

UNITED STATES DISTRICT COURT
NORTHERN DISTRICT OF ILLINOIS
EASTERN DIVISION

UNITED STATES SECURITIES AND
EXCHANGE COMMISSION,

Plaintiff,

v.

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

Defendants.

Civil Action No.: 18-CV-5587

Hon. John Z. Lee

Magistrate Judge Young B. Kim

**VENTUS HOLDINGS, LLC'S SUPPLEMENTAL REPLY TO RECEIVER'S EIGHTH
MOTION TO CONFIRM SALE OF CERTAIN REAL ESTATE**

Ventus Holdings, LLC ("Ventus"), through its attorney, Michael B. Elman & Associates, Ltd., for its Supplemental Reply to Receiver's Eighth Motion to Confirm Sale of Certain Real Estate, states as follows:

1. The real estate that is the subject of this motion consists of three (3) parcels, (i) 6949-59 South Merrill, (ii) 7600-10 South Kingston and (iii) 7656-58 South Kingston, all in Chicago, Illinois (collectively the "Properties").
2. The remedies sought by Ventus through its objection are:
 - A. Re-instatement of the Ventus contracts;
 - B. Grant Ventus a short period of time to secure its financing; and
 - C. Direct the Receiver to close the sale of the Properties to Ventus.
3. In the event the Court denies the Receiver's eighth motion to confirm and grants the relief requested by Ventus, it is anticipated that the Court will grant Ventus a limited period of time to secure financing.

4. Attached to this supplemental reply as Exhibit A is the Affidavit of Zachary Elman, a member/manager of Ventus, wherein he states that Ventus is working diligently with its lender to secure the financing necessary to purchase the properties (Aff. pars 1 & 2).

5. The only loan contingencies remaining pre-requisite to loan approval are; (i) a re-certification of an existing appraisal – a new appraisal is not necessary; (ii) review of the most recent financial records for the Properties; and (iii) re-instatement of the contracts.

6. Ventus is making every effort to comply with all lender requirements so that the loan will be cleared to close in a timely manner (Aff. par.3).

7. Ventus cannot provide its lender with the most recent financial records for the Properties because the Receiver's representatives refuse to provide these financial records and will do so only if the Court denies the Receiver's motion to confirm (Aff. par. 4).

8. The Receiver's refusal to provide Ventus with the financial records could jeopardize Ventus' ability to secure the financing to close in a timely manner solely due to the Receiver's conduct.

10. In the event the Court denies the Receiver's motion and orders reinstatement of the Ventus contracts, Ventus can secure financing in a very short amount of time and the Receiver's refusal to provide the requested financial records may interfere with Ventus' efforts to secure financing in conformity with any order of court that may be entered (Aff. par. 5).

11. The reason Ventus' financing was originally denied was due solely to the Covid-19 pandemic (Aff. par. 6).

12. The real estate market has absorbed the initial shock of the pandemic and real estate values are again at pre-pandemic levels (Aff. par.7).

13. The Receiver has recently accepted bids for properties belonging to the receivership estate as follows:

A. 816 E. Marquette: list price \$700,000 – bid price approximately \$800,000;

B. 6217 S. Dorchester: list price \$1,750,000 – bid price approximately \$2,000,000;

C. 4611 S. Drexel: list price \$3,300,000 – bid price approximately \$5,000,000;

D. 7024 S. Paxton: list price \$1,550,000 – bid price close to \$5,000,000;

E. 4750 S. Indiana: list price \$570,000 – bid price \$697,000.

(Aff. par. 8).

14. Each one of the above bids was over list price.

15. The new bids accepted by the Receiver for the Properties reflect the fair market value of the Properties based on the Covid-19 pandemic while the bids offered by Ventus reflect the true fair market of the Properties (Aff. par. 9).

16. By this supplemental objection Ventus wants to emphasize to the Court that: (i) Ventus is making every effort to secure its financing but its efforts are being hindered due to the conduct of the Receiver; and (ii) if the Receiver's motion is granted, the receivership estate will not receive the true fair market value for the Properties.

WHEREFORE, Intervenor, Ventus Holdings, LLC respectfully requests that the Court enter an order:

- A. Directing the Receiver to provide to Ventus the financial records for the Properties necessary for Ventus to secure its financing; and
- B. Denying the Receiver's eighth motion to confirm, reinstate the Ventus contracts and schedule a closing date as soon as reasonably possible.

Respectfully Submitted,

s/Michael B. Elman
Attorney for Ventus Holdings, LLC

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Chicago, Illinois 60603
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CERTIFICATE OF SERVICE

I hereby certify on August 14, 2020, the undersigned electronically filed this Supplemental Objection of Intervenor Ventus Holdings, LLC to Receiver's Eighth Motion to Confirm Sale of Certain Real Estate with the Clerk of the United States District Court for the Northern District of Illinois, via the CM/ECF system and copies thereof were served to counsel of record via the CM/ECF system.

/s/ Michael B. Elman
Attorney for Ventus Holdings, LLC

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EXHIBIT A

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AFFIDAVIT OF ZACHARY D. ELMAN

I, Zachary D. Elman, being duly sworn upon my oath, depose and state as follow:

1. Affiant is a member-manager of Ventus Holdings, LLC ("Ventus").
2. Ventus has been working diligently with its lender and the only contingencies remaining with the lender to close are: (i) a re-certification of an existing appraisal (not a new appraisal), (ii) review of the most recent financial records for each of the properties and (iii) re-instatement of the contracts. The lender will not complete the loan re-certification process until the Ventus contracts are reinstated.
3. Ventus is making every effort to comply with all lender requirements so that the loan will be cleared to close in a timely manner.
4. Ventus cannot provide its lender with the most recent financial records for the properties because the Receiver's representatives refuse to provide these financial records and will do so only if the Court denies the receiver's motion to confirm.

5. In the event the Court denies the Receiver's motion and orders reinstatement of the Ventus contracts, Ventus can secure financing in a very short amount of time and the Receiver's refusal to provide the requested financial records may interfere with Ventus' efforts to secure financing in conformity with any court order that may be entered.

6. The reason Ventus' financing was denied was due solely to the Covid-19 pandemic.

7. The real estate market has absorbed the initial shock of the pandemic and real estate values are again at pre-pandemic levels.

8. The Receiver has recently accepted the following bids:

A. 816 E. Marquette: list price \$700,000 – bid price approximately \$800,000

B. 6217 S. Dorchester: list price \$1,750,000 – bid price approximately \$2,000,000;

C. 4611 S. Drexel: list price \$3,300,000 – bid price close to \$5,000,000;

D. 7024 S. Paxton: list price \$1,550,000 – bid price \$1,775,000; and

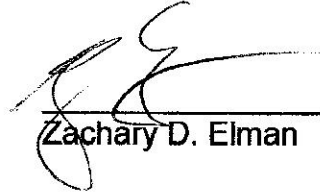
E. 4750 S. Indiana: list price \$570,000 – bid price \$697,000.

9. In the opinion of Affiant, the new bids accepted by the Receiver for the properties relating to the Receiver's eighth motion to confirm reflect fair market value of the properties based on the Covid-19 pandemic while the bids offered by Ventus reflect the true fair market value of the properties.

10. If asked to testify under oath, Affiant would testify to the same facts as those

stated herein.

AFFIANT FURTHER SAYETH NOT.



Zachary D. Elman

SUBSCRIBED AND SWORN TO
before me this 14 day of August, 2020.



Notary Public

