

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. Manish S. Shah

**ORDER APPROVING DISTRIBUTION OF PROCEEDS FROM  
THE SALE OF 5437 S LAFLIN**

WHEREAS, this matter came before the Court on the Motion filed by 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”) for Adjudication of Single Claim Status and Distribution Regarding Property No. 47 (Dkt. 1330), (the “Motion”);

WHEREAS, pursuant to the Court’s order entered November 9, 2022, objections to the relief requested in the Motion were due by November 30, 2022 (Dkt. 1331);

WHEREAS, Kevin B. Duff, as 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, filed a response stating that he does not object to Midland’s Motion;

WHEREAS, pursuant to the Court’s order entered April 12, 2021 (Dkt. 967), the Receiver sold 5437 S Laflin free and clear of all liens including but not limited to the mortgage serviced by Midland, and the net proceeds of sale was deposited into a separate interest-bearing account held by the Receiver, and additional deposits have been made into the account for post-sale reconciliation of

the property manager's accounts, and adjustments for 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 a current balance of \$45,907.99 as of October 31, 2022;

WHEREAS, for the reasons stated in his response, the Receiver agrees that Midland holds the only claim secured by Property No. 47 (5437 S Laflin), and accordingly that the balance of the segregated account holding the proceeds of the sale of that property, less the amount of the Receiver's lien and the reimbursement of certain property-related expenses paid from the Receiver's general operating account, should be paid to Midland;

WHEREAS, the Receiver has calculated that the Total fees allocated to 5437 S Laflin are \$15,996.06, consisting of (a) \$14,661.04 of fees allocated to this property that previously have been approved by the Court (i.e., the fees set forth in fee applications 1-16, covering the period through June 30, 2022); (b) \$1,322.52 of fees allocated to this property in the Receiver's pending 17th fee application (covering the period from July 1, 2022 to September 30, 2022), and (c) \$1,500 that the Receiver estimates has or will be incurred subsequent to October 1, 2022 for counsel's work with the Court on the negotiation of potential settlements, responding to Midland's motion, and preparing distributions pursuant to this Order;

WHEREAS, the net amount of \$8,683.31 is reimbursable to the Receiver's account for expenses paid by the Receiver for the benefit of 5437 S Laflin, primarily for insurance premiums (as offset by a credit for insurance refunds received) and two payments to the property manager for items such as property management fees, property taxes, utilities, etc. that exceeded the net income for the property in March 2019 and May 2020;

WHEREAS, after these sums are deducted from the current balance held in the segregated property account, a total of \$21,228.52 is currently available to distribute to Midland in satisfaction

of its claim against Property 47;

WHEREAS, Midland has agreed subject to the entry of this Order, to withdraw its objections with respect to the Property No. 47 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 and Midland have agreed that the distributions approved in this Order resolve all disputes between and among them with respect to Property No. 47; and

WHEREAS, Midland has agreed that it will not seek appeal from any rulings associated with Property No. 47.

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 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, 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 fees set forth in the Receiver's 17th fee application (Dkt. 1332) that the Receiver has allocated to Property No. 47, and the Court further approves the payment of estimated fee allocations to Property No. 47 for the Fourth Quarter of 2022.
5. No later than ten (10) business days after entry of this order, the Receiver shall disburse the following amounts:
  - a) \$15,996.06 to RDP for fees and costs set forth in the Receiver's 1st through 17th fee applications that have been allocated to this property pursuant to the

receiver's lien approved by the Court, plus an estimated amount for fees incurred and to be incurred in the fourth quarter of 2022;

- b) \$8,683.31 to the Receiver's Account for reimbursement of property-related expenses paid by the Receiver; and
- c) \$21,228.52, plus any pro rata interest earned as of the distribution date, as a distribution to Midland in satisfaction of its claim against Property 47.

Entered:



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Manish S. Shah  
United States District Court Judge

Date: December 28, 2022