

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.

Case No. 1:18-cv-5587

Hon. John Z. Lee

**CORRECTED ORDER APPROVING DISTRIBUTION OF PROCEEDS
OF THE SALES OF TWENTY-SIX PROPERTIES**

WHEREAS, this matter came before the Court on the Joint Motion filed by the Receiver and Midland Loan Services, a Division of PNC Bank, N.A. as servicer for Colony American Finance 2015-1 and Midland Loan Services, a Division of PNC Bank, N.A. as servicer for Wilmington Trust, N.A., as Trustee for the Benefit of Corevest American Finance 2017-1 Trust Mortgage Pass-Through Certificates (collectively, “Midland”) to Approve Distributions of Proceeds from the Sales of Twenty-Six Midland Single Claim Properties (Dkt. 1289) (the “Motion”);

WHEREAS, pursuant to the Court’s order entered August 10, 2022, objections to the relief requested in the Motion were due by August 24, 2022 (Dkt. 1290);

WHEREAS, no objections have been filed;

WHEREAS, the twenty-six properties identified on Exhibit 1 hereto (collectively, the “Subject Properties”) are each subject to a claim submitted by Midland in connection with the Court’s approved claims process (Dkt. 349, 574), and from no other claimant except the City of

Chicago with respect to two of the properties, 8517 S Vernon Avenue and 9610 S Woodlawn Avenue (Dkt. 1164, Ex. 6 at 12-13).

WHEREAS, pursuant to the Court's order entered April 12, 2021 (Dkt. 967), the Receiver sold the Subject Properties free and clear of all liens including but not limited to the mortgages serviced by Midland, and the net proceeds of sale in the amounts listed were deposited into separate interest-bearing accounts held by the Receiver, and additional deposits have been made into the account corresponding to the Receiver's second restoration motion (Dkt. 796), post-sale reconciliation of the property manager's accounts, adjustments relating to insurance premiums, and monthly interest, as described in the Receiver's status reports (Dkt. 839 at Ex. 3, Dkt. 930 at Ex. 2; Dkt. 985 at Ex. 2; Dkt. 1017 at Ex. 3; Dkt. 1077 at Ex. 3; Dkt. 1164 at Ex. 2; Dkt. 1243 at Ex. 2; Dkt. 1280 at Ex. 1), leaving current balances in the separate accounts as set forth on Exhibit A to the Motion;

WHEREAS, the Receiver, Midland, and the City of Chicago have agreed to a distribution plan whereby the amount of the distribution to the City of Chicago will be \$841.94 for its claim against the proceeds from the sale of 8517 S Vernon, and \$431.13 for its claim against the proceeds from the sale of 9610 S Woodlawn;

WHEREAS, the Receiver, Midland, and the City have agreed to a distribution plan whereby the amount of the distribution to Midland or its nominee for each of the Subject Properties corresponds to the current balance in each separate property account following: (i) payment to the Receiver's law firm for uncontested fees allocated to the property (constituting actual fee allocations for submitted fee applications through the First Quarter of 2022, plus estimated fee allocations for the Second and Third quarters of 2022, minus a credit for agency fees paid to the Receiver's counsel); (ii) reimbursement to the Receiver's account for (a) net insurance premiums

paid for the property (after applying a credit for any refunds), (b) the property's allocated share of the cost for newspaper publication associated with the property's sale, (c) property inspections, (d) a FedEx charge, and (e) the property's allocated share of costs associated with a tax appeal; (iii) distributions to City of Chicago in satisfaction of its claims against the properties located at 8517 S Vernon Avenue and 9610 S Woodlawn Avenue, and (iv) the deposit of pro-rated interest earned through the date of distribution. *See* Exhibits A and B to Motion.

WHEREAS, Midland has agreed subject to the entry of this Order, to withdraw its objections with respect to the Subject Properties to the Receiver's lien entered by the Court (Dkt. 1030) and to the Receiver's pending fee allocation motion (Dkt. 1107);

WHEREAS, the Receiver, Midland, and the City of Chicago have agreed that the distributions approved in this Order resolve all disputes between and among them with respect to the Subject Properties; and

WHEREAS, Midland and the City of Chicago have agreed that they will not seek appeal from any rulings associated with the Subject Properties.

NOW, THEREFORE, the Court, having considered the Motion and the record of this receivership case and being otherwise duly advised in the premises, hereby finds and ORDERS:

1. The Motion is GRANTED.
2. The agreed distribution plan proposed in the Motion is reasonable, fair and equitable.
3. Adequate and fair notice has been provided to all interested and potentially interested parties (including lienholders in the chain of title) of the claims process, the Receiver's proposed fee allocations, the Receiver's Initial Position Statement Regarding Single Claim

Properties, and the Motion, and that each interested or potentially interested party has had a full and fair opportunity to assert its interests and any objections.

4. The Court approves the portion of the attorneys' fees set forth in the Receiver's 13th, 14th, 15th and 16th fee applications (Dkt. 1087, 1186, 1256, 1293) that the Receiver has allocated to the Subject Properties, and the Court further approves the payment of estimated attorneys' fee allocations to the Subject Properties for the Second and Third Quarters of 2022.

5. No later than ten (10) business days after entry of this order, the Receiver shall disburse the following amounts:

- a) \$2,345,430.43 plus any additional accrued interest on the Receiver's separate accounts for the Subject Properties to Midland or its nominee, in satisfaction of its claims against the Subject Properties;
- b) \$1,273.07 to the City of Chicago, in satisfaction of its claims against 8517 S Vernon Avenue and 9610 S Woodlawn Avenue;
- c) \$426,777.74 to Rachlis Duff & Peel, LLC in satisfaction of the receiver's lien against the Subject Properties;
- d) \$62,895.38 reimbursement to the Receiver's operating account for payments made with respect to the Subject Properties' for (a) insurance premiums (after credits for insurance refunds applied), (b) newspaper publication associated with the property's sale, (c) property inspections, (d) a FedEx charge, and (e) the property's allocated share of costs associated with a tax appeal.

Entered: 8/30/22



John Z. Lee

United States District Court Judge

Prop #	PROPERTY ADDRESS	Net Distribution to Rachlis, Duff & Peel LLC	Net Distribution to Receiver for Cost Reimbursements	Distribution to City of Chicago	Distribution to Midland or Its Nominee
16	1017 W 102nd Street	\$ 15,976.44	\$ 1,917.42		\$ 88,068.07
17	1516 E 85th Place	\$ 18,152.22	\$ 2,566.61		\$ 89,429.36
18	2136 W 83rd Street	\$ 15,126.89	\$ 3,182.28		\$ 83,630.19
19	417 Oglesby Avenue	\$ 17,629.18	\$ 2,282.45		\$ 81,907.09
20	7922 S Luella Avenue	\$ 17,335.34	\$ 2,124.40		\$ 123,677.02
21	7925 S Kingston Avenue	\$ 15,977.26	\$ 2,014.67		\$ 70,243.03
23	8030 S Marquette Avenue	\$ 15,544.28	\$ 2,293.66		\$ 63,212.12
24	8104 S Kingston Avenue	\$ 16,098.92	\$ 2,793.59		\$ 131,571.10
25	8403 S Aberdeen Street	\$ 16,616.33	\$ 2,308.40		\$ 96,819.19
27	8529 S Rhodes Avenue	\$ 16,012.73	\$ 2,705.65		\$ 115,918.79
29	9212 S Parnell Avenue	\$ 14,976.79	\$ 1,907.10		\$ 81,725.13
30	10012 S LaSalle Avenue	\$ 15,379.93	\$ 1,939.54		\$ 70,322.26
31	11318 S Church Street	\$ 16,847.81	\$ 2,470.56		\$ 107,356.93
32	3213 S Throop Street	\$ 19,774.90	\$ 3,379.95		\$ 114,618.97
34	406 E 87th Place	\$ 15,125.74	\$ 2,550.22		\$ 82,209.88
36	6554 S Rhodes Avenue	\$ 16,607.34	\$ 2,946.38		\$ 67,803.66
37	6825 S Indiana Avenue	\$ 15,897.84	\$ 2,988.45		\$ 108,733.07
38	7210 S Vernon Avenue	\$ 16,522.44	\$ 2,958.70		\$ 42,110.97
39	7712 S Euclid Avenue	\$ 17,089.99	\$ 2,066.27		\$ 111,971.11
41	8107 S Kingston Avenue	\$ 16,061.67	\$ 2,323.11		\$ 79,914.89
42	8346 S Constance Avenue	\$ 16,124.07	\$ 1,890.98		\$ 118,327.77
43	8432 S Essex Avenue	\$ 15,555.36	\$ 1,849.64		\$ 117,124.00
44	8517 S Vernon Avenue	\$ 17,889.71	\$ 2,066.27	\$ 841.94	\$ 112,550.90
45	2129 W 71st Street	\$ 16,299.78	\$ 1,899.70		\$ 45,972.17
46	9610 S Woodlawn Avenue	\$ 18,105.41	\$ 2,279.60	\$ 431.13	\$ 67,059.23
48	6759 S Indiana Avenue	\$ 14,049.36	\$ 3,189.78		\$ 73,153.54
	TOTALS	\$ 426,777.74	\$ 62,895.38	\$ 1,273.07	\$ 2,345,430.43