruptcy code. However, as noted, this matter is not in bankruptcy and those rules simply do not apply or supersede the discretion of the Court to do equity in this receivership. Indeed, even if creditors may recover post-petition interest when the value of the collateral exceeds the sum of the principal and all interest due, that too is subject to equitable considerations that would militate against such payments. *See, e.g., SEC v. Capital Cove Bancorp LLC*, 2015 WL 9701154 (C.D. Cal., Oct. 13, 2015) (finding that remaining assets would be insufficient to pay all other creditor investors who were victimized by Ponzi scheme and staying accrual of default rate interest sought by lenders); *see also In re Hollstrom*, 133 B.R. 535, 539 (Bankr. D. Colo. 1991) (discussing bankruptcy law and stating: “No court which directly addresses the issue appears willing to rule out the possibility that certain circumstances might necessitate an equitable deviation from the stated contractual default rate of interest, and there is no clear, emerging, definite enumeration of these special circumstances or equitable considerations.”).

3d 1087, 1091-92 (1st Dist. 1986) (finding prepayment clause unenforceable in the event of condemnation which is involuntary).

As a matter of equity, the rejection of such claims is particularly appropriate here where the EquityBuild companies and portfolio operated as a Ponzi scheme where new investor monies were commingled and used to continue operations. That was alleged with specificity by the SEC in its Complaint, and the Cohens did not deny the Ponzi scheme having entered into a Consent Judgment (Dkt. 40).<sup>7</sup> The testimony provided to the District Court in support of the motion for the establishment of the Receivership evidenced the Ponzi scheme, as did later testimony and this Court's ruling in regards to the turnover of Jerry Cohen's Naples home. (*See, e.g.*, Dkt. 492 at 3-7 (Magistrate Judge Kim ruling discussing Tushaus testimony); Dkt. 603 at 5-6 (affirming magistrate judge ruling; "the [District] court agrees with the magistrate judge's assessment of the hearing evidence, which 'show[s] that the funds used [to purchase the Naples Property] came from [i]nvestor monies tied to the Cohen's Ponzi scheme'" (citing Dkt. 492 at 3-7, 10-14)). The District Court's later entry of a monetary judgment found that the Cohen's had been operating a Ponzi scheme. (*See*, Dkt. 533 at 2 ("Accordingly, the Cohens began running a Ponzi scheme, using new investors' funds to pay earlier investors' interest payments." (*citing* Dkt. 1, SEC Complaint, ¶ 45))

If not enough, the Court has also before it evidence of inequitable conduct including but not limited to the lack of diligence in regards to the underwriting of the loans whether it be from knowing in detail EquityBuild's business model (*i.e.*, Shatar) or a situation where the claimant

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<sup>7</sup> The existence of the Ponzi scheme was even admitted by defendant Shaun Cohen in a video sent to various investors shortly before the SEC Complaint was filed (a video that was provided to the Court as part of the evidence at the at the hearing on the temporary restraining order leading to the Order Appointing Receiver). Shaun Cohen stated, in part, that EquityBuild subsidized interest payments from new investments (the definition of a Ponzi scheme). (Dkt. 1, SEC Complaint, ¶ 63)

knows very much who they are doing business with (*i.e.*, Thorofare). Those equitable concerns should not be ignored.

Finally, as the Court also is aware, substantial delays in these proceedings have been caused by factors outside of the Receiver's control (*e.g.*, litigious claimants, government shutdown, the pandemic, and the like). In addition to the reasons stated above, it would be an affront to reason and justice to allow the self-serving interests of creditors or other interested parties in an equitable receivership to ratchet up receivership costs and cause delay in order to jack up the interest, fees, and costs that they then later seek from the Receivership Estate. Such delays should not serve to penalize the Estate, nor inure to the benefit of any claimants who contributed to the delay, nor come at the expense of the interest of other similarly situated or unsecured claimants to potential recovery of any amounts that might otherwise remain available for distribution.

**B. The Receiver Recommends Accounting for Distributions Previously Received from EquityBuild.**

With the Cohens having implemented a Ponzi scheme in which they commingled funds and used new funds from investor and institutional lenders to pay principal and exorbitant profits in the form of interest to prior and existing lenders and investors which were not tied directly and exclusively to income generated by the real estate assets associated with their loans and/or investments, the Receiver recommends that all claimants' claims, whether institutional lender or investor-lender, be set-off by the amounts held in reserve as well as of all pre-receivership distributions (whether characterized as payments of principal, interest, bonuses, or other types of returns) that they received from EquityBuild in order to achieve a ratable distribution of remaining assets among all of the defrauded investors. *See Donell v. Kowell*, 533 F.3d 762, 770 (9th Cir. 2008) ("The 'winners' in the Ponzi scheme, even if innocent of any fraud themselves, should not be permitted to 'enjoy an advantage over later investors sucked into the Ponzi scheme who were



not so lucky.”) (citation omitted). Under the “netting rule,” amounts transferred by the Ponzi scheme perpetrator to the investor are netted against the initial amounts invested by that individual. *Id.* at 771. And the fact that the claimants may be innocent victims does not change the analysis, as described by the Seventh Circuit in another Ponzi scheme:

The money used for the trades came from investors gulled by fraudulent representations. Phillips was one of those investors, and it may seem “only fair” that he should be entitled to the profits on trades made with his money. That would be true as between him and [the Ponzi scheme operator]. It is not true as between him and either the creditors of or the other investors in the corporations. He should not be permitted to benefit from a fraud at their expense merely because he was not himself to blame for the fraud. All he is being asked to do is to return the net profits of his investment—the difference between what he put in at the beginning and what he had at the end.

*Scholes v. Lehmann*, 56 F.3d 750, 757-58 (7th Cir. 1995).

Consistent with the logic of these cases, and the authorities discussed above, the Receiver recommends that the distributions already received by the claimants on their loans, as well as any amounts held in reserve by the lenders, be taken into consideration when determining the maximum amount that claimant ultimately should recover. Accordingly, Exhibits 1- 5, hereto, set forth the amount of distributions made to the Group 2 investor-lender claimants in the form of interest, principal, or “other” distributions (*e.g.*, credits for incentive “coupons” or bonuses extended to investor-lenders by EquityBuild). The amounts reflected in Exhibits 1-5 are primarily taken from the claimants’ sworn proofs of claim or verified standard discovery responses. For claimants who failed to provide information in regards to monies received from EquityBuild, or who provided figures that were markedly inconsistent with EquityBuild’s internal records, the Receiver relied on EquityBuild records (made available to all claimants in the EquityBuild document library operated by CloudNine) such as lender statements of account (“LSA”), bank

statements, or other records (*e.g.*, DocuSign records, email confirmations, etc.) that confirmed amounts at issue to a reasonable degree of certainty.

This figure is then used in Exhibits 1-5 to reflect the net difference between “money in” and “money out” for each claimant for the claims against these five properties in Group 2. A similar calculation is provided for the institutional lender on each property in Exhibits 6-9. These net figures do not necessarily equate to the amount that will be distributed on a claim because the amounts available for distribution to secured claimants are likely to be insufficient to pay these net amounts in total. Instead, the recommended amount for each claimant represents a ceiling – *i.e.*, the amount the Receiver would recommend for distribution in the event the proceeds of sale are sufficient to cover all of the first priority lenders. If available funds exceed these net amounts, any excess would be distributed to subordinate secured creditors and/or transferred to the Receiver’s account along with all other unencumbered funds.

### **III. Special Circumstances Involving Certain Claimants**

In developing the recommendations regarding the claims in Group 2, the Receiver encountered certain special issues and circumstances. The following is an effort to summarize certain of those special circumstances and the claimants involved.

***Rollovers.*** The claims analysis undertaken by the Receiver has identified claimants who agreed to relinquish their secured interest by rolling their secured loan to either an equity position or an unsecured promissory note, as indicated in Exhibits 1-5. The Receiver recommends that these investor-lenders be treated as unsecured creditors and their claims against the corresponding Group 2 property be considered along with all other unsecured claims in connection with any distribution plan and methodology as to such unsecured claims to be subsequently prepared by the Receiver and submitted for the Court’s consideration and approval once all secured claims have

been addressed. This recommendation applies to the following claimants:

*6160-6212 S Martin Luther King Drive (Property 79)*

- Brett Burnham (79-314-1)
- Gary R. Burnham Jr. Solo 401K Trust (79-1174)
- Laura J. Sohm IRA (79-970)
- US Freedom Investments, LLC (79-1234)

*5450-52 S Indiana Avenue (Property 4)*

- Douglas Nebel and Narine Nebel (4-1080)
- James Anthony Ande (4-591)
- Vartan Tarakchyan (4-1118)

*7749-59 S Yates Boulevard (Property 5)*

- Keith Randall (5-1086)
- Madison Trust Company custodian FBO Guenter Scheel IRA M1702 (5-2073)
- Patrick Connely (5-964)
- Peter Jordan (5-282)
- Quantum Growth Holdings LLC (5-354)
- White Tiger Revocable Trust, Ira Lovitch, Zinaida Lovitch (5-537)

*1700-08 Juneway Terrace (Property 1)*

- Gary R Burnham FBO Raegan D Burnham Roth IRA (1-1065)
- Gary R Burnham Jr. Family HSA (1-1066)
- Patrick Connely (1-939)
- William Hooper (1-278)

**Voided Rollover.** Other Group 2 claimants agreed to roll their secured interest to the SSDF6 equity fund, but subsequently EquityBuild expressly voided those transfers on or about August 8, 2018, telling claimants that “the [SSDF6 rollover] documents will be voided in the interest of keeping all investors on their current notes to ensure that no investor can be subordinated by any other investor that may not be receptive to the Equity option.”<sup>8</sup> Accordingly, the Receiver

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<sup>8</sup> These facts were developed after the Receiver made recommendations for Group 1. Several Group 1 claims, which the Receiver previously recommended be treated as unsecured due to rollovers to the SSDF6 fund, are affected. The Receiver intends to adjust these recommendations post-appeal, as needed, together with other adjustments (e.g., accounting matters, interest

recommends the following claimants retain their secured interests in the respective Group 2 properties:

*6160-6212 S Martin Luther King Drive (Property 79)*

- Kyle Jacobs (79-1345)
- Jason Ragan - TSA (79-797)

*5450-52 S Indiana Avenue (Property 4)*

- Aluvelu Homes LLC (4-879)
- iPlanGroup Agent for Custodian FBO Rajanikanth Tanikella IRA (4-829)
- Mark P. Mouty (4-165)
- R2V2 Investments LLC (4-842)
- Vivek Pingili (4-522)
- Wanda M. Behling (4-1025)

*7749-59 S Yates Boulevard (Property 5)*

- Steve Weera Tonasut and Esther Kon Tonasut (5-154)
- Dana Speed (5-684)
- iPlan Group Agent for Custodian FBO Rama Voddi Roth IRA (5-799)

*1700-08 Juneway Terrace (Property 1)*

- Dana Speed (1-684)
- Jason Ragan - TSA (1-1133)
- Jason Ragan - TSA (1-796)
- Mona M. Leonard SD ROTH - 2692021 (1-123)

***Transfer to Other Properties.*** On or about January, 2018, claimant Optima Property Solutions agreed to transfer his secured interests in 5450 S Indiana (4-1023) and 7749 S Yates (5-1023), along with his secured interest in certain other properties, to a group of other properties owned by EquityBuild. Approximately 75% of the transferred amount was repaid to Optima in May 2018. Accordingly, the Receiver recommends that the Court find this claimant voluntarily relinquished his security interest in Properties 4 and 5, and to the extent that this claimant has

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calculations, fee allocations, etc.) when an updated Group 1 distribution plan is submitted to the Court.

remaining interests in properties 9 (8100 S Essex), 62 (7834-44 S Ellis), 71 (701-13 S 5th Ave) and 93 (7957-59 S Marquette), the Receiver will consider those claims when those properties are before the Court.

Claimant Eleven St. Felix Street Realty Corp. (4-2012) wired funds to invest in the 5450 S Indiana mortgage, but these funds were subsequently applied to a loan secured by a different property located at 8326 S Ellis, as acknowledged and approved by claimant in contemporaneous correspondence.

***Claims Unsecured.*** The claims of Capital Investors, LLC (101-1490) and Doron Reichenberg (101-708) with respect to 6949 S Merrill do not relate to mortgage loans secured by the property. Instead, Capital Investors entered a transaction with EquityBuild whereby it made a capital contribution in exchange for a membership interest in 6951 South Merrill Fund I LLC constituting an equity interest in the property, as confirmed by claimant in its position statement (Dkt. 1560). Similarly, claimant Reichenberg entered a transaction with EquityBuild to obtain a membership interest in the South Side Development Fund 2, LLC (“SSDF2”), which was later absorbed into the South Side Development Fund 4, LLC (“SSDF4”). Both of these claims therefore constitute unsecured equity positions.

***Claim Released.*** Claimant Entrust Group FBO Daniel Matthews IRA (79-117) executed a release of their mortgage lien, which was recorded in the chain of title for 6160 S Martin Luther King. Accordingly, this claimant does not have a secured interest in the property.

***Promoter Claimant.*** The Receiver recommends that the claim of John Allred (79-2004) should be disqualified because Allred was an EquityBuild employee who actively participated in the marketing of the fraudulent scheme and is culpable for recruiting, retaining, and/or for providing false information to other claimants. *See, e.g., In re Hedged-Investments Associates,*

*Inc.*, 380 F.3d 1292, 1301 (10th Cir. 2004) (“Where the claimant is an insider . . . , the party seeking subordination need only show some unfair conduct, and a degree of culpability, on the part of the insider.”); *SEC v. Enter. Trust Co.*, No. 08 Civ. 1260, 2008 WL 4534154, at \*3, 2008 U.S. Dist. LEXIS 79731, at \*10 (N.D. Ill. Oct. 7, 2008) (“Disqualifying those who took the business over the edge is the most common feature, and the least contested aspect, of distribution plans.”).

***Failure to Perfect Claims.*** CLD Construction, Inc. and CLC Electric, Inc., whose principal Doru Unchias submitted claims asserting an interest in 1700 Juneway (1-1454 and 1-1477) and 6949 S Merrill (101-1454 and 101-1477), and Bauer Latoza Studio, Ltd., asserting an interest in 6160 S Martin Luther King (79-885), did not perfect their claims and therefore should be considered, at best, to have unsecured claims against the estate. *See Commodity Futures Trading Comm’n v. Peregrine Financial Group, Inc.*, No. 12-CV-5383, 2014 WL 1758317, \*4 (N. D. Ill. May 2, 2014) (finding that it would be inappropriate to treat as secured mechanics liens that were not perfected or otherwise secured at the commencement of the receivership). The Receiver further recommends that several of these unsecured claims be disallowed and/or treated as having no value due to the claimants’ failure to provide sufficient documentation supporting their claims and where the Receiver was unable to locate support for the claims in EquityBuild’s records, or through communications with claimant’s counsel. (Claims 1-1477, 101-1454 and 101-1477)

***Withdrawn Claim.*** In May, 2023, Claimant Paul Harrison expressly withdrew his claim in writing against 5450 S Indiana (4-2026), and therefore the Receiver recommends no distribution to the claimant on this claim.

Following the Court's rulings in regarding priority and in regards to the Receiver's recommendations on Group 2 as set forth in the attached Exhibits and the foregoing discussion, the Receiver will recommend a distribution plan and methodology, to the extent needed, including the amount to be distributed to each eligible claimant.

Dated: December 20, 2023

Kevin B. Duff, Receiver

By: /s/ Michael Rachlis  
Michael Rachlis  
Jodi Rosen Wine  
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**CERTIFICATE OF SERVICE**

I hereby certify that on December 20, 2023, I electronically filed the foregoing Receiver's Submission on Group 2 Claims with the Clerk of the United States District Court for the Northern District of Illinois, using the CM/ECF system. A copy of the foregoing was served upon counsel of record via the CM/ECF system.

I further certify that I caused true and correct copy of the foregoing Submission, to be served upon all claimants included on the Email Service List for Group 2 by electronic mail.

I further certify that the Submission will be posted to the Receivership webpage at: <http://rdaplawnet.com/receivership-for-equitybuild>

/s/ Michael Rachlis  
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SEC v. EquityBuild, Inc.

Group 2 Claims

6160-6212 S Martin Luther King Drive (Property 79)

Claimant Name	Claim Number	Claimant Submissions	Amount Claimed (Invested in Property)	Secured Claim Remaining	Unsecured Claim (This Investment)	Pre-Rollover Distributions	Distributions Received on Investment	Source of Distribution	Max Potential Dist. (Proceeds of Sales)	Max Potential Dist. (Unencumbered)	Receiver's Recommendation Notes
Aaron Beauclair	79-408	POC; DIS; POS	\$ 30,000.00	\$ 30,000.00			\$ 226.67	LSA	\$ 29,773.33		
Alcalli Sabat	79-786	POC	\$ 11,000.00	\$ 11,000.00			\$ 2,332.00	LSA	\$ 8,668.00		
Amit Hammer	79-225	POC; DIS; POS	\$ 50,000.00	\$ 50,000.00			\$ 14,934.72	LSA	\$ 35,065.28		
Arvind Kinjarapu	79-1161	POC; DIS; POS	\$ 35,000.00	\$ 35,000.00			\$ 8,468.11	LSA	\$ 26,531.89		
Asians Investing In Real Estate LLC	79-503	POC; DIS	\$ 25,000.00	\$ 25,000.00		\$ 8,102.08	\$ 588.89	POC; LSA	\$ 16,309.03		Pre-rollover distributions on loan secured by 7600 S Kingston
Bauer Latoza Studio, Ltd.	79-885	POC	\$ 27,450.00		\$ 27,450.00		\$ -	n/a		\$ 27,450.00	Unsecured trade creditor
Bernadette Chen Eleven St. Felix Street Realty Corp.	79-2012	POC; DIS; POS	\$ 100,000.00	\$ 100,000.00			\$ 24,461.06	LSA	\$ 75,538.94		
Brett Burnham	79-314-1	POC	\$ 8,000.00	\$ -	\$ 8,000.00		\$ 1,396.00	LSA	\$ -	\$ 6,604.00	Claimant agreed to rollover this loan to SSDF4 on 6/19/18
Brett Burnham	79-314-2	POC	\$ 5,000.00	\$ 5,000.00			\$ 1,119.16	LSA	\$ 3,880.84		
Charles Smith	79-1186	POC; DIS; POS	\$ 350,000.00	\$ 350,000.00			\$ 79,955.61	POC; LSA	\$ 270,044.39		
Clifton Armoogam	79-2006	POC	\$ 9,900.00	\$ 9,900.00			\$ 2,258.85	LSA	\$ 7,641.15		
David M Harris	79-267	POC; DIS	\$ 96,000.00	\$ 96,000.00			\$ 23,578.67	LSA	\$ 72,421.33		
David R Trengove	79-481	POC; DIS; POS	\$ 150,000.00	\$ 150,000.00			\$ 35,066.67	POC; LSA	\$ 114,933.33		
Dennis & Mary Ann Hennefer	79-355	POC; DIS	\$ 23,768.00	\$ 23,768.00		\$ 2,220.07	\$ 3,295.86	POC; LSA	\$ 18,252.07		Pro-rata share of pre-rollover distributions on loan secured by 7024 S Paxton
Distributive Marketing Inc.	79-806	POC; DIS; POS	\$ 50,000.00	\$ 50,000.00			\$ 11,700.05	LSA	\$ 38,299.95		
EastWest Funding Trust	79-258	POC; DIS; POS	\$ 50,000.00	\$ 50,000.00			\$ 11,972.28	POC; LSA	\$ 38,027.72		
Elaine Sison Ernst	79-1029	POC; DIS	\$ 50,000.00	\$ 50,000.00			\$ 11,805.61	LSA	\$ 38,194.39		
Entrust Group FBO Daniel Matthews IRA	79-117	POC; DIS; POS	\$ 40,000.00				\$ 6,051.08	POC; LSA	\$ -		Entrust Group (claimants' custodian) signed a release of this lien, which was recorded. Claimant may have an unsecured claim if they did not receive a payoff from EquityBuild.
Francisco Fernandez	79-1450	POC; DIS; POS	\$ 65,000.00	\$ 65,000.00			\$ 15,953.95	LSA	\$ 49,046.05		
Gary R. Burnham Jr. Solo 401K Trust	79-1174	POC; DIS; POS	\$ 10,000.00	\$ -	\$ 10,000.00		\$ 829.00	POC	\$ -	\$ 9,171.00	Claimant agreed to rollover this loan to SSDF1
Gowrisankar Challagundla	79-815	POC	\$ 50,000.00	\$ 50,000.00			\$ 11,913.95	LSA	\$ 38,086.05		
Grathia Corp	79-1445	POC; DIS	\$ 50,000.00	\$ 50,000.00			\$ 12,205.61	LSA	\$ 37,794.39		
Green Light Investments, LLC	79-1440	POC	\$ 50,000.00	\$ 50,000.00			\$ 12,277.49	POC; LSA	\$ 37,722.51		
Gunter and Karen Scheel	79-2072	POC; DIS; POS	\$ 25,000.00	\$ 25,000.00			\$ 6,111.05	LSA	\$ 18,888.95		
Ingrid Beyer and Joel Beyer	79-985	POC; DIS; POS	\$ 10,000.00	\$ 10,000.00			\$ 2,421.06	POC; LSA	\$ 7,578.94		
iPlanGroup Agency for Custodian FBO Charles Powell IRA	79-413	POC	\$ 10,000.00	\$ 10,000.00			\$ 837.75	LSA	\$ 9,162.25		
iPlanGroup Agent for Custodian FBO Andrew Brooks IRA Account	79-203	POC; DIS	\$ 20,000.00	\$ 20,000.00			\$ 4,430.00	LSA	\$ 15,570.00		
Irene Gacad	79-647	POC; DIS; POS	\$ 25,000.00	\$ 25,000.00			\$ 5,990.22	POC; LSA	\$ 19,009.78		
James Walsh	79-2058	POC	\$ 50,000.00	\$ 50,000.00			\$ 11,350.00	LSA	\$ 38,650.00		
Jason Ragan - TSA	79-797	POC; POS	\$ 110,000.00	\$ 110,000.00		\$ 5,900.97	\$ 17,478.58	POC	\$ 86,620.45		Transaction to roll loan to SSDF6 equity fund was subsequently voided
Jeffery B McMeans	79-279	POC; DIS	\$ 50,000.00	\$ 50,000.00			\$ 12,205.61	LSA	\$ 37,794.39		
John A Martino & Carole J Wysocki	79-1493	POC	\$ 50,000.00	\$ 50,000.00			\$ 12,171.78	POC	\$ 37,828.22		
John B. Allred & Glenda K. Allred	79-2004	POC; DIS		\$ (65,000.00)			\$ 15,715.62	LSA	\$ -		Receiver recommends that former EquityBuild employee who actively participated in marketing the fraudulent scheme be disqualified from receiving a distribution
John E Mize	79-649	POC	\$ 50,000.00	\$ 50,000.00			\$ 12,230.61	LSA	\$ 37,769.39		
Karl R. DeKlotz	79-1179	POC; DIS; POS	\$ 100,000.00	\$ 300,000.00		\$ 25,924.50	\$ 52,252.76	LSA	\$ 221,822.74		Principal balance increased due to rollovers of loans secured by 4611 S Drexel and 7024 S Paxton to this property in June, 2017. Pro rata share of pre-rollover distributions from those two loans applied.
Knickerbocker LLC	79-2035	POC; DIS	\$ 50,000.00	\$ 50,000.00			\$ 12,291.67	LSA	\$ 37,708.33		
Kyle Jacobs	79-1345	POC	\$ 30,000.00	\$ 30,000.00			\$ 7,318.33	LSA	\$ 22,681.67		Transaction to roll loan to SSDF6 equity fund was subsequently voided
Larry White	79-794	POC; DIS	\$ 52,500.00	\$ 52,500.00			\$ 12,754.58	LSA	\$ 39,745.42		
Laura J. Sohm IRA	79-970	POC; DIS; POS	\$ 63,000.00	\$ -	\$ 63,000.00		\$ 9,135.00	LSA	\$ -	\$ 53,865.00	Claimant agreed to rollover this loan to 6250 S Mozart
Levent Kesen	79-1078	POC; DIS; POS	\$ 50,000.00	\$ 50,000.00			\$ 12,230.60	POC; LSA	\$ 37,769.40		
Louis Barrows	79-494	POC; DIS; POS	\$ 25,000.00	\$ 25,000.00			\$ 45.14	POC; LSA	\$ 24,954.86		
Madison Trust Company Custodian FBO Kathy B. Talman IRA	79-1109	POC; DIS	\$ 25,000.00	\$ 25,000.00			\$ 6,073.55	POC; LSA	\$ 18,926.45		
Madison Trust Custodian FBO Brent Jacobs	79-854	POC; DIS; POS	\$ 37,881.00	\$ 37,881.00			\$ 9,942.02	LSA	\$ 27,938.98		
Maricris M. Lee	79-320	POC; POS	\$ 8,000.00	\$ 8,000.00		\$ 615.58	\$ 1,066.70	LSA	\$ 6,317.72		Pre-rollover distributions on loan secured by 7024 S Paxton

SEC v. EquityBuild, Inc.

Group 2 Claims

6160-6212 S Martin Luther King Drive (Property 79)

Claimant Name	Claim Number	Claimant Submissions	Amount Claimed (Invested in Property)	Secured Claim Remaining	Unsecured Claim (This Investment)	Pre-Rollover Distributions	Distributions Received on Investment	Source of Distribution	Max Potential Dist. (Proceeds of Sales)	Max Potential Dist. (Unencumbered)	Receiver's Recommendation Notes
May M. Akamine for Aurora Investments, LLC (assets formerly under MayREI, LLC)	79-1412	POC	\$ 60,000.00	\$ 60,000.00			\$ 14,446.67	LSA	\$ 45,553.33		
Meadows Enterprises Inc, Kenyon Meadows, President	79-429	POC; DIS	\$ 25,000.00	\$ 25,000.00			\$ 6,136.05	LSA	\$ 18,863.95		
Michael Arthur Goldman (also know as Mike Goldman, Michael A. Goldman, Michael Goldman)	79-775	POC; DIS; POS	\$ 61,861.00	\$ 60,000.00		\$ 22,100.00	\$ 14,286.40	POC; LSA	\$ 23,613.60		The Receiver recommends disallowing \$1860.75 accrued interest claimant added to principal amount of loan, and deducting pre-rollover distributions from the loan secured by 4351 S Calumet
Michael Warner, Trustee of Warner Chiropractic Care Center,	79-78	POC; DIS; POS	\$ 90,000.00	\$ 90,000.00			\$ 21,760.00	POC; LSA	\$ 68,240.00		
Moran Blueshtein and Upender Subramanian	79-95	POC; DIS; POS	\$ 46,000.00	\$ 46,000.00			\$ 1,369.77	POC; LSA	\$ 44,630.23		
Mountain West LLC IRA FBO Rachael B. Curcio Acct# 50679-01	79-315	POC	\$ 7,000.00	\$ 7,000.00			\$ 199.69	POC; LSA	\$ 6,800.31		
Nandini S Chennappan	79-1270	POC; POS	\$ 10,000.00	\$ 10,000.00			\$ 2,266.61	POC	\$ 7,733.39		
Nehasri Ltd (investment under Nehasri Ltd by Manoj Donthineni)	79-1365	POC; DIS; POS	\$ 50,000.00	\$ 50,000.00			\$ 12,677.72	LSA	\$ 37,322.28		
New Direction IRA, Inc. FBO Ingrid Beyer, Roth IRA	79-437	POC; DIS; POS	\$ 25,000.00	\$ 25,000.00			\$ 5,623.55	POC; LSA	\$ 19,376.45		
Optima Property Solutions, LLC	79-1023	POC	\$ 200,000.00	\$ 200,000.00		\$ 28,333.36	\$ 31,611.15	LSA	\$ 140,055.49		Pre-rollover distributions on loan secured by 4533 S Calumet
Pankaj Patel DBA EZ NJ Ventures, LLC	79-920	POC	\$ 50,000.00	\$ 50,000.00			\$ 11,630.61	LSA	\$ 38,369.39		
Pat DeSantis	79-397	POC; DIS; POS	\$ 250,000.00	\$ 250,000.00			\$ 65,527.72	LSA	\$ 184,472.28		
Patricia J Theil C/F Jacqueline M Theil	79-923	POC; DIS; POS	\$ 11,257.00	\$ 11,162.79		\$ 976.13	\$ 1,560.94	POC; LSA	\$ 8,625.72		The Receiver recommends disallowing \$94.21 accrued interest claimant added to principal amount of loan, and deducting pro-rata pre-rollover distributions from the loan secured by 7834 S Ellis
Paul N. Wilmesmeier	79-300	POC; DIS; POS	\$ 25,000.00	\$ 25,000.00			\$ 6,202.72	POC; LSA	\$ 18,797.28		
Philip J Lombardo and Dianne E Lombardo	79-561	POC; DIS	\$ 50,000.00	\$ 50,000.00			\$ 12,205.61	LSA	\$ 37,794.39		
Professional Rental LP, George Samuel	79-482	POC; DIS	\$ 50,000.00	\$ 50,000.00			\$ 11,563.94	LSA	\$ 38,436.06		
Provident Trust Group, LLC FBO Stephan Tang IRA	79-172	POC; DIS; POS	\$ 36,470.00	\$ 36,470.00		\$ 2,950.04	\$ 1,458.81	LSA	\$ 32,061.15		Pre-rollover distributions on loan secured by 4533 S Calumet
Real Envisions LLC	79-1021	POC; DIS; POS	\$ 50,000.00	\$ 50,000.00			\$ 12,113.95	LSA	\$ 37,886.05		
Receivables to Cash, LLC d/b/a Berenger Capital	79-302	POC	\$ 50,000.00	\$ 50,000.00			\$ 12,272.28	LSA	\$ 37,727.72		
Rene Hribal	79-768	POC; DIS	\$ 100,000.00	\$ 100,000.00			\$ 22,288.84	LSA	\$ 77,711.16		
Robert Potter	79-1389	POC; DIS	\$ 23,000.00	\$ 23,000.00			\$ 5,645.28	LSA	\$ 17,354.72		
Sarah Geldart	79-1285	POC; DIS; POS	\$ 20,000.00	\$ 20,000.00			\$ 4,732.28	LSA	\$ 15,267.72		
Steven R. Bald	79-399	POC; DIS; POS	\$ 30,000.00	\$ 30,000.00			\$ 7,338.33	POC; LSA	\$ 22,661.67		
Steven Roche	79-329	POC; DIS	\$ 50,000.00	\$ 50,000.00			\$ 12,005.61	LSA	\$ 37,994.39		
Terrri S. Tracy	79-272	POC; DIS; POS	\$ 25,000.00	\$ 25,000.00			\$ 6,111.00	POC; LSA	\$ 18,889.00		
Terry L. Merrill, Sheryl R. Merrill	79-602	POC	\$ 50,000.00	\$ 50,000.00			\$ 11,997.28	LSA	\$ 38,002.72		
The Entrust Group FBO Dee Ann Nason 7230011277	79-790	POC; DIS; POS	\$ 50,000.00	\$ 50,000.00			\$ 11,855.61	LSA	\$ 38,144.39		
Todd Colocy	79-70	POC; DIS; POS	\$ 50,000.00	\$ 50,000.00			\$ 12,213.95	LSA	\$ 37,786.05		
TSC Trust Patricia-Trish Scully	79-2063	POC	\$ 50,000.00	\$ 50,000.00			\$ 12,261.06	LSA	\$ 37,738.94		
United Capital Properties, LLC	79-1480	POC	\$ 30,000.00	\$ 30,000.00			\$ 7,253.33	LSA	\$ 22,746.67		
US Freedom Investments, LLC	79-1234	POC; DIS	\$ 25,000.00	\$ -	\$ 25,000.00		\$ 3,658.29	LSA	\$ -	\$ 21,341.71	Claimant agreed to rollover this loan to SSDF4 on 9/15/17
Valmar PLC (Valery Lipenko)	79-517	POC; DIS; POS	\$ 25,000.00	\$ 25,000.00			\$ 6,144.38	LSA	\$ 18,855.62		
Victor Shaw	79-1040	POC; DIS	\$ 50,000.00	\$ 50,000.00			\$ 12,272.28	LSA	\$ 37,727.72		
Vistex Properties LLC	79-1318	POC; DIS	\$ 100,000.00	\$ 100,000.00			\$ 23,188.95	POC; LSA	\$ 76,811.05		
William (Will) J Cook III	79-700	POC; DIS; POS	\$ 100,000.00	\$ 100,000.00			\$ 24,102.73	LSA	\$ 75,897.27		
William B. Dreischmeier	79-2017	POC; DIS	\$ 60,000.00	\$ 60,000.00			\$ 14,656.67	LSA	\$ 45,343.33		
William H. Akins, Jr.	79-2003	POC; DIS; POS	\$ 35,000.00	\$ 35,000.00			\$ 8,392.28	LSA	\$ 26,607.72		
William Needham	79-80	POC; DIS; POS	\$ 25,000.00	\$ 25,000.00			\$ 5,648.55	POC; LSA	\$ 19,351.45		
Wisemove Properties LLC	79-168	POC; DIS	\$ 100,000.00	\$ 100,000.00			\$ 24,727.72	LSA	\$ 75,272.28		
Yin Liu, Ping Xu	79-1368	POC	\$ 100,000.00	\$ 100,000.00			\$ 24,444.39	LSA	\$ 75,555.61		
<b>TOTALS</b>			<b>\$ 4,423,087.00</b>	<b>\$ 4,382,681.79</b>	<b>\$ 133,450.00</b>	<b>\$ 97,122.73</b>	<b>\$ 1,022,296.92</b>		<b>\$ 3,365,047.13</b>	<b>\$ 118,431.71</b>	

Claimant Name	Claim Number	Claimant Submissions	Amount Claimed (Invested in Property)	Secured Claim Remaining	Unsecured Claim (This Investment)	Pre-Rollover Distributions	Distributions Received on Investment	Source of Distribution	Max Potential Dist. (Proceeds of Sales)	Max Potential Dist. (Unencumbered)	Receiver's Recommendation Notes
Aksel Allouch	4-90	POC; DIS; POS	\$ 50,000.00	\$ 50,000.00			\$ 9,130.60	POC; LSA	\$ 40,869.40		
Alcalli Sabat (iPlanGroup FBO Alcalli Sabat IRA 3300293)	4-786-1	POC	\$ 20,000.00	\$ 20,000.00			\$ 3,718.93	LSA	\$ 16,281.07		
Alcalli Sabat (iPlan Group FBO Alcalli Sabat Roth 3320274)	4-786-2	POC	\$ 10,000.00	\$ 10,000.00			\$ 1,839.40	LSA	\$ 8,160.60		
Aluvelu Homes LLC	4-879	POC; DIS; POS	\$ 20,000.00	\$ 20,000.00			\$ 4,102.27	LSA	\$ 15,897.73		Transaction to roll loan to SSDF6 equity fund was subsequently voided.
Anjie Comer	4-612	POC	\$ 10,000.00	\$ 10,000.00			\$ 1,192.81	LSA	\$ 8,807.19		
Annie Chang	4-475	POC; DIS; POS	\$ 15,000.00	\$ 15,000.00		\$ 2,956.25	\$ 1,072.50	POC; LSA	\$ 10,971.25		Pre-rollover distributions on loan secured by 4533 S Calumet
Arthur and Dinah Bertrand	4-890	POC; DIS; POS	\$ 50,000.00	\$ 50,000.00			\$ 9,000.00	LSA	\$ 41,000.00		
Bernadette Chen Eleven St. Felix Street Realty Corp.	4-2012	POC; DIS; POS	\$ 50,000.00	\$ -			\$ -	LSA	\$ -		The funds claimant wired for this investment were applied to a loan secured by 8326 S Ellis, as acknowledged by claimant in contemporaneous correspondence.
Blue Mountain Ventures PSP 401K, George Samuel	4-491	POC; DIS	\$ 150,000.00	\$ 150,000.00			\$ 27,541.66	LSA	\$ 122,458.34		
Bluebridge Partners Limited	4-727	POC; DIS; POS	\$ 100,000.00	\$ 100,000.00			\$ 21,177.73	LSA	\$ 78,822.27		
Bonnie Young	4-1223	POC	\$ 50,000.00	\$ 50,000.00			\$ 5,822.25	POC	\$ 44,177.75		
Bright Venture, LLC	4-84	POC; DIS; POS	\$ 40,000.00	\$ 40,000.00			\$ 8,204.40	POC; LSA	\$ 31,795.60		
CLD Construction, Inc. (Doru Unchias)	4-1454	POC	\$ 2,500.00	\$ -	\$ 2,500.00		\$ -		\$ -	\$ 2,500.00	Unsecured trade creditor
David R Trengove	4-481	POC; DIS; POS	\$ 44,266.00	\$ 44,266.00			\$ 8,327.26	POC	\$ 35,932.74		
Denise Renee Wilson	4-1492	POC	\$ 90,000.00	\$ 90,000.00			\$ 12,295.58	POC; LSA	\$ 77,704.42		
Distributive Marketing Inc.	4-806	POC; DIS; POS	\$ 50,000.00	\$ 50,000.00			\$ 10,205.60	LSA	\$ 39,794.40		
Donald Freers aka Meadows Advisors LLC	4-72	POC	\$ 50,000.00	\$ 50,000.00			\$ 4,838.92		\$ 45,161.08		
Douglas Nebel and Narine Nebel	4-1080	POC; DIS; POS	\$ 65,000.00	\$ -	\$ 65,000.00		\$ 5,775.00	POC	\$ -	\$ 59,225.00	Claimant agreed to rollover this loan to SSDF4 on 9/1/17
Ed A Bancroft (iPlan Group FBO Ed Bancroft IRA 3300405)	4-2008-1	POC	\$ 5,800.00	\$ 5,800.00			\$ 1,062.00	LSA	\$ 4,738.00		
Ed A. Bancroft	4-2008-2	POC	\$ 3,171.00	\$ 3,171.00			\$ 384.79	LSA	\$ 2,786.21		
Erika Dietz IRA account (Madison Trust Company Custodian FBO Erika Dietz Acct # M1612085)	4-1301	POC; DIS; POS	\$ 102,666.66	\$ 100,000.00			\$ 20,511.06	POC; LSA	\$ 79,488.94		The Receiver recommends disallowing \$2,666.66 accrued interest claimant added to principal amount of loan
Girl Cat Capital West LLC, Valentina Salge, President	4-350	POC; DIS; POS	\$ 50,000.00	\$ 50,000.00			\$ 8,761.76	POC; LSA	\$ 41,238.24		
Graystone Realty, LLC	4-1210	POC; DIS	\$ 50,000.00	\$ 50,000.00			\$ 10,197.27	LSA	\$ 39,802.72		
Harendra Pal	4-1125	POC; DIS; POS	\$ 8,932.00	\$ 8,932.00			\$ 1,785.86	LSA	\$ 7,146.14		
Hiroyuki Roy Chin & Lillian S Chin JTWROS	4-1274	POC	\$ 26,000.00	\$ 26,000.00			\$ 4,084.21	LSA	\$ 21,915.79		
Howard and Doris Bybee	4-1039	POC	\$ 15,000.00	\$ 15,000.00			\$ 937.08	LSA	\$ 14,062.92		
IG Investment Trust	4-1061	POC; DIS; POS	\$ 25,000.00	\$ 25,000.00			\$ 4,969.40	POC; LSA	\$ 20,030.60		
Influx Investments LLC	4-744	POC; DIS; POS	\$ 25,000.00	\$ 25,000.00			\$ 5,156.90	LSA	\$ 19,843.10		
iPlanGroup Agency for Custodian FBO Charles Powell IRA	4-413	POC	\$ 2,310.00	\$ 2,310.00			\$ 193.56	LSA	\$ 2,116.44		
iPlanGroup Agent for Custodian FBO Charles Michael Anglin	4-331	POC; DIS	\$ 15,000.00	\$ 15,000.00			\$ 1,880.00	POC; LSA	\$ 13,120.00		
iPlanGroup Agent for Custodian FBO Rajanikanth Tanikella IRA	4-829	POC; DIS; POS	\$ 10,000.00	\$ 10,000.00			\$ 1,914.40	LSA	\$ 8,085.60		Transaction to roll loan to SSDF6 equity fund was subsequently voided
IRA Services Trust Custodian FBO Ronald Stephen Klein	4-301	POC; DIS	\$ 50,000.00	\$ 50,000.00			\$ 10,247.27	LSA	\$ 39,752.73		
James Anthony Ande	4-591	POC	\$ 25,000.00	\$ -	\$ 25,000.00		\$ 1,273.60	POC; LSA	\$ -	\$ 23,726.40	Claimant agreed to rollover this loan to SSDF1 on 7/26/17
Julie Patel	4-409	POC; DIS; POS	\$ 10,000.00	\$ 10,000.00		\$ 967.43	\$ 1,386.63	LSA	\$ 7,645.94		Pro-rata share of pre-rollover distributions on loan secured by 7024 S Paxton
Karl R. DeKlotz	4-1179	POC; DIS; POS	\$ 150,000.00	\$ 150,000.00			\$ 32,066.66	LSA	\$ 117,933.34		
Kirk Road Investments, LLC	4-755	POC; DIS; POS	\$ 121,855.00	\$ 100,000.00		\$ 7,016.83	\$ 33,211.57	LSA	\$ 59,771.60		The Receiver recommends disallowing the accrued interest that was rolled into this investment and deducting the pro-rata share of pre-rollover distributions on loan secured by 4611 S Drexel
LMJ Sales, Inc.	4-1346	POC; DIS; POS	\$ 100,000.00	\$ 100,000.00			\$ 19,994.39	LSA	\$ 80,005.61		
Luna D. and Jerry E. Ellis	4-2020	POC	\$ 41,066.65	\$ 40,000.00			\$ 7,911.07	POC; LSA	\$ 32,088.93		The Receiver recommends disallowing \$1,066.65 accrued interest claimant added to principal amount of loan
Mark DeLuca	4-485	POC; DIS; POS	\$ 110,000.00	\$ 110,000.00			\$ 21,223.93	POC; LSA	\$ 88,776.07		
Mark P. Mouty	4-165	POC; DIS; POS	\$ 20,000.00	\$ 20,000.00	\$ -		\$ 4,078.94	LSA	\$ 15,921.06		Transaction to roll loan to SSDF6 equity fund was subsequently voided
MID LLC by Carolyn Mize	4-524	POC; DIS; POS	\$ 50,000.00	\$ 50,000.00			\$ 9,513.93	POC; LSA	\$ 40,486.07		
Mike Dirnberger	4-443	POC	\$ 10,000.00	\$ 10,000.00			\$ 2,057.73	LSA	\$ 7,942.27		
Moran Blueshtein and Upender Subramanian	4-95	POC; DIS; POS	\$ 20,000.00	\$ 20,000.00			\$ -	POC; LSA	\$ 20,000.00		
Mountain West LLC IRA FBO Rachael B. Curcio Acct# 50679-01	4-315	POC; DIS	\$ 10,000.00	\$ 10,000.00			\$ 364.71	POC; LSA	\$ 9,635.29		

SEC v. EquityBuild, Inc.

Group 2 Claims

5450-52 S Indiana Avenue (Property 4)

Claimant Name	Claim Number	Claimant Submissions	Amount Claimed (Invested in Property)	Secured Claim Remaining	Unsecured Claim (This Investment)	Pre-Rollover Distributions	Distributions Received on Investment	Source of Distribution	Max Potential Dist. (Proceeds of Sales)	Max Potential Dist. (Unencumbered)	Receiver's Recommendation Notes
Nehasri Ltd (investment under Nehasri Ltd by Manoj Donthineni)	4-1365	POC; DIS; POS	\$ 25,000.00	\$ 25,000.00			\$ 5,127.73	LSA	\$ 19,872.27		
Optima Property Solutions, LLC	4-1023	POC; DIS; POS	\$ 171,167.00	\$ -			\$ 28,033.39	DIS	\$ -		Claimant transferred this loan to a group of other properties in January 2018
Paul Harrison	4-2026	POC	\$ 43,098.00	\$ -			\$ -		\$ -		Claimant withdrew his claim on 5/18/23
Paul N. Wilmesmeier	4-300	POC; DIS; POS	\$ 25,000.00	\$ 25,000.00			\$ 5,144.40	POC; LSA	\$ 19,855.60		
Petra Zoeller	4-594	POC; DIS; POS	\$ 50,000.00	\$ 50,000.00			\$ 10,072.27	LSA	\$ 39,927.73		
Provident Trust Group F.B.O Charles Smith SoloK	4-1198	POC; DIS; POS	\$ 50,000.00	\$ 50,000.00			\$ 9,563.93	POC; LSA	\$ 40,436.07		
R2V2 Investments LLC	4-842	POC; DIS; POS	\$ 20,000.00	\$ 20,000.00			\$ 4,102.27	LSA	\$ 15,897.73		Transaction to roll loan to SSDF6 equity fund was subsequently voided
Robert W. Jennings	4-447	POC; DIS; POS	\$ 150,000.00	\$ 150,000.00			\$ 40,102.40	POC; DIS	\$ 109,897.60		
Sam Harrison	4-2027	POC	\$ 25,000.00	\$ 25,000.00			\$ 4,331.90	LSA	\$ 20,668.10		
Sandeep Kattar	4-1396	POC; DIS	\$ 50,000.00	\$ 50,000.00			\$ 8,125.04	POC; LSA	\$ 41,874.96		
SeaDog Properties LLC / Darrell Odum	4-381	POC	\$ 24,000.00	\$ 24,000.00			\$ 4,398.67	LSA	\$ 19,601.33		
Steven G. Mouty	4-566	POC	\$ 50,000.00	\$ 50,000.00			\$ 10,372.27	POC; LSA	\$ 39,627.73		
Steven Roche	4-329	POC; DIS	\$ 5,000.00	\$ 5,000.00		\$ 49.52	\$ 1,140.43	LSA	\$ 3,810.05		Pre-rollover distributions on loan secured by 7024 S Paxton
Strategic Wealth Ventures, LLC, Brian Kothman Member	4-595	POC	\$ 35,655.00	\$ 35,655.00			\$ 7,010.18	LSA	\$ 28,644.82		
Susan Kalisiak	4-1438	POC; DIS	\$ 9,274.00	\$ 9,274.00			\$ 602.82	LSA	\$ 8,671.18		
Thomas F. Gordon	4-2023	POC	\$ 100,000.00	\$ 100,000.00			\$ 20,161.06	LSA	\$ 79,838.94		
Timothy S Sharp	4-76	POC; DIS	\$ 50,000.00	\$ 50,000.00		\$ 3,869.43	\$ 8,166.62	POC; LSA	\$ 37,963.95		Pre-rollover distributions on loan secured by 4611 S Drexel
TMAKINDE, LLC	4-372	POC; DIS; POS	\$ 25,000.00	\$ 25,000.00			\$ 1,129.00	POC	\$ 23,871.00		
Vartan Tarakchyan	4-1118	POC; DIS	\$ 30,000.00	\$ -	\$ 30,000.00		\$ 3,361.66	LSA	\$ -	\$ 26,638.34	Claimant agreed to rollover this loan to SSDF4 on 3/27/17
Verdell Michaux	4-2039	POC; DIS	\$ 5,000.00	\$ 5,000.00			\$ 962.26	LSA	\$ 4,037.74		
Vivek Pingili	4-522	POC; DIS; POS	\$ 30,000.00	\$ 30,000.00	\$ -		\$ 6,328.33	LSA	\$ 23,671.67		Transaction to roll loan to SSDF6 equity fund was subsequently voided
Vladimir Matviishin - iPlanGroup Agent for Custodian FBO Vladimir Matviishin	4-1294	POC	\$ 14,000.00	\$ 14,000.00			\$ 2,607.93	LSA	\$ 11,392.07		
Wanda M. Behling	4-1025	POC; DIS; POS	\$ 11,219.00	\$ 11,219.00	\$ -		\$ 1,793.19	POC; LSA	\$ 9,425.81		Transaction to roll loan to SSDF6 equity fund was subsequently voided
William H. Akins, Jr.	4-2003-1	POC; DIS; POS	\$ 10,000.00	\$ 10,000.00			\$ 1,861.14	POC	\$ 8,138.86		
William H. Akins, Jr. (CAMA SDIRA LLC FBO Bill Akins IRA)	4-2003-2	POC; DIS; POS	\$ 20,000.00	\$ 20,000.00			\$ 3,851.05	POC	\$ 16,148.95		
Yin Liu, Ping Xu	4-1368	POC	\$ 200,000.00	\$ 200,000.00			\$ 38,988.94	LSA	\$ 161,011.06		
<b>TOTALS</b>			<b>\$ 3,151,980.31</b>	<b>\$ 2,739,627.00</b>	<b>\$ 122,500.00</b>	<b>\$ 14,859.46</b>	<b>\$ 566,752.51</b>		<b>\$ 2,196,452.67</b>	<b>\$ 112,089.74</b>	

SEC v. EquityBuild, Inc.

Group 2 Claims

7749-59 S Yates Boulevard (Property 5)

Claimant Name	Claim Number	Claimant Submissions	Amount Claimed (Invested in Property)	Secured Claim Remaining	Unsecured Claim (This Investment)	Pre-rollover Distributions	Distributions Received on Investment	Source of Distribution	Max Potential Dist. (Proceeds of Sales)	Max Potential Dist. (Unencumbered)	Receiver's Recommendation Notes
Advanta IRA Services LLC, FBO Dwight L. Plymale IRA #8006189	5-847	POC; DIS	\$ 97,000.00	\$ 97,000.00			\$ 16,173.44	POC; LSA	\$ 80,826.56		
Alcalli Sabat	5-786	POC	\$ 4,301.00	\$ 4,301.00		\$ 238.04	\$ 539.00	LSA	\$ 3,523.96		Pre-rollover distributions from the loan secured by 4611 S Drexel
American Estate and Trust, LC FBO Edward J. Netzel IRA	5-1057	POC	\$ 10,000.00	\$ 10,000.00			\$ 1,827.18	LSA	\$ 8,172.82		
Amit Hammer	5-225	POC; DIS; POS	\$ 30,000.00	\$ 30,000.00			\$ 5,762.08	Other	\$ 24,237.92		
Austin Capital Trust Company on behalf of Summit Trust Company	5-1178	POC; DIS; POS	\$ 25,000.00	\$ 25,000.00			\$ 5,009.68	POC	\$ 19,990.32		
Camano Equities, LLC c/o Charles R. Markley	5-2038	POC; DIS; POS	\$ 50,000.00	\$ 50,000.00			\$ 7,766.63	LSA	\$ 42,233.37		
Charles P McEvoy	5-232	POC; DIS; POS	\$ 100,000.00	\$ 100,000.00			\$ 15,338.93	POC; LSA	\$ 84,661.07		
Clarice Recamara	5-640-2	POC	\$ 20,169.00	\$ 20,000.00		\$ 1,869.02	\$ 2,796.77	LSA	\$ 15,334.21		Pre-rollover distributions from the loan secured by 4611 S Drexel
Clearwood Funding, LLC	5-1276	POC; DIS	\$ 50,000.00	\$ 50,000.00			\$ 9,569.49	LSA	\$ 40,430.51		
Dana Speed	5-684	POC	\$ 169,000.00	\$ 169,000.00			\$ 27,115.07	LSA	\$ 141,884.93		Transaction to roll loan to SSDF6 equity fund was subsequently voided
David M Harris	5-267	POC	\$ 100,000.00	\$ 100,000.00			\$ 17,815.32	LSA	\$ 82,184.68		
Donald Hendrickson	5-945	POC; DIS; POS	\$ 10,000.00	\$ 10,000.00			\$ 1,729.07	POC; LSA	\$ 8,270.93		
Doron Keranian	5-380	POC	\$ 25,000.00	\$ 25,000.00			\$ 9,511.16	LSA; Other	\$ 15,488.84		Distributions include interest paid on loan plus a \$4500 referral fee that EquityBuild paid to claimant
Duane A Degenhardt and Linda S. Degenhardt	5-2015	POC; DIS; POS	\$ 13,385.00	\$ 13,385.00			\$ 1,963.17	LSA	\$ 11,421.83		
Duke E. Heger and Viviana Heger	5-1408	POC; DIS; POS	\$ 35,000.00	\$ 35,000.00			\$ 6,117.18	POC; LSA	\$ 28,882.82		
Easley Family Trust c/o Todd Easley	5-596	POC; DIS; POS	\$ 25,000.00	\$ 25,000.00			\$ 4,369.49	LSA	\$ 20,630.51		
Ed A Bancroft	5-2008	POC	\$ 14,627.00	\$ 14,627.00			\$ 1,997.99	LSA	\$ 12,629.01		
Grathia Corp	5-1445	POC; DIS	\$ 149,081.00	\$ 149,081.00			\$ 26,891.79	LSA	\$ 122,189.21		
iPlan Group Agent for Custodian FBO Rama Voddi Roth IRA	5-799	POC; DIS; POS	\$ 33,000.00	\$ 33,000.00			\$ 4,972.92	LSA	\$ 28,027.08		Transaction to roll loan to SSDF6 equity fund was subsequently voided
iPlan Group FBO Garwood Weatherhead IRA Account #3320844	5-1096-1	POC; DIS; POS	\$ 13,096.00	\$ 13,000.00		\$ 1,689.25	\$ 1,436.22	LSA	\$ 9,874.53		The Receiver recommends disallowing \$96 accrued interest claimant added to principal amount of loan, and deducting pre-rollover distributions from the loan secured by 4611 S Drexel
iPlan Group FBO Garwood Weatherhead IRA Account #3421004	5-1096-2	POC; DIS; POS	\$ 16,152.00	\$ 16,152.00		\$ 2,086.10	\$ 1,771.34	LSA	\$ 12,294.56		Pro-rata share of pre-rollover distributions from the loan secured by 4611 S Drexel
iPlanGroup Agent for Custodian FBO Andrew Brooks IRA Account	5-203	POC; DIS	\$ 6,000.00	\$ 6,000.00			\$ -	POC; LSA	\$ 6,000.00		
iPlanGroup Agent for Custodian FBO Charles Michael Anglin	5-331	POC; DIS	\$ 50,000.00	\$ 50,000.00			\$ 6,266.70	POC; LSA	\$ 43,733.30		
iPlanGroup Traditional IRA Clarice Recamara IRA #3301154	5-640-1	POC	\$ 25,000.00	\$ 25,000.00			\$ 2,094.42	LSA	\$ 22,905.58		
Janice Burrell	5-689	POC; DIS; POS	\$ 50,000.00	\$ 50,000.00			\$ 8,844.48	POC; LSA	\$ 41,155.52		
John Bloxham	5-1015	POC; DIS; POS	\$ 35,000.00	\$ 35,000.00			\$ 5,886.17	POC; DIS	\$ 29,113.83		
John Witzgreuter	5-729	POC; DIS; POS	\$ 50,000.00	\$ 50,000.00			\$ 9,577.82	LSA	\$ 40,422.18		
Joseph P. McCarthy	5-1367	POC; DIS; POS	\$ 10,000.00	\$ 10,000.00			\$ 1,775.04	LSA	\$ 8,224.96		
Julie Patel	5-409	POC; DIS; POS	\$ 35,291.00	\$ 35,291.00		\$ 1,798.55	\$ 2,751.91	LSA	\$ 30,740.54		Pro-rata share of pre-rollover distributions from the loan secured by 7024 S Paxton
Karen L Hendrickson	5-948	POC; DIS; POS	\$ 10,000.00	\$ 10,000.00			\$ 1,727.40	POC; LSA	\$ 8,272.60		
Keith P Rowland and Jane E Rowland	5-89	POC; DIS; POS	\$ 50,000.00	\$ 50,000.00			\$ 8,386.77	POC; LSA	\$ 41,613.23		
Keith Randall	5-1086	POC	\$ 70,000.00	\$ -			\$ 3,141.26	LSA	\$ -	\$ 66,858.74	Claimant agreed to rollover this loan to SSDF1 on 6/23/17
Kevin & Laura Allred	5-452	POC; DIS	\$ 50,000.00	\$ 50,000.00			\$ 9,032.60	LSA	\$ 40,967.40		
KKW Investments, LLC	5-336	POC; DIS; POS	\$ 3,000.00	\$ 3,000.00			\$ 555.96	POC; LSA	\$ 2,444.04		
Koates LLC	5-228	POC; DIS; POS	\$ 3,200.00	\$ 3,200.00			\$ 11.05	LSA	\$ 3,188.95		
Legacy Trading LLC	5-508	POC; DIS; POS	\$ 237,000.00	\$ 237,000.00			\$ 42,660.00	POC; LSA	\$ 194,340.00		
Lynn Marie Kupfer	5-1319	POC; DIS; POS	\$ 100,000.00	\$ 100,000.00			\$ 16,783.00	POC	\$ 83,217.00		
Madison Trust Company custodian FBO Guenter Scheel IRA M1702	5-2073	POC; DIS	\$ 25,000.00	\$ -			\$ 2,465.99	POC; LSA	\$ -	\$ 22,534.01	Claimant agreed to rollover this loan to SSDF4 on 12/1/17
Manuel Camacho	5-748	POC; DIS; POS	\$ 25,000.00	\$ 25,000.00			\$ 1,542.34	POC; LSA	\$ 23,457.66		
Michael F Grant & L. Gretchen Grant	5-393	POC; DIS	\$ 50,000.00	\$ 50,000.00			\$ 9,165.93	LSA	\$ 40,834.07		
Michael Grow	5-375	POC; DIS	\$ 100,000.00	\$ 100,000.00			\$ 18,065.32	LSA	\$ 81,934.68		
Michael Warner, Trustee of Warner Chiropractic Care Center, PC PSP	5-78	POC; DIS; POS	\$ 24,000.00	\$ 24,000.00			\$ 4,250.67	POC; LSA	\$ 19,749.33		
Naveen Kwatra	5-356	POC; DIS; POS	\$ 25,000.00	\$ 25,000.00			\$ 4,772.18	LSA	\$ 20,227.82		
NBFAR Investment, LLC c/o Jason Ragan - TSA	5-797	POC; POS	\$ 3,451.00	\$ 3,451.00		\$ 341.16	\$ 464.49	LSA	\$ 2,645.35		Pro-rata share of pre-rollover distributions from the loans secured by 4611 S Drexel and 7024 S Paxton
Optima Property Solutions, LLC	5-1023	POC; POS	\$ 48,693.00	\$ -			\$ 6,559.49	LSA	\$ -		Claimant transferred this loan to a group of other properties in January 2018
Pat DeSantis	5-397	POC; DIS; POS	\$ 250,000.00	\$ 250,000.00			\$ 46,666.63	LSA	\$ 203,333.37		

SEC v. EquityBuild, Inc.

Group 2 Claims

7749-59 S Yates Boulevard (Property 5)

Claimant Name	Claim Number	Claimant Submissions	Amount Claimed (Invested in Property)	Secured Claim Remaining	Unsecured Claim (This Investment)	Pre-rollover Distributions	Distributions Received on Investment	Source of Distribution	Max Potential Dist. (Proceeds of Sales)	Max Potential Dist. (Unencumbered)	Receiver's Recommendation Notes
Patrick Connely	5-964	POC; DIS; POS	\$ 20,000.00	\$ -	\$ 20,000.00		\$ 1,288.05	LSA	\$ -	\$ 18,711.95	Claimant agreed to rollover this loan to SSDF4
Paul Scribner	5-1135	POC	\$ 5,500.00	\$ 5,500.00			\$ 534.24	POC; LSA	\$ 4,965.76		
Peter Jordan	5-282	POC; DIS; POS	\$ 76,728.28	\$ -	\$ 100,000.00		\$ 45,858.52	LSA	\$ -	\$ 54,141.48	Claimant agreed to rollover this loan to UPN
Phillip G. Vander Kraats	5-628	POC	\$ 1,374.00	\$ 1,374.00			\$ 145.35	LSA	\$ 1,228.65		
PNW Investments, LLC	5-332	POC; DIS; POS	\$ 12,000.00	\$ 12,000.00			\$ 2,223.83	POC; LSA	\$ 9,776.17		
Quantum Growth Holdings LLC	5-354	POC; DIS; POS	\$ 5,500.00	\$ -	\$ -		\$ 395.98	LSA	\$ -	\$ 5,104.02	Claimant agreed to rollover this loan to SSDF4
QUEST IRA Inc. FBO Francisco A. Romero Sr. Acct# 25282-11 and Acct# 25282-21	5-1352	POC; DIS; POS	\$ 12,100.00	\$ 12,100.00			\$ 1,179.09	POC	\$ 10,920.91		
Raymond Thompson Investment Trust LLC	5-251	POC	\$ 30,000.00	\$ 30,000.00			\$ 1,937.50	POC	\$ 28,062.50		
Robert Potter	5-1389	POC; DIS	\$ 15,000.00	\$ 15,000.00			\$ 2,639.17	LSA	\$ 12,360.83		
Sam Gerber, CEO, Gerber and Associates, REI, LLC	5-562	POC	\$ 12,000.00	\$ 12,000.00			\$ -	POC; LSA	\$ 12,000.00		
Sarah Geldart	5-1285	POC; POS	\$ 37,500.00	\$ 37,500.00			\$ 3,600.13	LSA	\$ 33,899.87		
Shlomo Zussman	5-579	POC; DIS; POS	\$ 25,000.00	\$ 25,000.00			\$ 4,697.18	LSA	\$ 20,302.82		
Smart Technologies PSP, Nizarali Jetha - Manager	5-1458	POC	\$ 100,000.00	\$ 100,000.00			\$ 17,722.27	LSA	\$ 82,277.73		
Steve Weera Tonasut and Esther Kon Tonasut	5-154	POC; DIS	\$ 50,000.00	\$ 50,000.00			\$ 8,979.67	POC	\$ 41,020.33		Transaction to roll loan to SSDF6 equity fund was subsequently voided
Steven G. Mouty	5-821	POC; DIS; POS	\$ 50,000.00	\$ 50,000.00			\$ 9,265.93	LSA	\$ 40,734.07		
Strategic Wealth Ventures, LLC, Brian Kothman Member	5-595	POC	\$ 23,626.00	\$ 23,626.00		\$ 2,281.09	\$ 3,276.11	LSA	\$ 18,068.80		Pre-rollover distributions from the loan secured by 7024 S Paxton
Susan Kalisiak	5-1438	POC; DIS	\$ 48,226.00	\$ 48,226.00			\$ 8,386.09	LSA	\$ 39,839.91		
Teena B Ploeger	5-521	POC; DIS; POS	\$ 18,500.00	\$ 18,500.00			\$ 3,056.89	POC; LSA	\$ 15,443.11		
Tolu Makinde	5-370	POC; DIS; POS	\$ 30,000.00	\$ 30,000.00			\$ 5,424.00	POC; LSA	\$ 24,576.00		
United Capital Properties, LLC	5-1480	POC; DIS	\$ 979.00	\$ 979.00		\$ 119.29	\$ 130.13	LSA	\$ 729.58		Pro-rata share of pre-rollover distributions from the loan secured by 4611 S Drexel
Wesley Pittman	5-469	POC	\$ 32,000.00	\$ 32,000.00			\$ 5,692.40	LSA	\$ 26,307.60		
White Tiger Revocable Trust, Ira Lovitch, Zinaida Lovitch	5-537	POC	\$ 50,000.00	\$ -	\$ 50,000.00		\$ 1,911.80	POC; LSA	\$ -	\$ 48,088.20	Claimant agreed to rollover this investment to SSDF1 on 2/22/17
			<b>TOTALS</b>	<b>\$ 2,685,293.00</b>	<b>\$ 170,000.00</b>	<b>\$ 10,422.50</b>	<b>\$ 512,265.87</b>		<b>\$ 2,224,225.72</b>	<b>\$ 215,438.40</b>	

SEC v. EquityBuild, Inc.

Group 2 Claims

1700-08 W Juneway Terrace (Property 1)

Claimant Name	Claim Number	Claimant Submissions	Amount Claimed (Invested in Property)	Secured Claim Remaining	Unsecured Claim (This Investment)	Pre-Rollover Distributions	Distributions Received on Investment	Source of Distribution	Max Potential Dist. (Proceeds of Sales)	Max Potential Dist. (Unencumbered)	Receiver's Recommendation Notes
Agee Family Trust c/o Scott R. Agee	1-2001	POC; DIS; POS	\$ 40,000.00	\$ 40,000.00			\$ 6,592.05	POC; LSA	\$ 33,407.95		
Alcalli Sabat	1-786	POC	\$ 10,000.00	\$ 10,000.00			\$ 1,128.86	LSA	\$ 8,871.14		
Aluvelu Homes LLC	1-879	POC; DIS; POS	\$ 20,000.00	\$ 20,000.00			\$ 3,507.73	LSA; DIS	\$ 16,492.27		
American Estate and Trust FBO Layne Jones IRA	1-707	POC; DIS; POS	\$ 20,000.00	\$ 20,000.00			\$ 3,227.74	POC; LSA	\$ 16,772.26		
Asians Investing In Real Estate LLC	1-503	POC; DIS	\$ 15,000.00	\$ 15,000.00			\$ 2,605.83	POC; LSA	\$ 12,394.17		
Capital Investors, LLC	1-1490	POC; DIS; POS	\$ 250,000.00	\$ 250,000.00			\$ 64,933.00	POC; DIS	\$ 185,067.00		In addition to interest and a bonus received on this investment, the Receiver recommends deducting \$24,000 that EquityBuild paid "for marketing."
Chuck Denton   Denton Real Estate Company Inc. 401k	1-379	POC; DIS; POS	\$ 25,000.00	\$ 25,000.00			\$ 4,068.10	POC; LSA; DIS	\$ 20,931.90		
CLC Electric, Inc. (Costel Dumitrescu)	1-1477	POC	\$ 36,000.00	\$ -	\$ 36,000.00		\$ -		\$ -		Unsecured trade creditor - The Receiver recommends no distribution from unencumbered funds due to a failure of documentation supporting the claim either submitted by claimant or located in EquityBuild records.
CLD Construction, Inc. (Doru Unchias)	1-1454	POC	\$ 70,000.00	\$ -	\$ 5,000.00		\$ -		\$ -	\$ 5,000.00	Unsecured trade creditor
Clearwood Funding, LLC	1-1276	POC; DIS	\$ 50,000.00	\$ 50,000.00			\$ 8,346.83	LSA; DIS	\$ 41,653.17		
CLOVE, LLC	1-723	POC; DIS; POS	\$ 5,000.00	\$ 5,000.00			\$ 940.23	POC; LSA; DIS	\$ 4,059.77		
Coppy Properties, LLC	1-1381	POC; POS	\$ 50,000.00	\$ 50,000.00			\$ 8,627.74	LSA	\$ 41,372.26		
Cross 5774 Holdings LLC - Cross Global Funding Group	1-860	POC; DIS; POS	\$ 50,000.00	\$ 50,000.00			\$ 8,544.40	LSA	\$ 41,455.60		
Dana Speed	1-684	POC	\$ 40,000.00	\$ 40,000.00			\$ 6,306.70	LSA	\$ 33,693.30		Transaction to roll loan to SSDF6 equity fund was subsequently voided.
Danielle DeVarne	1-679	POC	\$ 50,000.00	\$ 50,000.00			\$ 8,619.40	LSA	\$ 41,380.60		
David R. Trengove	1-481	POC; DIS; POS	\$ 35,000.00	\$ 35,000.00			\$ 5,578.58	POC; LSA; DIS	\$ 29,421.42		
Dee Ann Nason	1-453	POC; DIS; POS	\$ 50,000.00	\$ 50,000.00			\$ 8,811.07	LSA	\$ 41,188.93		
Dennis & Mary Ann Hennefer	1-355	POC; DIS	\$ 50,000.00	\$ 50,000.00		\$ 4,670.29	\$ 6,933.37	POC; LSA	\$ 38,396.34		Pre-rollover distributions on loan secured by 7024 S Paxton
Elaine Sison Ernst	1-1029	POC; DIS	\$ 30,000.00	\$ 30,000.00			\$ 5,066.67	LSA	\$ 24,933.33		
Elizabeth A. Monnot-Chase	1-1252	POC; DIS	\$ 105,000.00	\$ 105,000.00			\$ 17,511.11	LSA	\$ 87,488.89		
Evans & Associates LLC (Will Evans)	1-410	POC; DIS; POS	\$ 50,000.00	\$ 50,000.00			\$ 8,077.74	POC; LSA; DIS	\$ 41,922.26		
Gary R Burnham FBO Raegan D Burnham Roth IRA	1-1065	POC	\$ 1,000.00	\$ -	\$ 1,000.00		\$ 425.09	LSA	\$ -	\$ 574.91	Claimant agreed to rollover this loan to SSDF1 on 6/26/17
Gary R Burnham Jr. Family HSA (custodian IPLAN Group LLC)	1-1066	POC	\$ 9,000.00	\$ -	\$ 9,000.00		\$ 395.00	POC; LSA	\$ -	\$ 8,605.00	Claimant agreed to rollover this loan to SSDF1 on 6/17/17
Gilbert D Sherman Declaration of Trust 7/30/2013	1-92	POC; DIS; POS	\$ 50,000.00	\$ 50,000.00			\$ 8,077.74	POC; LSA; DIS	\$ 41,922.26		
Grace Ndungu	1-609	POC; DIS; POS	\$ 50,000.00	\$ 50,000.00			\$ 8,330.52	LSA	\$ 41,669.48		
Gregory R Scott and Gene X Erquiaga	1-697	POC; DIS; POS	\$ 50,000.00	\$ 50,000.00			\$ 8,627.74	LSA	\$ 41,372.26		
Helene D Kapsky	1-1149	POC; DIS; POS	\$ 100,000.00	\$ 100,000.00			\$ 17,122.26	POC; LSA; DIS	\$ 82,877.74		
Hiroyuki Roy Chin & Lillian S Chin JTWROS	1-1274	POC	\$ 24,000.00	\$ 24,000.00			\$ 4,621.33	LSA	\$ 19,378.67		
iPlan Group Agent for Custodian FBO Andrew Brooks IRA Account 3301018	1-203	POC; DIS	\$ 20,000.00	\$ 20,000.00			\$ 4,474.42	DIS	\$ 15,525.58		
iPlanGroup Agency for Custodian FBO Charles Powell IRA	1-413	POC	\$ 15,250.00	\$ 15,250.00			\$ 1,277.62	LSA	\$ 13,972.38		
IRA Services Trust Company CFBO Melbourne Kimsey II	1-661	POC; DIS; POS	\$ 50,000.00	\$ 50,000.00			\$ 8,561.07	POC; LSA	\$ 41,438.93		
Janice Burrell	1-689	POC; POS	\$ 87,000.00	\$ 87,000.00			\$ 14,084.33	POC; LSA	\$ 72,915.67		
Jason Ragan - TSA	1-1133	POC	\$ 10,000.00	\$ 10,000.00	\$ -		\$ 1,593.92	LSA	\$ 8,406.08		Transaction to roll loan to SSDF6 equity fund was subsequently voided.
Jason Ragan - TSA	1-796	POC	\$ 20,000.00	\$ 20,000.00			\$ 3,194.40	LSA	\$ 16,805.60		Transaction to roll loan to SSDF6 equity fund was subsequently voided.
Jill Meekcoms (Halverson)	1-548	POC; DIS; POS	\$ 50,000.00	\$ 50,000.00			\$ 8,010.60	POC	\$ 41,989.40		
JLO Enterprises LLC	1-726	POC; DIS; POS	\$ 37,000.00	\$ 37,000.00			\$ 5,870.05	LSA; DIS	\$ 31,129.95		
JML Roth LLC	1-725	POC; DIS; POS	\$ 4,000.00	\$ 4,000.00			\$ 740.25	LSA; DIS	\$ 3,259.75		
John A Martino	1-1494	POC	\$ 100,000.00	\$ 100,000.00			\$ 17,205.59	POC; LSA	\$ 82,794.41		
Juliette Farr-Barksdale & Thomas Farr	1-2074	POC; DIS; POS	\$ 300,000.00	\$ 300,000.00			\$ 52,916.57	LSA	\$ 247,083.43		
Kameda Investments, LLC (Sole Owner/Manager - Arnold Kunio Kameda)	1-121	POC	\$ 100,000.00	\$ 100,000.00			\$ 17,222.26	LSA	\$ 82,777.74		
Madison Trust Company Custodian FBO Brian Shaffer IRA Account # M1608073 and M1703059	1-411	POC	\$ 100,000.00	\$ 100,000.00			\$ 15,922.26	LSA	\$ 84,077.74		
Mark A. Miller ATF Domaskin Revocable Trust, August 8th, 2006	1-2040	POC; DIS; POS	\$ 100,000.00	\$ 100,000.00			\$ 17,088.93	LSA	\$ 82,911.07		
May M. Akamine for Aurora Investments, LLC (assets formerly under MayREI, LLC)	1-1412	POC; DIS	\$ 110,000.00	\$ 110,000.00			\$ 18,494.00	LSA	\$ 91,506.00		
Melanie T. or Gary M. Gonzales	1-207	POC; DIS; POS	\$ 250,000.00	\$ 250,000.00			\$ 41,562.54	POC	\$ 208,437.46		

SEC v. EquityBuild, Inc.

Group 2 Claims

1700-08 W Juneway Terrace (Property 1)

Claimant Name	Claim Number	Claimant Submissions	Amount Claimed (Invested in Property)	Secured Claim Remaining	Unsecured Claim (This Investment)	Pre-Rollover Distributions	Distributions Received on Investment	Source of Distribution	Max Potential Dist. (Proceeds of Sales)	Max Potential Dist. (Unencumbered)	Receiver's Recommendation Notes
Michael Borgia IRA	1-705	POC; DIS	\$ 125,000.00	\$ 125,000.00			\$ 20,215.00	POC; LSA; DIS	\$ 104,785.00		
Michael C. McClane	1-941	POC; DIS	\$ 100,000.00	\$ 100,000.00			\$ 16,888.92	LSA	\$ 83,111.08		
Mona M. Leonard SD ROTH - 2692021	1-123	POC	\$ 50,000.00	\$ 50,000.00			\$ 8,736.07	LSA	\$ 41,263.93		Transaction to roll loan to SSDF6 equity fund was subsequently voided.
Patrick Connelly	1-939	POC; DIS; POS	\$ 50,000.00	\$ -	\$ 50,000.00		\$ 2,352.77	LSA	\$ -	\$ 47,647.23	Claimant agreed to rollover this loan to SSDF1 on 6/1/17
Paul N. Wilmesmeier	1-300	POC; DIS; POS	\$ 25,000.00	\$ 25,000.00			\$ 4,326.43	POC; LSA	\$ 20,673.57		
Paul S. Applefield, Trustee, Paul S. Applefield, DDS, 401K P	1-2087	POC; DIS; POS	\$ 45,000.00	\$ 45,000.00			\$ 7,725.00	LSA; DIS	\$ 37,275.00		
Paula Tucker	1-1427	POC	\$ 29,370.00	\$ 29,123.90		\$ 3,151.93	\$ 4,072.64	LSA	\$ 21,899.33		The Receiver recommends disallowing the pro-rata share of accrued interest rolled from 4611 S. Drexel, and deducting the pro-rata share of pre-rollover distributions from the loan secured by 4611 S Drexel
Pioneer Valley Properties LLC	1-878	POC; DIS; POS	\$ 50,000.00	\$ 50,000.00			\$ 8,466.63	LSA; DIS	\$ 41,533.37		
Quest IRA Inc. FBO Rebeca E. Savory-Romero IRA Account #1552	1-804	POC; DIS; POS	\$ 10,500.00	\$ 10,500.00			\$ 1,718.50	POC; LSA; DIS	\$ 8,781.50		
Quest Trust Company FBO Paul Applefield Roth IRA#16413-21	1-2088	POC; DIS; POS	\$ 6,500.00	\$ 6,500.00			\$ 1,128.07	LSA	\$ 5,371.93		
Quest Trust Company FBO Robin Applefield Roth IRA#25164-21	1-2089	POC; DIS; POS	\$ 6,500.00	\$ 6,500.00			\$ 1,128.07	LSA	\$ 5,371.93		
R D Meredith General Contractors LLC	1-1138	POC; DIS; POS	\$ 100,000.00	\$ 100,000.00			\$ 14,833.73	POC; DIS	\$ 85,166.27		
R.D.Meredith General Contractors LLC 401K	1-528	POC; DIS; POS	\$ 40,000.00	\$ 40,000.00			\$ 5,933.37	POC; DIS	\$ 34,066.63		
Ricardo Acevedo Lopez	1-746	POC; DIS; POS	\$ 15,000.00	\$ 15,000.00			\$ 2,618.33	POC; LSA	\$ 12,381.67		
Rise Up Real Estate Group, LLC	1-1484	POC; DIS; POS	\$ 144,046.00	\$ 144,046.00			\$ 23,663.60	POC; LSA; DIS	\$ 120,382.40		
RLD Denouement Holding Company, LLC	1-483	POC; DIS; POS	\$ 20,000.00	\$ 20,000.00			\$ -	LSA	\$ 20,000.00		
Robert Potter	1-1389	POC; DIS	\$ 79,274.00	\$ 79,274.00			\$ 13,441.38	LSA	\$ 65,832.62		
Scott Eaton	1-1470	POC; DIS	\$ 25,000.00	\$ 25,000.00			\$ 4,272.27	LSA	\$ 20,727.73		
Serva Fidem, LLC	1-1425	POC; DIS; POS	\$ 34,930.00	\$ 34,930.00			\$ 5,738.26	POC; LSA; DIS	\$ 29,191.74		
Simon Usuga	1-681	POC; DIS; POS	\$ 45,000.00	\$ 45,000.00			\$ 7,350.00	POC	\$ 37,650.00		
Source One Funding, LLC	1-691	POC; DIS	\$ 50,000.00	\$ 50,000.00			\$ 8,411.07	POC; LSA; DIS	\$ 41,588.93		
Spectra Investments LLC/ Deborah L. Mullica	1-1220	POC; DIS; POS	\$ 110,000.00	\$ 110,000.00			\$ 17,551.15	LSA	\$ 92,448.85		
Steven R. Bald	1-399	POC; DIS; POS	\$ 60,000.00	\$ 60,000.00			\$ 10,393.33	POC; LSA	\$ 49,606.67		
Teresita M. Shelton	1-330	POC; DIS; POS	\$ 20,630.00	\$ 20,630.00		\$ 2,732.52	\$ 2,406.80	LSA	\$ 15,490.68		Pre-rollover distributions on loan secured by 4611 S Drexel
Tiger Chang Investments LLC	1-164	POC; DIS	\$ 10,000.00	\$ 10,000.00			\$ 1,743.93	POC; LSA	\$ 8,256.07		
Vladimir Matviishin - iPlanGroup Agent for Custodian FBO Vladimir Matviishin	1-1294	POC	\$ 7,500.00	\$ 7,500.00			\$ 1,195.42	LSA	\$ 6,304.58		
Vladimir Raul Garcia Meljov	1-75	POC; DIS; POS	\$ 100,000.00	\$ 100,000.00			\$ 16,255.59	LSA; DIS	\$ 83,744.41		
William H. Akins, Jr.	1-2003-1	POC; DIS; POS	\$ 20,000.00	\$ 20,000.00			\$ 3,259.71	POC	\$ 16,740.29		
William H. Akins, Jr. (CAMA SDIRA LLC FBO Bill Akins IRA)	1-2003-2	POC; DIS; POS	\$ 25,000.00	\$ 25,000.00			\$ 3,878.63	POC	\$ 21,121.37		
William Hooper	1-278	POC; DIS	\$ 54,800.00	\$ -	\$ 54,800.00		\$ 5,985.36	DIS	\$ -	\$ 48,814.64	Claimant agreed to rollover this loan to SSDF4 on 11/21/17
Xuwen Lin	1-648	POC; DIS	\$ 8,700.00	\$ 8,700.00			\$ 1,504.48	LSA	\$ 7,195.52		
Zahra (Nina) Mofrad	1-1024	POC	\$ 25,000.00	\$ 25,000.00			\$ 4,305.60	LSA	\$ 20,694.40		
<b>TOTALS</b>			<b>\$ 4,181,000.00</b>	<b>\$ 3,959,953.90</b>	<b>\$ 155,800.00</b>	<b>\$ 10,554.74</b>	<b>\$ 686,745.75</b>		<b>\$ 3,271,811.63</b>	<b>\$ 110,641.78</b>	



SEC v. EquityBuild, Inc.  
 Group 2 Claims  
 6949-59 S Merrill Avenue (Property 101)

Claimant Name	Claim Number	Claimant Submissions	Amount Claimed (Invested in Property)	Secured Claim Remaining	Unsecured Claim (This Investment)	Pre-Rollover Distributions	Distributions Received on Investment	Source of Distribution	Max Potential Dist. (Proceeds of Sales)	Max Potential Dist. (Unencumbered)	Receiver's Recommendation Notes
CLD Construction, Inc. (Doru Unchias)	101-1454	POC	\$ 91,000.00				\$ -			\$ -	Unsecured trade creditor - The Receiver recommends no distribution from unencumbered funds due to a failure of documentation supporting the claim either submitted by claimant or located in EquityBuild records.
CLC Electric, Inc. (Costel Dumitrescu)	101-1477	POC	\$ 57,000.00				\$ -			\$ -	Unsecured trade creditor - The Receiver recommends no distribution from unencumbered funds due to a failure of documentation supporting the claim either submitted by claimant or located in EquityBuild records.
Capital Investors, LLC	101-1490	POC; DIS; POS	\$ 1,550,000.00	\$ -	\$ 1,550,000.00		\$ 30,435.41	POC		\$ 1,519,564.59	Claimant entered a transaction with EquityBuild whereby it made a capital contribution to become a member of an LLC entitled to share in the profits and losses of the Company. The claim is therefore an unsecured ownership interest.
Doron Reichenberg	101-708	POC; DIS; POS	\$ 54,000.00	\$ -	\$ 54,000.00		\$ 5,053.50	POC		\$ 48,946.50	Claimant entered a transaction with EquityBuild to obtain a membership interest in the South Side Development Fund 2, LLC ("SSDF2"), which was later absorbed into the South Side Development Fund 4, LLC ("SSDF4"). The claim is therefore an unsecured ownership interest.
<b>TOTALS</b>			\$ 1,752,000.00	\$ -	\$ 1,604,000.00	\$ -	\$ 35,488.91		\$ -	\$ 1,568,511.09	

Exhibit

5

exhibitmaker.com

**Claimant Direct Lending Partner LLC (successor to Arena DLP Lender LLC and DLP Lending Fund LLC)**

Claim Number: 79-129

**Properties in which asserting security interest:**

79 - 6160-6212 S Martin Luther King Drive

**Claim:**

Principal	\$	2,750,000.00
Contract interest accrued pre-8/18/18	\$	11,687.50
Contract Interest Accrued after 8/18/18	\$	217,937.50
Default rate interest accrued before August 18, 2018	\$	6,493.06
Default Rate Interest Accrued on or after August 18, 2018	\$	121,076.39
Other Amounts Claimed	\$	11,481.25
<b>Total</b>	<b>\$</b>	<b>3,118,675.70</b>

**Receiver's recommendation:**

Principal Balance	\$	2,750,000.00
Less loan origination fee	\$	(68,750.00)
Less loan origination fee (6244 MLK)	\$	(165,625.00)
Less underwriting fee Arena	\$	(5,000.00)
Less underwriting fee DLP	\$	(15,000.00)
Less prepaid interest	\$	(16,500.00)
Plus due diligence refund DLP	\$	700.00
Plus due diligence refund Arena	\$	3,082.00
Less interest reserve DLP	\$	(44,562.50)
Less interest reserve Arena	\$	(178,800.00)
Less capital expenditure reserve	\$	(414,260.45)
Less renovation holdback	\$	(1,657,041.78)
<b>Maximum amount available for distribution from proceeds of sale**</b>	<b>\$</b>	<b>188,242.27</b>

*\*\*As set forth in its underlying submission, the Receiver's position is that DLP is in a secondary priority position to the investor lenders' prior-recorded mortgage and/or that DLP should not be afforded a secured position due to EquityBuild's fraudulent conveyance of the security interest in the property.*

**Exhibit****6**

**Claimant Shatar Capital Inc et al**

Claim Numbers:

**Properties in which asserting security interest:**

4 - 5450-52 S Indiana Avenue

5 - 7749-59 S Yates Boulevard

**Claim:**

Principal*	\$	2,247,163.78
Contract interest accrued pre-8/18/18	\$	231,000.00
Default Rate Interest Accrued on or after August 18, 2018	\$	389,001.20
Other Amounts Claimed	\$	222,484.88
<b>Total</b>	<b>\$</b>	<b>3,089,649.86</b>

*\*Note: claimant submitted demand statement with discovery responses that indicates interest, fees and penalties have increased the principal balance of this loan to \$5,048,656.75 as of June 5, 2023*

**Receiver's recommendation:**

Principal Balance	\$	1,800,000.00
Less loan origination fee	\$	(72,000.00)
Less interest payments received (March 30-31, 2017)	\$	(1,100.00)
Less other principal paydown 7/11/2018	\$	(100,000.00)
Less interest paid (4/2017 - 8/2017)	\$	(264,166.66)
<b>Maximum amount available for distribution from proceeds of sale**</b>	<b>\$</b>	<b>1,362,733.34</b>

*\*\*As set forth in its underlying submission, the Receiver's position is that Shatar is in a secondary priority position to the investor lenders' mortgage and/or that Shatar should not be afforded a secured position due to EquityBuild's fraudulent conveyance of the security interests in the properties.*

**Exhibit****7**

**Claimant Thorofare Asset Based Lending REIT Fund IV, LLC**

Claim Number: 1-1188

**Properties in which asserting security interest:**

1 - 1700-08 Juneway Terrace

**Claim:**

Principal	\$	2,175,000.00
Contract interest accrued pre-8/18/18	\$	11,279.92
Contract Interest Accrued after 8/18/18	\$	210,672.90
Default rate interest accrued before August 18, 2018	\$	7,189.58
Default Rate Interest Accrued on or after August 18, 2018	\$	134,064.61
Other Amounts Claimed	\$	159,926.50
<b>Total</b>	<b>\$</b>	<b>2,698,133.51</b>

**Receiver's recommendation:**

Principal Balance	\$	2,175,000.00
Less origination fee	\$	(54,375.00)
Less processing fee	\$	(5,000.00)
Less prepaid interest (4/6/2017 - 4/30/2017)	\$	(10,937.50)
Less interest reserve	\$	(160,000.00)
Less remaining capital expenditure reserve	\$	(113,538.13)
Less remaining repair reserves	\$	(14,375.00)
Less remaining tax escrow	\$	(23.46)
Less remaining insurance escrow	\$	(1,740.00)
Less lockbox funds	\$	(5,000.00)
Less loan payments 5/1/17 - 7/31/18 @\$470.56 per diem*	\$	(291,750.62)
<b>Maximum amount available for distribution from proceeds of sale</b>	<b>\$</b>	<b>1,518,260.29</b>

*\*In its proof of claim, Thorofare responded "no" to the question "Have you received any payment of monies including interest, principal, fees, or other sums from any Receivership Defendant", despite offering other evidence that payments were received through August 1, 2018. Thorofare's POC indicates a non-default per-diem interest owed rate of \$664.58. Accordingly, the Receiver has calculated the interest paid by EquityBuild by multiplying the 439 days between 5/1/2017 and 7/31/2018 by this per diem rate.*

**Exhibit****8**

**Claimant Thorofare Asset Based Lending REIT Fund IV, LLC**

Claim Number: 101-1188

**Properties in which asserting security interest:**

101 - 6949-59 S Merrill Avenue

**Claim:**

Principal	\$	1,540,000.00
Contract interest accrued pre-8/18/18	\$	7,999.44
Contract Interest Accrued after 8/18/18	\$	149,166.12
Default rate interest accrued before August 18, 2018	\$	5,090.56
Default Rate Interest Accrued on or after August 18, 2018	\$	94,923.88
Other Amounts Claimed	\$	118,526.50
<b>Total</b>	<b>\$</b>	<b>1,915,706.50</b>

**Receiver's recommendation:**

Principal Balance	\$	1,540,000.00
Less origination fee	\$	(23,700.00)
Less processing fee	\$	(5,000.00)
Less prepaid interest (7/21/17 - 7/31/17)	\$	(3,068.25)
Less capital expenditure reserve	\$	(535,845.00)
Less interest reserve	\$	(60,000.00)
Less tax reserves	\$	(11,300.00)
Less insurance reserve	\$	(1,200.00)
Less reserves - miscellaneous	\$	(125,000.00)
<b>Total Amount Funded</b>	<b>\$</b>	<b>774,886.75</b>
Plus Draw #1 paid post-closing	\$	135,535.00
Plus Draw # 2 paid post-receivership	\$	111,200.00
Plus tax payments post-closing	\$	23,394.85
Plus Title Fee	\$	185.00
Less loan payments 8/1/17 - 7/31/18 @\$470.56 per diem*	\$	(171,754.40)
<b>Maximum amount available for distribution from proceeds of sale**</b>	<b>\$</b>	<b>873,447.20</b>

*\*In its proof of claim, Thorofare responded "no" to the question "Have you received any payment of monies including interest, principal, fees, or other sums from any Receivership Defendant", despite offering other evidence that payments were received through August 1, 2018. Thorofare's POC indicates a non-default per diem interest rate of \$470.56. Accordingly, the Receiver has calculated the interest paid by EquityBuild by multiplying the 365 days between 8/1/2017 and 7/31/2018 by this per diem rate.*

**Exhibit****9**

exhibits.ticker.com

**EXHIBIT NO. 13**

---

**From:** Jerry Cohen  
**Sent:** Wednesday, April 19, 2017 12:56 PM CDT  
**To:** Daniel Namvar  
**CC:** Shaun Cohen; Shaun Cohen; Ezri Namvar  
**Subject:** Re: Shatar-Equity Build

Confirmed.

On Wed, Apr 19, 2017 at 1:37 PM, Daniel Namvar <[daniel@shatar.com](mailto:daniel@shatar.com)> wrote:  
Thank you. Need Jerry's confirmation as well.

--

Sent from my mobile device.

Daniel Namvar

Shatar Capital Inc.  
12121 Wilshire Blvd. #555  
Los Angeles, CA 90025  
W: [310.207.1000 Ext. 3](tel:310.207.1000)  
C: [310.903.3480](tel:310.903.3480)  
[daniel@shatar.com](mailto:daniel@shatar.com)  
[www.shatar.com](http://www.shatar.com)  
BRE # 01990085

On Apr 19, 2017 10:30 AM, "Shaun Cohen" <[shaun@equitybuildfinance.com](mailto:shaun@equitybuildfinance.com)> wrote:  
Confirmed

Thanks,

Shaun Cohen  
President  
EquityBuild Finance, LLC  
[shaun@equitybuildfinance.com](mailto:shaun@equitybuildfinance.com)  
Tel: [\(877\) 978-1916 x 1807](tel:(877)978-1916x1807)  
Cell: [\(215\) 407-5777](tel:(215)407-5777)  
Fax: [\(239\) 244-8666](tel:(239)244-8666)  
[www.equitybuildfinance.com](http://www.equitybuildfinance.com)

Sent from my iPhone

On Apr 19, 2017, at 12:07 PM, Daniel Namvar <[daniel@shatar.com](mailto:daniel@shatar.com)> wrote:

Shaun/Jerry



This email is to confirm our agreement that all loans from Shatar or related entities to you shall be subject to the provisions of a Heter Iska. Excluded from this agreement are loans which are exempt from ribbis. Please reply indicating your confirmation.

Thank you!

--

Sent from my mobile device.

Daniel Namvar

Shatar Capital Inc.  
12121 Wilshire Blvd. #555  
Los Angeles, CA 90025  
W: [310.207.1000 Ext. 3](tel:310.207.1000)  
C: [310.903.3480](tel:310.903.3480)  
[daniel@shatar.com](mailto:daniel@shatar.com)  
[www.shatar.com](http://www.shatar.com)  
BRE # 01990085

--

Thanks,

Jerry Cohen  
877-978-1916 Extension 11  
[www.equitybuild.com](http://www.equitybuild.com)

---

Get a signature like this. [CLICK HERE.](#)

Contact me:  jerrycohen1234

---

Get a signature like this. [CLICK HERE.](#)

**Ezri Namvar**  
**U.S. Securities and Exchange Commission v. Equitybuild, Inc.**

IN THE UNITED STATES DISTRICT COURT  
FOR THE NORTHERN DISTRICT OF ILLINOIS  
EASTERN DIVISION

UNITED STATES SECURITIES AND  
EXCHANGE COMMISSION,

Plaintiff,

vs.

EQUITYBUILD, INC., EQUITYBUILD  
FINANCE, LLC, JEROME H. COHEN  
and SHAUN D. COHEN,

Defendants.

Civil Action No.  
18-cv-5587

Hon. Manish S. Shah

Magistrate Judge  
Young B. Kim

The Zoom videoconference deposition of  
EZRI NAMVAR, called by the Defendants for  
examination, pursuant to Notice, and pursuant to  
the Rules of Civil Procedure for the United States  
District Courts pertaining to the taking of  
depositions, taken remotely before Joanne M.  
Gagliardi, a Certified Shorthand Reporter and  
Registered Professional Reporter, on November 1,  
2023, at the hour of 1:00 p.m.

REPORTED BY: Joanne M. Gagliardi, CSR, RPR

LICENSE NO.: 084-002466

JOB NO.: 21443

**Exhibit**

**11**

exhibitsticker.com

**312.345.1500**  
**847.551.3460**



**Ezri Namvar**  
**U.S. Securities and Exchange Commission v. Equitybuild, Inc.**

Page 41

1 packet. The proceeds of our loan went toward the  
2 purchase of the deal. It was a purchase money  
3 loan in every case.

4 Q. So you understood that --

5 A. This would be --

6 Q. Sorry. I didn't mean to interrupt you.  
7 What were you saying?

8 A. This maybe 100 percent doesn't apply  
9 here. What I was telling him, if you want  
10 refinancing, we've got to make sure everything is  
11 correct; but this wasn't a refinance I don't  
12 believe. Paxton was not a refinance. I think  
13 that was also purchase. But Indiana/Yates was for  
14 sure a purchase money loan.

15 Q. And you understood that the property on  
16 Yates Boulevard had closed before Shatar Capital  
17 made its loan, correct?

18 A. If you tell me that, I believe, and then  
19 we probably required as an additional security  
20 because the money he was asking wouldn't stand  
21 alone on Indiana. Just telling you my format and  
22 my thought process.

23 Q. I'm sorry. You said that you probably  
24 would have required additional security? I'm not

**312.345.1500**  
**847.551.3460**

*Precise* KRUSE

**Ezri Namvar**  
**U.S. Securities and Exchange Commission v. Equitybuild, Inc.**

Page 42

1 sure I heard you correctly.

2 A. If Indiana was a purchase money loan and  
3 he wanted 1.8 million -- I thought both of them  
4 were purchase money, but I'm going to take you at  
5 your word. If you tell me Yates had closed before  
6 this loan, then I'm telling you we probably wanted  
7 Yates as an additional security because 1.8 was  
8 too much under Indiana law based on what I would  
9 feel comfortable with a loan to valuations.

10 Q. Okay.

11 A. I don't remember those details, but I'm  
12 telling you the way I think and I conduct myself.

13 MR. DEVOOGHT: Jodi, we've been going  
14 about an hour. When you're at a good spot,  
15 do you mind if we take a short break?

16 MS. WINE: Let's go ahead and do that now  
17 since I don't have a document on the screen.  
18 We can take a -- how long would you like? I  
19 think -- there's not a big time constraint at  
20 the end of the day for me. If you don't have  
21 one, we could take ten minutes.

22 MR. DEVOOGHT: Sure, let's do ten and not  
23 do the lawyer thing and more generally make  
24 it 20. Let's make it ten, actual ten, how

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**847.551.3460**

**Ezri Namvar**  
**U.S. Securities and Exchange Commission v. Equitybuild, Inc.**

Page 61

1 Q. Let me ask you, I've seen in your  
2 signature block as well as others at Shatar  
3 Capital the letters BH before your name.

4 A. Are you Jewish? Not adversely. I'm not  
5 ask -- that means Baruch Hashem, bless God. That  
6 we do on every letter we write, every document we  
7 have.

8 Q. And why do you add that?

9 A. You want to ask me religious questions  
10 now?

11 Q. I'm asking you why you include that on  
12 your business signature block?

13 A. That would take the whole two hours for  
14 me to explain to you.

15 Q. Are you trying to convey anything in  
16 particular by including that in your signature?

17 A. No, just blessings.

18 Q. I think you testified earlier that if the  
19 loan was not a purchase money loan, that you would  
20 take different steps?

21 A. Yes, a little bit, couple of the steps  
22 would be different.

23 Q. And were any different steps taken in  
24 this case since this closing of 7749 South Yates

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**847.551.3460**

**Ezri Namvar**  
**U.S. Securities and Exchange Commission v. Equitybuild, Inc.**

Page 62

1 had occurred before the loan?

2 A. I don't recall; but if it had, it would  
3 have to do with determining that the value was  
4 there; and my friend, Kourosh, looked at it, made  
5 sure that the value is there.

6 Q. Can you now see an email marked as  
7 Exhibit 10 from you to Angie Yoo at Chicago Title  
8 and others dated March 30, 2017?

9 MR. DEVOOGHT: If the last part of -- I  
10 don't know if it's a chain.

11 MS. WINE: I'm sorry. Andy, I could not  
12 hear that.

13 MR. DEVOOGHT: Jodi, we can see the top,  
14 just the last email. It looks like it's a  
15 thread. We can see the email "What?"

16 MS. WINE: Right. I'm just trying to  
17 confirm that you can actually see the  
18 documents. I don't know about the screen --

19 MR. DEVOOGHT: You got it.

20 MS. WINE: -- because -- (simultaneous  
21 talking). At least one occasion --

22 MR. DEVOOGHT: That's true, with the  
23 directory. So I can confirm we can see the  
24 top email from Ezri, now you're scrolling.

**312.345.1500**  
**847.551.3460**

**From:** Ezri Namvar  
**To:** "Patty San Martin"; "Andrew Calleja"; "Tyler DeRoo"  
**Cc:** "Shaun Cohen"; "Daniel"; "Ioana Salajanu"  
**Subject:** RE: 5450 S Indiana Ave and 7749 S Yates Blvd - Purchase Paperwork  
**Date:** Wednesday, March 15, 2017 10:16:23 AM

---

TYLER I MUST SPEAK WITH U  
CALL ME ASAP

B"H

**Ezri Namvar**  
T: 310.873.9575  
[ezrinamvar@gmail.com](mailto:ezrinamvar@gmail.com)

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---

**From:** Patty San Martin [mailto:PSanMartin@rfclaw.com]  
**Sent:** Wednesday, March 15, 2017 9:41 AM  
**To:** Andrew Calleja <andrew@shatar.com>; 'Ezri Namvar' <ezrinamvar@gmail.com>; 'Tyler DeRoo' <tyler@equitybuild.com>  
**Cc:** 'Shaun Cohen' <shaun@equitybuildfinance.com>; 'Daniel' <Daniel@shatar.com>; Ioana Salajanu <lsalajanu@rfclaw.com>  
**Subject:** RE: 5450 S Indiana Ave and 7749 S Yates Blvd - Purchase Paperwork

Hi Andrew,

Attached you will find the following documentation:

Articles/Operating Agreement for 7749-59 S. Yates, LLC  
Closing Statement and Insurance for the Yates purchase.

5450 S. Indiana Purchase

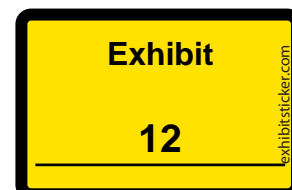
Title Commitment  
Purchase contract with amendments.

Please let me know if you have any questions.

Thank you,

*Patty*

Patricia San Martin  
Real Estate Paralegal



Rock Fusco & Connelly, LLC  
321 N. Clark Street, Suite 2200  
Chicago, Illinois 60654  
(312) 494-1000 - Telephone  
(312) 494-1001 - Facsimile  
[psanmartin@rfclaw.com](mailto:psanmartin@rfclaw.com)

---

**From:** Andrew Calleja [<mailto:andrew@shatar.com>]  
**Sent:** Tuesday, March 14, 2017 5:19 PM  
**To:** 'Ezri Namvar' <[ezrinamvar@gmail.com](mailto:ezrinamvar@gmail.com)>; Patty San Martin <[PSanMartin@rfclaw.com](mailto:PSanMartin@rfclaw.com)>; 'Tyler DeRoo' <[tyler@equitybuild.com](mailto:tyler@equitybuild.com)>  
**Cc:** 'Shaun Cohen' <[shaun@equitybuildfinance.com](mailto:shaun@equitybuildfinance.com)>; 'Daniel' <[Daniel@shatar.com](mailto:Daniel@shatar.com)>; Ioana Salajanu <[lsalajanu@rfclaw.com](mailto:lsalajanu@rfclaw.com)>  
**Subject:** RE: 5450 S Indiana Ave and 7749 S Yates Blvd - Purchase Paperwork

Hi Patty,

As per our discussion, since the purchase loan for 7749-59 S Yates Blvd was just closed today 03/14/2017. Please email to us the copy of the final closing statement for this property including the copy of the evidence of insurance.

Regards,

B"H

**Andrew Calleja**  
**Shatar Capital Partners**  
12121 Wilshire Blvd. #555  
Los Angeles, CA 90025  
**Direct Line:** 310.873.9560  
**Main Line:** 310.207.1000  
[andrew@shatar.com](mailto:andrew@shatar.com)  
[www.shatar.com](http://www.shatar.com)

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---

**From:** Ezri Namvar [<mailto:ezrinamvar@gmail.com>]  
**Sent:** Tuesday, March 14, 2017 1:19 PM  
**To:** 'Patty San Martin'; 'Andrew Calleja'; 'Tyler DeRoo'  
**Cc:** 'Shaun Cohen'; 'Daniel'; 'Ioana Salajanu'  
**Subject:** RE: 5450 S Indiana Ave and 7749 S Yates Blvd - Purchase Paperwork

One blanket loan on both properties

B"H

**Ezri Namvar**  
T: 310.873.9575  
[ezrinamvar@gmail.com](mailto:ezrinamvar@gmail.com)

**NOTICE:** This communication is not intended to provide, and should not be relied upon for real estate, legal, tax, or accounting advice; and is not a solicitation, nor an offer to buy or sell securities, nor a loan approval or commitment to engage in any business transaction. NOTHING IN THIS COMMUNICATION SHALL BE BINDING OR CONTRACTUAL. Before engaging in any transaction, you should consult your own real estate, legal, tax or accounting experts. The information contained in this message and any attachments are intended only for the use of the individual or entity to which such message is addressed and may contain information that is privileged, confidential, and exempt from disclosure under applicable law. If you have received this message in error, you are prohibited from copying, distributing, or using the information. Please contact the sender immediately by return e-mail and delete the original message from your system.

---

**From:** Patty San Martin [<mailto:PSanMartin@rfclaw.com>]  
**Sent:** Tuesday, March 14, 2017 1:04 PM  
**To:** Andrew Calleja <[andrew@shatar.com](mailto:andrew@shatar.com)>; 'Tyler DeRoo' <[tyler@equitybuild.com](mailto:tyler@equitybuild.com)>  
**Cc:** 'Ezri Namvar' <[ezrinamvar@gmail.com](mailto:ezrinamvar@gmail.com)>; 'Shaun Cohen' <[shaun@equitybuildfinance.com](mailto:shaun@equitybuildfinance.com)>; 'Daniel' <[Daniel@shatar.com](mailto:Daniel@shatar.com)>; Ioana Salajanu <[lsalajanu@rfclaw.com](mailto:lsalajanu@rfclaw.com)>  
**Subject:** RE: 5450 S Indiana Ave and 7749 S Yates Blvd - Purchase Paperwork

Hi Andrew,

Will the loan being just one for both properties or will there be two loans? Please provide me with the info for the loan so I could have the title commitment for Indiana updated.

Thank you,

*Patty*

Patricia San Martin  
Real Estate Paralegal  
Rock Fusco & Connelly, LLC  
321 N. Clark Street, Suite 2200  
Chicago, Illinois 60654  
(312) 494-1000 - Telephone  
(312) 494-1001 - Facsimile  
[psanmartin@rfclaw.com](mailto:psanmartin@rfclaw.com)

---

**From:** Andrew Calleja [<mailto:andrew@shatar.com>]  
**Sent:** Tuesday, March 14, 2017 2:48 PM  
**To:** Patty San Martin <[PSanMartin@rfclaw.com](mailto:PSanMartin@rfclaw.com)>; 'Tyler DeRoo' <[tyler@equitybuild.com](mailto:tyler@equitybuild.com)>  
**Cc:** 'Ezri Namvar' <[ezrinamvar@gmail.com](mailto:ezrinamvar@gmail.com)>; 'Shaun Cohen' <[shaun@equitybuildfinance.com](mailto:shaun@equitybuildfinance.com)>; 'Daniel' <[Daniel@shatar.com](mailto:Daniel@shatar.com)>; Ioana Salajanu <[lsalajanu@rfclaw.com](mailto:lsalajanu@rfclaw.com)>  
**Subject:** RE: 5450 S Indiana Ave and 7749 S Yates Blvd - Purchase Paperwork

Hi Patty,

Please provide the following documentations for **5450 S Indiana Ave and 7749 S Yates Blvd** so we start preparing the loan document for both properties.

1. **Fully Executed Purchase Contract/Agreement with all amendments showing the final purchase price for each properties.**
2. **Escrow Instructions**

3. Updated Prelim Report dated within 30 days
4. Vesting Information for each properties
5. LLC Document - Complete Entity Documents including Executed Operating Agreement, Filed LLC-1; LLC-12
6. Please confirm the close of escrow date for both properties.

Best Regards,

B"H

**Andrew Calleja**  
**Shatar Capital Partners**  
12121 Wilshire Blvd. #555  
Los Angeles, CA 90025  
**Direct Line:** 310.873.9560  
**Main Line:** 310.207.1000  
[andrew@shatar.com](mailto:andrew@shatar.com)  
[www.shatar.com](http://www.shatar.com)

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---

**From:** Patty San Martin [<mailto:PSanMartin@rfclaw.com>]  
**Sent:** Monday, March 13, 2017 12:37 PM  
**To:** Tyler DeRoo; Andrew Calleja  
**Cc:** Ezri Namvar; Shaun Cohen; Daniel; Ioana Salajanu  
**Subject:** RE: Indiana ave Chicago - Term Sheet and Wire

Are we creating a new LLC for Indiana? If yes, who will be the manager and member?

Thank you,

*Patty*

Patricia San Martin  
Real Estate Paralegal  
Rock Fusco & Connelly, LLC  
321 N. Clark Street, Suite 2200  
Chicago, Illinois 60654  
(312) 494-1000 - Telephone  
(312) 494-1001 - Facsimile  
[psanmartin@rfclaw.com](mailto:psanmartin@rfclaw.com)

---

**From:** Tyler DeRoo [<mailto:tyler@equitybuild.com>]  
**Sent:** Monday, March 13, 2017 2:00 PM  
**To:** Andrew Calleja <[andrew@shatar.com](mailto:andrew@shatar.com)>  
**Cc:** Ezri Namvar <[ezrinamvar@gmail.com](mailto:ezrinamvar@gmail.com)>; Shaun Cohen <[shaun@equitybuildfinance.com](mailto:shaun@equitybuildfinance.com)>; Daniel <[Daniel@shatar.com](mailto:Daniel@shatar.com)>; Ioana Salajanu <[Isalajanu@rfclaw.com](mailto:Isalajanu@rfclaw.com)>; Patty San Martin



<PSanMartin@rfclaw.com>

**Subject:** Re: Indiana ave Chicago - Term Sheet and Wire

Andrew,

Im looping in our counsel (Ioana), and her paralegal (Patty) on this.

Ioana,

Andrew who is with Ezri and Shatar, will be helping us put together the loan on 5450 S indiana and 7749 Yates. They will be funding this when we close indiana and taking a first position lien on both assets. I've attached the term sheet.

Also, we need to transfer the loan on 7024 S Paxton we closed in december into an SPV.

Let me know if there are any questions.

Tyler DeRoo  
C. 847.420.2095

On Mar 13, 2017, at 1:56 PM, Andrew Calleja <[andrew@shatar.com](mailto:andrew@shatar.com)> wrote:

Thank you. Do you have the escrow instructions and updated Prelim report for both properties?

Regards,

B"H

**Andrew Calleja**  
**Shatar Capital Partners**  
12121 Wilshire Blvd. #555  
Los Angeles, CA 90025  
**Direct Line:** 310.873.9560  
**Main Line:** 310.207.1000  
[andrew@shatar.com](mailto:andrew@shatar.com)  
[www.shatar.com](http://www.shatar.com)

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---

**From:** Tyler DeRoo [<mailto:tyler@equitybuild.com>]  
**Sent:** Monday, March 13, 2017 11:52 AM  
**To:** Ezri Namvar  
**Cc:** Andrew Calleja; Shaun Cohen; Daniel

**Subject:** Re: Indiana ave Chicago - Term Sheet and Wire

New term sheet attached.

# BACKGROUND INVESTIGATION

Thorofare Capital

---

Re: Jerome H. Cohen

**SAPIENT INVESTIGATIONS, INC.**

**MARCH 28, 2017**

**CONFIDENTIAL REPORT**

1810 14<sup>TH</sup> STREET, SUITE 201, SANTA MONICA, CA 90404 – PHONE (310) 399-8200 FAX (310) 496-2637

Exhibit

13

exhibitsticker.com

Affidavit of Service of the Complaint on Cohen and Steven A. Cohen was filed on March 20, 2017.

- Research did not identify any significant civil judgments or foreclosure actions against Cohen in the past ten years.
- In January 1995, Cohen filed the Chapter 11 Bankruptcy Petition in the U.S. Bankruptcy Court for the Eastern District of Pennsylvania (Philadelphia). On June 21, 1995, Cohen converted the bankruptcy to a Chapter 7 (liquidation) filing. The bankruptcy process was fairly lengthy. On March 2, 2000, the court approved the Trustee's report and discharged the case. Documents from the bankruptcy were not readily available.
- Cohen's credit report was reviewed. His FICO credit scores range from 677 to 738. No adverse information was reported although Cohen had "too many credit inquiries."
- No negative media or controversial Internet posts naming Cohen were identified.
- Research did not identify any sanctions against Cohen by the U.S. Securities and Exchange Commission or any other regulatory agency. Nor is he barred from doing business in any country or named on any terrorist or post-September 11 "watch list."

### 3.1.1 **Consumer Credit Report**

We reviewed Cohen's consumer credit report. His FICO credit score ranges from 677 to 738. However, all three credit rating companies indicated that Cohen had "too many credit inquiries in the last 12 months."

Cohen's credit report has little adverse information in it. Nor were any public records such as bankruptcies, judgment or foreclosures listed on his report. We note, however, that Experian and Equifax reference derogatory public record information found or collection information filed but did not specify in the credit report the nature of that information.

### 3.1.2 **Corporate Affiliations**

Research of corporate records nationwide identified several business affiliations for Cohen:

- **EquityBuild, Inc.**

Cohen is the President and Founder of EquityBuild, Inc. a Naples, Florida-based real estate investment firm that acquires real estate across the country. The company also syndicates its real estate deals to investors and markets itself as "a way for hard working people to secure their financial future" by receiving passive income from those deals.

According to the Florida Secretary of State, the company was incorporated in 2006. The company is active and good standing. Its principal address identified as Cohen's current residence, 1050 8<sup>th</sup> Avenue N., Naples, FL 34102. Cohen is listed as the Registered Agent. The subject's wife, Patricia, is named as the Secretary and Shaun Cohen is the Vice-President. The website is <https://equitybuild.com/>.

- **EquityBuild Finance, LLC.**

EquityBuild Finance, LLC. is a wholly-owned subsidiary of EquityBuild, Inc. According to court filings, EquityBuild Finance is the finance arm of EquityBuild, Inc. The FEIN number is 26-1346165. EquityBuild Finance was formed in Florida in May 2009 and is currently active. The Managing Member is EquityBuild, Inc., but the subject is the Registered Agent. The mailing address is 1083 N. Collier Blvd., #132, Marco Island, FL 34145. This is a UPS Store. The website is <http://www.equitybuildfinance.com/>.

- **Tikkun Holdings, LLC**

Tikkun Holdings, LLC is an active company that was formed in Florida on April 9, 2013. Jerry Cohen is the Managing Member and Registered Agent. The principal address is the subject's residence located at 1050 8<sup>th</sup> Avenue N., Naples, FL 34102. No FEIN number was identified. Research has not identified any additional information about this entity.

- **Yisro Holdings, LLC**

Yisro Holdings, LLC was formed in Florida on March 22, 2016. Tikkun Holdings, LLC is identified as the Registered Agent, listing the subject's residential address, 1050 8<sup>th</sup> Avenue N., Naples, FL 34102. The subject is identified as the Managing Member and Shaun Cohen is listed as the Authorized Member (AMBR). No FEIN number was identified. Research has not found any additional information about this entity.

- **Cohen Investments, LLC**

Cohen Investments, LLC was formed in Florida as a Domestic Profit entity on August 19, 2005 by Jerry Cohen who served as Managing Member and Registered Agent. No FEIN number was found. The company was dissolved on September 26, 2008.

- **Petrolube, Inc.**

Petrolube, Inc. was formed in Florida a Domestic Profit entity on July 24, 2006. Cohen was the President and Registered Agent. No FEIN number was found. The company was dissolved on September 14, 2007.

- **Cover Your Assets, Inc.**

Cover Your Assets, Inc. was formed in Florida in 2006. The subject held the positions of Vice President and Registered Agent, while his son, Shaun, held the position of President and Secretary. No FEIN number was identified. The company was dissolved on September 14, 2007 (the same day as the dissolution of Petrolube).

Cohen has also been affiliated with the following companies, many of which appear to be single purpose real estate entities. Below is a list with an emphasis on companies that are active:

- **7823 Essex LLC** (IL, 2014, Active)
- **1422 E68 LLC** (IL, 2014, Active)
- **1632 Shirley LLC** (FL, 2015, Active)
- **Rebuilding America International LLC** (FL, 2014, Active)
- **Rebuilding America February 14 LLC** (FL, 2014, Active)
- **Rebuilding America March 14 LLC** (FL, 2014, Active)

As noted, some individuals have critiqued EquityBuild's business model on the Internet on such websites as [biggerpockets.com](http://biggerpockets.com) and [scamgroup.com](http://scamgroup.com). Some suggest that they fear EquityBuild's promises may be too good to be true. Several people within the last 12 months have suggested that the company's payments to investors are slow and communication is poor, while others are very happy. There is nothing in the comments that suggests systemic problems.

### 3.2 LITIGATION

Research of public records for criminal, civil, and bankruptcy records naming Cohen was focused the jurisdictions where the subject has lived and conducted business since 1990: Collier County and Palm Beach County, Florida; Philadelphia County, Carbon County, Montgomery County and Delaware County, Pennsylvania; Cook County, Illinois and Monmouth County, New Jersey.

#### Criminal

Research of federal courts did not identify any criminal records naming Cohen.

Research identified a felony case #11-1993-CF-001754-AXX-XX filed in Collier County, Florida against "Jerome Harvey Cohen" on November 3, 1993. The Docket Sheet identified the offense as "fugitive from justice" warrant that originated in Philadelphia, Pennsylvania. The offense date is listed as November 1, 1993. The case was dismissed on November 15, 1993. Please note that the date of birth listed on the Docket Sheet is October 4, 1954, which is one year different from the subject's October 4, 1953. The Collier County Clerk has no further information about this case. An in-person file request in Philadelphia would be required to identify additional information.

According to the Florida Department of Motor Vehicles, Cohen has valid driver's license that was issued by the on March 1, 2016 with an expiration date of October 4, 2024. The Florida DMV reported the subject's birth date as October 4, 1954, which is different from the subject's provided birth date of October 4, 1953.

Cohen's three-year driving record has the following violation on it:

- A September 2015 expired vehicle registration ticket was issued by the Naples (FL) Police Department. Cohen pleaded guilty and paid all related fines.

Philadelphia County, Pennsylvania

The majority of civil litigation filed against the subject is located in Philadelphia County. There are hundreds of civil records pertaining to “Jerome H. Cohen” or “Jerry H. Cohen.” Again most of it dates to the 1990s. The recent or significant cases include:

- *Gerald Rhoades v. Jerry H. Cohen, Steven A. Cohen and Jeffrey M. Kleinbart*, case number 060801796, filed on August 17, 2006. This involves a case in equity; specifically, the filing of a Lis Pendens lien against the property located at 2010 E. Hazzard Street, Philadelphia, PA 19125. A Discontinuance was ordered on November 22, 2006.
- *City of Philadelphia v. Jerry H. Cohen and Steven A. Cohen*, case number 041000853, filed on October 6, 2004. This involves a case in equity where the defendants allegedly failed to abate a lead hazard. The court ordered an injunction and a fine of \$5,000 on December 7, 2004.
- *City of Philadelphia v. Jerry H. Cohen*, case number 001002627, filed on October 19, 2000. This involves a case in equity where the subject allegedly failed to abate a lead hazard. The court ordered an injunction and two fines: one for \$5,000 for the subject’s failure to appear at the hearing and another \$5,000 to abate the lead hazard.
- *Bankers Trust Co of CA NA v. Jerome H. Cohen, Steven A. Cohen, and Jeffrey Kleinbart*, case number 000200007, filed on February 7, 2000. The case type is ejection. The case was administratively terminated due to inactivity on March 30, 2009 and the file was destroyed on September 27, 2012.

Cook County, Illinois

- *Jonathan Yates v. EquityBuild and Jerry Cohen*, case number 2013-M1-154988, filed on October 7, 2013. The case type is contract. The plaintiff requested \$8,200 in damages. The case was apparently settled and dismissed for want of prosecution on May 27, 2016.
- *Ryan Lam v. EquityBuild, Inc., Shaun Cohen, Hard Money Co LLC, LAMS Investment Group, Jerry Cohen, EquityBuild Finance LLC, Ryan Lams*, case number 2011-L-003113, filed on March 23, 2011. The case type is contract and the damages requested are



\$50,000. EquityBuild filed a Cross Complaint on July 19, 2011. The case appears to have been settled. It was last active in July 2015.

#### Collier County, Florida

- *State of Florida Office of Financial Regulation v. EquityBuild, Inc., EquityBuild Finance LLC, Jerome H. Cohen AKA "Jerry Cohen,"* case number 11-2013-CA-003175-0001-XX, filed on November 19, 2013. The case type is "other circuit civil." The case is listed as disposed. A hearing was scheduled for March 4, 2014, but was cancelled. It was not rescheduled. Further details regarding this case were not immediately available.
- *Collier 2 Way Communications Inc., v. Global 2 Way Com Inc., Jerome H. Cohen, Collier2way, Inc., et al,* case number 11-2005-CA-001455-0001-XX, filed on September 2, 2005 in Collier County, Florida. The case type is contract/indebtedness. The case was disposed. The case file was not immediately available.
- *Dhfm Communications LLC v. Global 2 Way Com Inc., Jerome H. Cohen, et al,* case number 11-2004-CA-00566-0001-XX, filed on November 22, 2004 in Collier County, Florida. The case type is real property mortgage foreclosure. The case was consolidated on February 28, 2005. The case file was not immediately available.
- *Dina Schleifer v. Global 2-Way.com Inc. and Jerome H. Cohen,* case number 11-2004-CA-001197-0001-XX, filed on March 5, 2004. The case type is auto negligence. The case is disposed. Further details regarding this case were not immediately available.
- *Francis Zakaria v. Global 2 Way Com Inc. and Jerome H. Cohen,* case number 11-2004-CA-000897-0001-XX, filed on 02/20/2004. The case type is auto negligence. The case is disposed. Further details regarding this case were not immediately available.

#### 3.2.1 **Bankruptcy Records and Tax Liens**

Research of U.S. Bankruptcy Courts nationwide identified the following bankruptcy petitions filed by Cohen:

- On September 16, 1994, Cohen filed a voluntary Petition for Chapter 11 Bankruptcy in the U.S. Bankruptcy Court for the Middle District of Florida (Ft. Myers). The case was terminated on January 19, 1995 and was transferred to the U.S. Bankruptcy Court for the Eastern District of Pennsylvania (Philadelphia).
- On January 23, 1995, Cohen filed the Chapter 11 Bankruptcy Petition in the U.S. Bankruptcy Court for the Eastern District of Pennsylvania (Philadelphia). On June 21, 1995, Cohen converted the bankruptcy to a Chapter 7 (liquidation) filing. The bankruptcy process was fairly lengthy. On March 2, 2000, the court approved the Trustee's report and discharged the case.

Research of federal and state records identified numerous tax liens against Cohen. We have included the most recent cases for review. Please advise if information about the historical liens is requested.

- On March 22, 2017, the City of Philadelphia filed a Real Estate Tax Lien Petition against Commercial General Mortgage and Jerry Cohen in the amount of \$5,447.17 in connection with the property located at 3046 Ruth Street. A hearing is scheduled for July 5, 2017.
- On March 16, 2017, the City of Philadelphia filed a Real Estate Tax Lien Petition against Jerry H. Cohen and Steven A. Cohen in the amount of \$8,051.27 in connection with the property located at 20 South Ruby Street. A hearing is scheduled for June 20, 2017.
- On January 23, 2017, the City of Philadelphia filed a Real Estate Tax Lien Petition against Jerry H. Cohen and Steven A. Cohen in the amount of \$11,811.37 in connection with the property located at 3857 Reno Street. An Affidavit of Service of the Complaint on Cohen and Steven A. Cohen was filed on March 1, 2017.
- On December 30, 2016, the City of Philadelphia filed a Real Estate Tax Lien Petition against Jerry H. Cohen and Steven A. Cohen in the amount of \$14,203.47 in connection with the property located at 4976 Kershaw Street. An Affidavit of Service of the Complaint on Cohen and Steven A. Cohen was filed on March 20, 2017.
- On September 21, 2016, the City of Philadelphia filed a Real Estate Tax Lien Petition against Jerry H. Cohen and Steven A. Cohen, the Commonwealth of Pennsylvania

Research did not identify any regulatory sanctions or formal actions against Cohen by the U.S. Securities and Exchange Commission or any other state or federal regulatory agency.

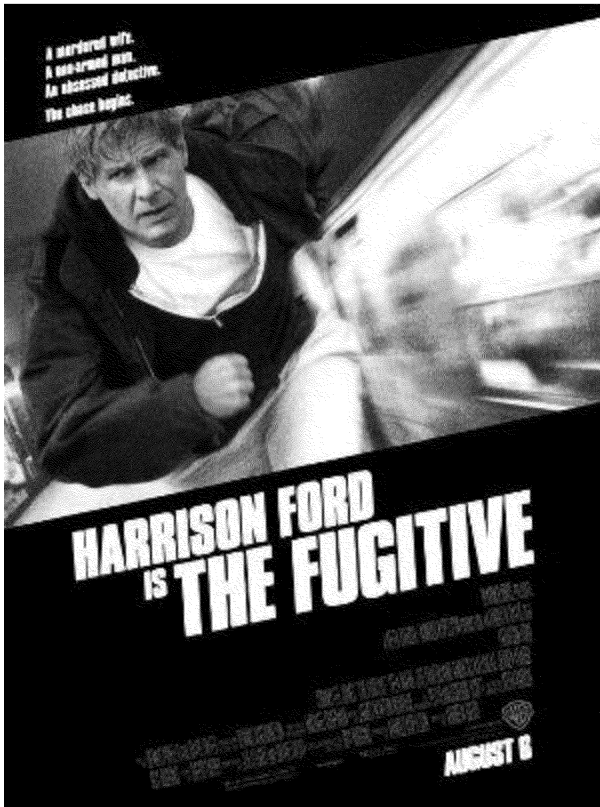
### 3.2.3 **OFAC and International Terrorist Watch Lists**

Cohen was not identified on any terrorist or post-September 11 “watch” lists and is not barred from doing business in any country.

Database research used to obtain this information includes research of relevant national and international organizations including, but not limited to, Financial Services Authorities, OFAC (Office of Foreign Assets Control), Interpol, as well as national and international media sources.

**From:** Tyler Johnson [tyler.johnson@thorofarecapital.com]  
**Sent:** 3/29/2017 10:49:18 AM  
**To:** Andrew Kim [andrew.kim@thorofarecapital.com]  
**Subject:** RE: Background Report - Jerome Cohen

"Fugitive from justice"??



**From:** David Cogan [mailto:dcogan@sapientpi.com]  
**Sent:** Wednesday, March 29, 2017 10:42 AM  
**To:** Andrew Kim <andrew.kim@thorofarecapital.com>  
**Cc:** Tyler Johnson <tyler.johnson@thorofarecapital.com>  
**Subject:** Re: Background Report - Jerome Cohen

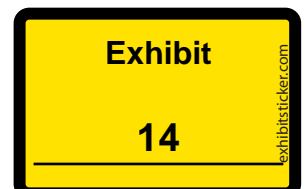
Andrew

Attached is the background report on Jerome "Jerry" Cohen.  
Forgive me. I forgot to send this over yesterday.  
Let me know if you have any questions.

David

On Fri, Mar 24, 2017 at 9:40 AM, Andrew Kim <[andrew.kim@thorofarecapital.com](mailto:andrew.kim@thorofarecapital.com)> wrote:

Please see credit report / driver's license attached.



**From:** Andrew Kim  
**Sent:** Wednesday, March 22, 2017 9:02 AM  
**To:** 'David Cogan' <[dcogan@sapientpi.com](mailto:dcogan@sapientpi.com)>  
**Cc:** Tyler Johnson <[tyler.johnson@thorofarecapital.com](mailto:tyler.johnson@thorofarecapital.com)>  
**Subject:** RE: Background Report - Jerome Cohen

Yes, thank you.

---

**From:** David Cogan [<mailto:dcogan@sapientpi.com>]  
**Sent:** Wednesday, March 22, 2017 9:02 AM  
**To:** Andrew Kim <[andrew.kim@thorofarecapital.com](mailto:andrew.kim@thorofarecapital.com)>  
**Cc:** Tyler Johnson <[tyler.johnson@thorofarecapital.com](mailto:tyler.johnson@thorofarecapital.com)>  
**Subject:** Re: Background Report - Jerome Cohen

Ok is this a rush job?

On Mar 22, 2017, at 8:46 AM, Andrew Kim <[andrew.kim@thorofarecapital.com](mailto:andrew.kim@thorofarecapital.com)> wrote:

Hi David,

Please see attached credit check authorization form for Jerome Cohen. We'd like to order a background report on him. I'll get you his driver's license & credit reports once available.

Thanks,

**Andrew Kim**

Associate Director, Origination

O 213.873.4011

C 909.802.0818

E [andrew.kim@thorofarecapital.com](mailto:andrew.kim@thorofarecapital.com)

vCard | [LinkedIn](#) | [Twitter](#)

**Thorofare Capital, Inc.**

633 West Fifth Street, Suite 2200

Los Angeles, California 90071

[Directions](#) | [Website](#) | BRE# 01940861

<Credit Check Authorization - Jerome Cohen.pdf>

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David Cogan, CFE  
Managing Director  
Sapient Investigations, Inc.  
1810 14th Street, Suite 201  
Santa Monica, CA 90404  
(310) 399-8200 office  
(310) 452-0959 mobile  
(310) 496-2637 fax  
[www.sapientinvestigations.com](http://www.sapientinvestigations.com)

**From:** Andrew Kim [andrew.kim@thorofarecapital.com]  
**Sent:** 3/29/2017 5:38:54 PM  
**To:** Stephen Lee [slee@thebscgroup.com]; Tyler DeRoo [tyler@equitybuild.com]  
**CC:** Tyler Johnson [tyler.johnson@thorofarecapital.com]; Brendan Miller [brendan@thorofarecapital.com]  
**Subject:** Jerry Cohen Background Report

Steve/Tyler – Background report came from Jerry Cohen and a few things popped up. Can we discuss the topics highlighted below? Also, please send us a letter of explanation if available.

Research identified that Cohen has been the subject of at least 10 property tax liens by the City of Philadelphia, PA in the past calendar year. The active tax liens against Cohen include:

- o On March 22, 2017, the City of Philadelphia filed a Real Estate Tax Lien Petition against Commercial General Mortgage and Jerry Cohen in the amount of \$5,447.17 in connection with the property located at 3046 Ruth Street. A hearing is scheduled for July 5, 2017.

- o On March 16, 2017, the City of Philadelphia filed a Real Estate Tax Lien Petition against Jerry H. Cohen and Steven A. Cohen in the amount of \$8,051.27 in connection with the property located at 20 South Ruby Street. A hearing is scheduled for June 20, 2017.

- o On January 23, 2017, the City of Philadelphia filed a Real Estate Tax Lien Petition against Jerry H. Cohen and Steven A. Cohen in the amount of \$11,811.37 in connection with the property located at 3857 Reno Street. An Affidavit of Service of the Complaint on Cohen and Steven A. Cohen was filed on March 1, 2017.

- o On December 30, 2016, the City of Philadelphia filed a Real Estate Tax Lien Petition against Jerry H. Cohen and Steven A. Cohen in the amount of \$14,203.47 in connection with the property located at 4976 Kershaw Street. An Affidavit of Service of the Complaint on Cohen and Steven A. Cohen was filed on March 20, 2017.

- In January 1995, Cohen filed the Chapter 11 Bankruptcy Petition in the U.S. Bankruptcy Court for the Eastern District of Pennsylvania (Philadelphia). On June 21, 1995, Cohen converted the bankruptcy to a Chapter 7 (liquidation) filing. The bankruptcy process was fairly lengthy. On March 2, 2000, the court approved the Trustee's report and discharged the case. Documents from the bankruptcy were not readily available.

Research identified a felony case #11-1993-CF-001754-AXX-XX filed in Collier County, Florida against "Jerome Harvey Cohen" on November 3, 1993. The Docket Sheet identified the offense as "fugitive from justice" warrant that originated in Philadelphia, Pennsylvania. The offense date is listed as November 1, 1993. The case was dismissed on November 15, 1993. Please note that the date of birth listed on the Docket Sheet is October 4, 1954, which is one year different from the subject's October 4, 1953. The Collier County Clerk has no further information about this case. An in-person file request in Philadelphia would be required to identify additional information.

Regards,

**Andrew Kim**  
Associate Director, Origination

o 213.873.4011  
c 909.802.0818  
E andrew.kim@thorofarecapital.com  
vCard | LinkedIn | Twitter

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